REPORT OF AUDIT

TOWNSHIP OF HARDYSTON

COUNTY OF SUSSEX

DECEMBER 31, 2022

TOWNSHIP OF HARDYSTON, N.J.

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TOWNSHIP OF HARDYSTON

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PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2022

WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Hardyston
Hardyston, NJ 07419

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Township of Hardyston in the County of Sussex, as of December 31, 2022 and 2021, the related statement of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues -regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township'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 U.S. Generally Accepted Accounting Principles" paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the Township of Hardyston as of December 31, 2022 and 2021, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and 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 Township of Hardyston, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Hardyston on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

As described in Note 11 of the financial statement, the Township participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of $418,989.12 and $552,603.49 for 2022 and 2021, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*" paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2022, the regulatory basis statement of operations for the year then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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 prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for 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 Township of Hardyston's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

W&Co

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on 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 Township'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 Township'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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively

comprise the Township of Hardyston's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2023 on our consideration of the Township of Hardyston'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 Township of Hardyston's internal control over financial reporting and compliance.

James Cerullo, C.P.A.
Registered Municipal Accountant
No. 415

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

September 7, 2023

Township of Hardyston , N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	Ref.	2022	2021
Assets			
Current Fund:			
Cash	A-4	8,490,989.16	7,602,462.79
Change Fund	A-5	625.00	625.00
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	2,631.42	-
		8,494,245.58	7,603,087.79
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	377,151.92	442,643.72
Tax Title Liens Receivable	A-9	455,373.09	440,260.01
Property Acquired for Taxes - Assessed Valuation	A-10	14,700.00	14,700.00
		847,225.01	897,603.73
Deferred Charges:			
Emergency Authorization	A-11	-	20,000.00
		-	20,000.00
		9,341,470.59	8,520,691.52
Federal and State Grant Fund:			
Grants Receivable	A-21	447,721.64	286,125.30
Due From Current Fund	A-24	3,581,268.30	3,505,874.85
		4,028,989.94	3,792,000.15
		13,370,460.53	12,312,691.67

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	Ref.	2022	2021
Liabilities, Reserves and Fund Balance			
Current Fund:			
Appropriation Reserves			
Unencumbered	A-3; A-14	931,051.82	578,417.41
Encumbered	A-3; A-14	107,191.27	103,825.50
Interfunds Payable			
State and Federal Grant Fund	A-13	3,581,268.30	3,505,874.85
Assessment Trust Fund	A-13	4,536.51	-
Encumbrances Payable	A-15	13,629.54	10,087.57
Prepaid Taxes	A-16	301,087.96	442,419.48
County Taxes Payable	A-19	57,742.97	58,977.06
Tax Overpayments	A-20	15,007.48	17,281.35
Accounts Payable	A-20	68,150.33	79,529.90
Due to State of NJ:			
Senior Citizen and Veteran Deductions	A-7	-	145.98
Reserve for:			
Tax Appeals	A-20	30,000.00	-
Municipal Relief Funds	A-20	26,102.96	-
Sale of Assets	A-20	16,605.61	16,605.61
Preparation of Tax Map	A-20	4,793.00	4,793.00
Revaluation	A-20	7,449.00	7,449.00
		5,164,616.75	4,825,406.71
Reserve for Receivables	Contra	847,225.01	897,603.73
Fund Balance	A-1	3,329,628.83	2,797,681.08
		9,341,470.59	8,520,691.52
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-22	3,559,570.15	3,322,691.30
Unappropriated Reserve for Grants	A-23	432,854.54	437,363.60
Encumbrances Payable	A-25	36,565.25	31,945.25
		4,028,989.94	3,792,000.15
		13,370,460.53	12,312,691.67

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	Ref.	2022	2021
Revenues and Other Income:			
Fund Balance Utilized	A-2	1,020,000.00	850,000.00
Miscellaneous Revenue Anticipated	A-2	3,396,641.25	2,762,714.58
Receipts from Delinquent Taxes	A-2	434,972.33	437,939.97
Receipts from Current Taxes	A-2	32,044,111.24	31,516,120.86
Non-Budget Revenue	A-2	803,285.43	801,488.00
Other Credits to Income:			
Unexpended Balance of PY Appropriation Reserves	A-14	127,751.73	223,823.10
Tax Overpayments Cancelled		-	3,185.78
Total Revenues and Other Income		37,826,761.98	36,595,272.29
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	4,560,670.29	4,586,006.72
Other Expenses	A-3	3,930,440.88	3,588,527.47
Capital Improvement Fund	A-3	790,374.68	382,900.00
Municipal Debt Service	A-3	1,098,557.49	983,490.77
Deferred Charges and Statutory Expenditures - Municipal	A-3	1,334,797.90	1,311,706.00
Refund of Prior Year Revenue	A-4	25,738.53	-
Local District School Tax	A-17	11,174,726.00	11,199,379.00
Regional High School Tax	A-18	6,494,161.00	6,206,836.00
County Taxes Including Added Taxes	A-19	6,865,347.46	6,800,096.20
Total Expenditures		36,274,814.23	35,058,942.16
Excess (Deficit) Revenue Over Expenditures		1,551,947.75	1,536,330.13
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year		-	20,000.00
Statutory Excess to Fund Balance		1,551,947.75	1,556,330.13
Fund Balance, January 1,	A	2,797,681.08	2,091,350.95
		4,349,628.83	3,647,681.08
Decreased by:			
Fund Balance Utilized as Budget Revenue	A-2	1,020,000.00	850,000.00
Fund Balance, December 31,	A	3,329,628.83	2,797,681.08

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	Ref.	Budget	Special N.J.S.A. 40A: 4-87	Realized	(Deficit)
Fund Balance Anticipated	A-1	1,020,000.00	-	1,020,000.00	-
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-12	4,580.00	-	4,580.00	-
Fines and Costs:					
Municipal Court	A-12	48,000.00	-	56,104.59	8,104.59
Interest and Costs on Taxes	A-12	90,000.00	-	77,781.68	(12,218.32)
Interest on Investments	A-12	45,000.00	-	71,231.68	26,231.68
Garbage Collection Fees	A-12	3,330.00	-	3,310.00	(20.00)
Uniform Fire Safety Act (Local Fees)	A-12	37,000.00	-	46,933.50	9,933.50
Antenna Lease Fees	A-12	63,172.00	-	63,550.15	378.15
Sale of Solar Renewable Energy Credits	A-12	16,500.00	-	5,710.50	(10,789.50)
Quarry Lease Fees	A-12	25,747.00	-	49,365.98	23,618.98
Abandoned and Property Fees	A-12	34,000.00	-	23,666.66	(10,333.34)
Energy Receipts Tax (P.L. 1999, Chapters 162 & 167)	A-12	500,403.00	-	500,403.00	-
Garden State Trust - PILOT Funds	A-12	29,950.00	-	29,950.00	-
Watershed Moratorium offset	A-12	194,721.00	-	194,721.00	-
Uniform Construction Code Fees	A-12	270,000.00	-	291,358.00	21,358.00
Hardyston Township MUA - Secretarial/Billing Services	A-12	116,280.00	-	116,280.00	-
Hardyston Elementary School - Recycling & Solid Waste Removal	A-12	11,220.00	-	11,220.00	-
Hardyston Elementary School - Park Maintenance	A-12	17,340.00	-	17,340.00	-
Hardyston Township MUA - Sewer and Water Operations	A-12	247,576.00	-	247,576.00	-
Franklin Borough - Construction Code Official	A-12	85,000.00	-	160,883.25	75,883.25
Hamburg Borough - Construction Code Official	A-12	52,982.00	-	59,513.00	6,531.00
Hamburg Borough - Recycling	A-12	42,990.00	-	42,990.00	-
Hamburg Borough Solid Waste	A-12	4,150.00	-	4,150.00	-
Town of Newton - Construction	A-12	140,000.00	-	230,824.55	90,824.55
Sussex Borough - Construction	A-12	40,000.00	-	43,971.25	3,971.25
Wantage Township - Construction Official	A-12	187,465.51	-	211,623.00	24,157.49
Hamburg Field Coordinator	A-12	3,500.00	-	3,500.00	-
Transportation Trust Fund Municipal Aid Program	A-21	129,945.00	-	129,945.00	-
Recycling Tonnage Grant	A-21	7,095.51	-	7,095.51	-
Clean Communities Program	A-21	23,152.98	-	23,152.98	-
Municipal Alliance on Alcoholism And Drug Abuse	A-21	5,358.00	2,547.00	7,905.00	-
NJ Division of Criminal Justice - Body Armor Grant	A-21	5,989.89	-	5,989.89	-
Interest on Special Legislative Grant	A-21	746.05	-	746.05	-
FEMA - Assistance to Firefighters	A-21	-	29,420.95	29,420.95	-
Clean Energy Grant	A-21	-	150,000.00	150,000.00	-
American Rescue Plan - LFRF	A-12	407,474.68	-	407,474.68	-
Uniform Fire Safety Act	A-12	49,000.00	-	66,373.40	17,373.40
Total Miscellaneous Revenues	A-1	2,939,668.62	181,967.95	3,396,641.25	275,004.68
Receipts from Delinquent Taxes	A-1; A-2	440,526.32	-	434,972.33	(5,553.99)
Subtotal General Revenues		4,400,194.94	181,967.95	4,851,613.58	269,450.69
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	7,698,678.36	-	8,075,876.78	377,198.42
Budget Totals		12,098,873.30	181,967.95	12,927,490.36	646,649.11
Non-Budget Revenue	A-1; A-2	-	-	803,285.43	803,285.43
		12,098,873.30	181,967.95	13,730,775.79	1,449,934.54
		A-3	A-3		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2022

Analysis of Realized Revenues

	Ref.		
Revenue from Collections	A-1; A-8	32,044,111.24	
Allocated to School and County Taxes	A-8	24,534,234.46	
Balance for Support of Municipal Budget Appropriations		7,509,876.78	
Add : Appropriation - Reserve for Uncollected Taxes	A-3	566,000.00	
Amount for Support of Municipal Budget Appropriations	A-2	8,075,876.78	
Receipts from Delinquent Taxes:			
Delinquent Taxes	A-8	426,231.46	
Tax Title Liens	A-9	8,740.87	
	A-2	434,972.33	

Analysis of Non-budget Revenues

	Ref.		
Miscellaneous Revenues Not Anticipated:			
Revenues Accounts Receivable:			
Clerk - Fees and Miscellaneous		8,408.23	
Board of Health - Fees and Permits		11,675.00	
Treasurer			
Soil Log / PERC Test		405.00	
Application Fees		8,758.68	
Tax Collector Receipts		281.00	
Cable TV Franchise Fee		28,059.00	
Police Fees		1,823.91	
Senior Citizen and Veterans Administration Fee		1,149.73	
Payment in Lieu of Taxes		762.00	
Sale of Assets		68,400.00	
Zoning Board Fees		8,475.00	
Void Checks		133.00	
NJ Hotel Tax		661,453.35	
Miscellaneous / Reimbursements		3,407.52	
	A-4		803,191.42
Interfund Receivable	A-13		94.01
	A-2		803,285.43

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	After Modification	Paid or Charged	Reserved	Balance Cancelled
Operations - within "CAPS":						
Administrative and Executive:						
Salaries and Wages		191,374.43	198,374.43	191,927.66	6,446.77	-
Other Expenses:						
Use of Office Equipment and Supplies		11,556.00	11,556.00	4,474.17	7,081.83	-
Miscellaneous Other Expenses		51,423.92	51,423.92	48,897.63	2,526.29	-
Elections:						
Other Expenses		9,000.00	6,500.00	2,819.79	3,680.21	-
Financial Administration:						
Salaries and Wages		53,213.55	53,213.55	53,206.40	7.15	-
Other Expenses		113,490.00	113,490.00	101,771.78	11,718.22	-
Computer Technology/Maintenance:						
Salaries and Wages		57,790.70	57,790.70	57,790.70	-	-
Other Expenses		26,532.10	26,532.10	23,521.50	3,010.60	-
Collection of Taxes:						
Salaries and Wages		65,000.00	65,010.00	65,000.16	9.84	-
Other Expenses		14,265.00	14,265.00	12,191.86	2,073.14	-
Assessment Of Taxes:						
Salaries and Wages		91,756.70	93,056.70	93,030.78	25.92	-
Other Expenses		14,400.00	14,400.00	14,370.88	29.12	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	After Modification	Paid or Charged	Reserved	Balance Cancelled
Legal Services and Costs:						
Other Expenses		65,000.00	65,000.00	52,354.93	12,645.07	-
Engineering Services and Costs:						
Other Expenses		29,000.00	29,000.00	19,993.75	9,006.25	-
Economic Development Commission:						
Other Expenses		9,250.00	9,250.00	734.60	8,515.40	-
Municipal Land Use Law (N.J.S. 40:55D-11):						
Planning Board:						
Salaries and Wages		95,500.00	101,100.00	101,012.50	87.50	-
Other Expenses		26,390.00	20,890.00	10,804.21	10,085.79	-
Board of Adjustment:						
Other Expenses		4,530.00	7,030.00	6,087.41	942.59	-
Insurance:						
Other Insurance Premiums		169,104.16	169,104.16	169,104.16	-	-
Workers' Compensation Insurance		56,929.00	56,929.00	55,629.00	1,300.00	-
Employee Group Health Insurance		746,690.40	746,690.40	601,668.06	145,022.34	-
Health Benefit Waiver		70,000.00	69,100.00	65,764.22	3,335.78	-
Unemployment Compensation Insurance		10,100.00	10,100.00	7,663.19	2,436.81	-
Disability Insurance		34,600.00	35,500.00	35,304.46	195.54	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	After Modification	Paid or Charged	Reserved	Balance Cancelled
Public Safety:						
Police:						
Salaries and Wages:		2,391,732.18	2,376,732.18	2,331,471.49	45,260.69	-
Other Expenses		70,442.00	70,442.00	18,269.13	52,172.87	-
Purchase of Police Cars		89,364.00	89,364.00	38,645.81	50,718.19	-
Purchase and Maintenance of Uniforms		25,800.00	25,800.00	19,572.97	6,227.03	-
Police Communications:						
Salaries and Wages		362,716.42	347,716.42	333,732.72	13,983.70	-
Other Expenses		62,198.00	62,198.00	54,148.08	8,049.92	-
Emergency Management Services:						
Salaries and Wages		10,193.23	10,203.23	10,193.28	9.95	-
Other Expenses		9,300.00	9,300.00	4,540.10	4,759.90	-
Aid to Volunteer Fire Companies		49,300.00	49,300.00	37,455.77	11,844.23	-
Fire Prevention Bureau:						
Salaries and Wages		48,994.05	47,094.05	47,061.61	32.44	-
Other Expenses		5,017.00	5,017.00	3,857.67	1,159.33	-
Municipal Prosecutor:						
Other Expenses		17,800.00	17,800.00	17,700.00	100.00	-
Municipal Court:						
Salaries and Wages		37,707.18	37,307.18	37,291.13	16.05	-
Other Expenses		74,900.00	74,900.00	73,588.72	1,311.28	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	After Modification	Paid or Charged	Reserved	Balance Cancelled
Streets and Roads:						
Road Repairs and Maintenance:						
Salaries and Wages		428,951.60	428,951.60	409,113.65	19,837.95	-
Other Expenses:						
Miscellaneous Other Expenses		359,360.00	359,360.00	240,237.22	119,122.78	-
Road Equipment Repair & Maintenance		164,500.00	179,500.00	165,995.58	13,504.42	-
Recycling:						
Other Expenses		151,200.00	151,200.00	144,000.00	7,200.00	-
Buildings & Grounds:						
Other Expenses		120,300.00	120,300.00	96,847.88	23,452.12	-
Dog Regulation:						
Other Expenses		13,675.00	13,675.00	9,285.00	4,390.00	-
Contribution to Senior Citizens Center:						
Other Expenses		2,000.00	2,000.00	2,000.00	-	-
Senior Citizen Transportation:						
Other Expenses		17,500.00	17,500.00	12,600.00	4,900.00	-
PEOSHA:						
Hepatitis - B Vaccination		500.00	500.00	-	500.00	-
Recreation and Education:						
Recreation:						
Salaries and Wages		15,023.78	13,523.78	13,138.50	385.28	-
Other Expenses		17,950.00	17,950.00	17,789.35	160.65	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	After Modification	Paid or Charged	Reserved	Balance Cancelled
State Uniform Construction Code:						
Construction Official:						
Salaries and Wages		114,827.64	107,435.64	93,433.75	14,001.89	-
Other Expenses		11,550.92	13,442.92	4,021.98	9,420.94	-
Zoning Enforcement Officer:						
Salaries and Wages		41,933.32	41,433.32	41,363.02	70.30	-
Other Expenses		1,100.00	1,100.00	928.82	171.18	-
Unclassified:						
Celebration of Public Events						
Other Expenses		6,000.00	6,000.00	4,200.00	1,800.00	-
Accumulated Leave Compensation		25,000.00	25,000.00	15,000.00	10,000.00	-
Utility Expense/ Bulk Purchases:						
Electricity		54,000.00	54,000.00	45,315.39	8,684.61	-
Street Lighting		25,000.00	25,000.00	17,232.64	7,767.36	-
Telephone		62,500.00	62,500.00	54,901.54	7,598.46	-
Fuel Oil		32,000.00	42,000.00	20,175.94	21,824.06	-
Gasoline		90,000.00	100,000.00	90,865.21	9,134.79	-
Diesel Fuel		52,000.00	62,000.00	41,961.07	20,038.93	-
Natural Gas		25,000.00	27,500.00	23,359.13	4,140.87	-
Total Operations within "CAPS"		7,104,232.28	7,120,352.28	6,386,417.95	733,934.33	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	After Modification	Paid or Charged	Reserved	Balance Cancelled
Detail:						
Salaries and Wages	A-1	4,006,714.78	3,978,942.78	3,878,767.35	100,175.43	-
Other Expenses	A-1	3,097,517.50	3,141,409.50	2,507,650.60	633,758.90	-
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System		334,144.00	334,144.00	334,144.00	-	-
Social Security System (O.A.S.I.)		315,500.00	299,380.00	297,846.14	1,533.86	-
Police and Firemen's Retirement System of N.J.		644,744.00	644,744.00	644,744.00	-	-
DCRP		5,500.00	5,500.00	4,307.78	1,192.22	-
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	1,299,888.00	1,283,768.00	1,281,041.92	2,726.08	-
Total General Appropriations for Municipal Purposes within "CAPS"		8,404,120.28	8,404,120.28	7,667,459.87	736,660.41	-
Operations - Excluded from "CAPS":						
Reserve for Tax Appeals		30,000.00	30,000.00	-	30,000.00	-
Emergency Services Volunteer Length of Service Award Program - Other Expenses		38,000.00	38,000.00	-	38,000.00	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	After Modification	Paid or Charged	Reserved	Balance Cancelled
Interlocal Municipal Service Agreements:						
Hardyston Twp. M.U.A. Sec./Billing Clerk						
Salaries and Wages		116,280.00	116,280.00	116,280.00	-	-
Hardyston Elementary School - Park Maint.						
Other Expenses		17,340.00	17,340.00	17,340.00	-	-
Hardyston Township M.U.A. Water/Sewer Operations						
Other Expenses		247,576.00	247,576.00	247,576.00	-	-
Franklin Borough - Construction Code Official						
Salaries and Wages		85,000.00	85,000.00	85,000.00	-	-
Hamburg Borough - Construction Code Official						
Salaries and Wages		52,982.00	52,982.00	52,982.00	-	-
Hardyston Elementary School- Recycle/Solid						
Other Expenses		11,220.00	11,220.00	11,220.00	-	-
Hamburg Borough - Recycling						
Other Expenses		42,990.00	42,990.00	42,990.00	-	-
Newton - Construction Code Official						
Salaries and Wages		140,000.00	140,000.00	140,000.00	-	-
Sussex Borough - Construction Code Official						
Other Expenses		40,000.00	40,000.00	40,000.00	-	-
Wantage Township - Construction Official						
Salaries and Wages		187,465.51	187,465.51	187,465.51	-	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	After Modification	Paid or Charged	Reserved	Balance Cancelled
Hamburg Borough - Solid Waste						
Other Expenses		4,150.00	4,150.00	4,150.00	-	-
Hamburg Borough Field Coordinator						
Other Expenses		3,500.00	3,500.00	3,500.00	-	-
Public and Private Programs Offset by Revenues:						
Clean Communities Program		23,152.98	23,152.98	23,152.98	-	-
Municipal Alliance on Alcoholism and Drug Abuse						
State Share		5,358.00	7,905.00	7,905.00	-	-
Body Armor Replacement Fund		5,989.89	5,989.89	5,989.89	-	-
Recycling Tonnage Grant		7,095.51	7,095.51	7,095.51	-	-
Clean Energy Grant		-	150,000.00	150,000.00	-	-
FEMA Assistance to Firefighters		-	29,420.95	29,420.95	-	-
Interest on Special Legislative Grant		746.05	746.05	746.05	-	-
Transportation Trust Fund Municipal Aid Program		129,945.00	129,945.00	129,945.00	-	-
Total Operations - Excluded from "CAPS"		1,188,790.94	1,370,758.89	1,302,758.89	68,000.00	-
Detail:						
Salaries & Wages	A-1	581,727.51	581,727.51	581,727.51	-	-
Other Expenses	A-1	607,063.43	789,031.38	721,031.38	68,000.00	-
Capital Improvements						
Capital Improvement Fund		382,900.00	382,900.00	382,900.00	-	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	After Modification	Paid or Charged	Reserved	Balance Cancelled
ARP LFRF - ARP Related Capital Projects		407,474.68	407,474.68	173,892.00	233,582.68	-
Total Capital Improvements Excluded from "CAPS"	A-1	790,374.68	790,374.68	556,792.00	233,582.68	-
Municipal Debt Service:						
Payment of Bond Principal		805,000.00	805,000.00	805,000.00	-	-
Payment of Bond Anticipation Notes and Capital Notes		95,000.00	95,000.00	95,000.00	-	-
Interest on Bonds		156,262.50	156,262.50	156,262.50	-	-
Interest on Notes		42,295.00	42,295.00	42,294.99	-	0.01
Total Municipal Debt Service-Excluded from "CAPS"	A-1	1,098,557.50	1,098,557.50	1,098,557.49	-	0.01
Deferred Charges:						
Emergency Authorizations		20,000.00	20,000.00	20,000.00	-	-
Ordinance 13-01 (Sweeper)		19,500.00	19,500.00	19,500.00	-	-
Ordinance 13-08 (911 Equipment)		4,750.00	4,750.00	4,750.00	-	-
Ordinance 19-07 (Fire Protection System)		6,779.90	6,779.90	6,779.90	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	51,029.90	51,029.90	51,029.90	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		3,128,753.02	3,310,720.97	3,009,138.28	301,582.68	0.01
Subtotal General Appropriations		11,532,873.30	11,714,841.25	10,676,598.15	1,038,243.09	0.01

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	After Modification	Paid or Charged	Reserved	Balance Cancelled
Reserve for Uncollected Taxes		566,000.00	566,000.00	566,000.00	-	-
Total General Appropriations		12,098,873.30	12,280,841.25	11,242,598.15	1,038,243.09	0.01
						A-1
Analysis of Modified Budget						
Adopted Budget	A-2		12,098,873.30			
Appropriated by N.J.S.A. 40A:4-87	A-2		181,967.95			
			12,280,841.25			
Analysis of Paid or Charged						
Reserve for Uncollected Taxes	A-2			566,000.00		
Cash Disbursed	A-4			10,302,342.77		
Emergency Authorization	A-11			20,000.00		
Reserve for Federal and State Grants	A-22			354,255.38		
				11,242,598.15		
Analysis of Appropriation Reserve						
Unencumbered	A				931,051.82	
Encumbered	A				107,191.27	
					1,038,243.09	

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

Assets	Ref.	2022	2021
Assessment Fund:			
Cash	B-3;B-4	47,891.13	53,636.46
Assessment Receivable	B-5	788,012.04	223,976.98
Assessment Liens	B-6	15,423.68	20,054.20
Interfunds Receivable	B-7	4,536.51	-
		855,863.36	297,667.64
Animal Control Trust Fund			
Cash	B-3	7,722.70	7,470.90
		7,722.70	7,470.90
Other Trust Funds:			
Cash	B-3	3,283,629.61	2,776,767.81
		3,283,629.61	2,776,767.81
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Cash	B-3	384,489.12	516,953.49
Contributions Receivable	B-16	34,500.00	35,650.00
		418,989.12	552,603.49
		4,566,204.79	3,634,509.84

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

Liabilities, Reserves & Fund Balance	Ref.	2022	2021
Assessment Fund:			
Interfunds	B-7	675.10	-
NJDEP Loan Payable	B-8	246,363.06	291,156.34
Bond Anticipation Notes Payable	B-9	582,045.00	-
Reserve for Assessments and Liens	B-10	26,780.20	6,511.30
		855,863.36	297,667.64
Animal Control Trust Fund			
Due to State of NJ	B-11	-	3.60
Reserve for Dog Fund Expenditures	B-12	7,720.30	7,467.30
Encumbrances Payable	B-14	2.40	-
		7,722.70	7,470.90
Other Trust Fund:			
Reserve for Encumbrances	B-13	23,161.94	590.00
Various Reserves	B-15	3,260,467.67	2,776,177.81
		3,283,629.61	2,776,767.81
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-17	418,989.12	552,603.49
		4,566,204.79	3,634,509.84

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

B-1

Township of Hardyston , N.J.

Schedule of Revenues

Assessment Trust Fund

Year Ended December 31, 2022

	Ref.	Budget Revenue	Realized
Assessment Cash	B-2	44,793.28	44,793.28

B-2

Schedule of Expenditures

Assessment Trust Fund

Year Ended December 31, 2022

	Ref.	Budget Appropriations	Expended
DEP Dam Loan Principal & Interes	B-1	44,793.28	44,793.28

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Comparative Balance Sheet- Regulatory Basis

General Capital Fund

December 31,

	Ref.	2022	2021
Assets			
Cash	C-2; C-3	2,524,972.27	2,864,371.37
Prospective Assessments Raised by Taxation	C-4	-	33,500.00
Deferred Charges to Future Taxation:			
Funded	C-5	3,755,000.00	4,560,000.00
Unfunded	C-6	4,597,000.00	5,360,750.00
Interfund Assessment Trust Fund	C-11	675.10	-
		10,877,647.37	12,818,621.37
Liabilities, Reserves and Fund Balance			
Serial Bonds Payable	C-7	3,755,000.00	4,560,000.00
Improvement Authorizations:			
Funded	C-8	283,156.46	142,542.87
Unfunded	C-8	1,808,965.44	2,178,435.72
Capital Improvement Fund	C-9	88,820.45	88,820.45
Bond Anticipation Notes	C-12	3,490,000.00	4,229,500.00
Various Reserves	C-13	1,005,166.75	1,012,884.75
Reserve for Encumbrances	C-14	377,306.01	531,065.32
Reserve for Prospective Assessments Raised by Taxation	Contra	-	33,500.00
Fund Balance	C-1	69,232.26	41,872.26
		10,877,647.37	12,818,621.37

Footnote: There were Bonds and Notes Authorized But Not Issued on December 31, 2021 and 2022 in the amount of $1,131,250.00 and $1,107,000.00, respectively, as show on Exhibit C-15.

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Hardyston , N.J.

Comparative Statement of Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31,

	Ref.	2022	2021
Balance - January 1,	C	41,872.26	34,262.81
Increased by:			
Premium on Sale of Notes	C-2	27,360.00	7,609.45
Balance - December 31,	C	69,232.26	41,872.26

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

D

Township of Hardyston

Comparative Statement of General Fixed Assets - Regulatory Basis

December 31, 2022 and 2021

	Balance Dec. 31, 2022	Balance Dec. 31, 2021
General Fixed Assets:		
Land / Land Improvements and Buildings	7,420,900.00	7,420,900.00
Machinery and Equipment	7,974,343.00	7,974,343.00
	15,395,243.00	15,395,243.00
Investment in Fixed Assets	15,395,243.00	15,395,243.00

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Township of Hardyston have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than generally accepted accounting principles. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Township of Hardyston (the "Township") operates under a Mayor/Council form of government. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the Volunteer Fire Department and the First Aid Squad which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Township has the following funds:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Assessment Trust - This fund deals with the handling of special assessment levies against property for the cost of an improvement, the whole or a part of which costs are levied against the property receiving the benefit.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Dog License Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

Emergency Services Volunteer Length of Service Award Program - This fund is used to account for the cumulative payments to participant's in the emergency services volunteer length of service award program including any income, gains, losses or increases or decreases in market value attributable to the investment of the participant's length of service awards.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

General Fixed Asset Account Group - To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting

A modified accrual basis of accounting is followed by the Township of Hardyston. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of $1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the fiscal year levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the current fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Township is not required to adopt budgets for the following funds:

General Capital Fund
Trust Funds

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2022, the Township did not increase the original budget. In addition, several budget transfers were approved by the governing body.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements.

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at costs which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

Fixed Assets - The Township of Hardyston has developed a fixed assets accounting and reporting system as promulgated by the Division of Local Government Services which differs in certain respects from generally accepted accounting principles.

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

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

No depreciation has been provided for in the financial statements.

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

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

The Township's fixed assets have been updated for the year ended December 31, 2022.

Use of Estimates - The preparation of financial statements requires management of the Township to make 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 reporting period. Accordingly, actual results could differ from those estimates.

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data have not been presented in all statements and notes to financial statements because their inclusion would make certain statements and notes to financial statements unduly complex and difficult to understand.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

There were no new accounting pronouncements adopted by the Township during 2022.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

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

C. Basic Financial Statements (continued)

Change in Accounting Policy – Letters of Credit

In 2016, the Township changed its accounting policies to no longer record letters of credit in the trust fund to be consistent with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Record of the Township's letter of credit are still maintained internally by the Township, however, will no longer be presented as an asset or reserve in the Trust Fund.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2022, $384,489.12 of the Township's bank balance of $16,469,261.30 was exposed to custodial credit risk. In comparison, as of December 31, 2021, $516,953.48 of the Township's bank balance of $14,978,293.42 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Township 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 investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: 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.

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

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 December 31, 2022, the Township had $427,670.36 on deposit with the New Jersey Cash Management Fund.

Concentration of Credit Risk

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

Unaudited Investments

As more fully described in Note 14, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2022 and 2021 amounted to $384,489.12 and $516,953.49, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2022 and 2021:

	2022	2021
AB VPS Global Thematic Growth	$20,439.50	$27,249.62
AF Growth	33,365.65	88,829.00
Fixed	64,951.58	57,096.34
LVIP SSGA S & P 500 Index	110,939.72	143,458.13
Investments under 5%	154,792.67	200,320.40
Total	$384,489.12	$516,953.49

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2022 consisted of the following:

	Balance Dec. 31, 2021	Reductions		Ending Balance	Amounts Due Within One Year
Bonds Payable - General Obligation Debt	$4,560,000.00	$805,000.00		$3,755,000.00	$840,000.00
Loans Payable - Assessment Trust:					
NJDEP Trust Loan	291,156.34	44,793.28		246,363.06	44,793.28
Other Liabilities - Compensated Absences Payable	129,127.00	2,384.41	(1)	126,742.59	
	$4,980,283.34	$852,177.69		$4,128,105.65	$884,793.28

(1) Net days accumulated and used.

Summary of Municipal Debt

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Township's debt is summarized as follows:

	Year 2022	Year 2021	Year 2020
Issued:			
General:			
Bonds and Notes	$7,245,000.00	$8,789,500.00	$7,135,000.00
Assessment Trust:			
Notes and Loans	828,408.06	291,156.34	335,949.63
Total Issued	8,073,408.06	9,080,656.34	7,470,949.63
Authorized But Not Issued:			
General:			
Bonds and Notes	1,107,000.00	1,131,250.00	3,590,000.00
Net Bonds and Notes Issued and Authorized But Not Issued	$9,180,408.06	$10,211,906.34	$11,060,949.63

NOTE 3. MUNICIPAL DEBT, (continued)

Summary of Statutory Debt Condition - Annual Debt Statements

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.683%.

	Gross Debt	Deductions	Net Debt
Local and Regional School District Debt	$6,811,816.39	$6,811,816.39	$
General Debt	8,352,000.00		8,352,000.00
Assessment Debt	828,408.06	51,752.54	776,655.52
	$15,992,224.45	$6,863,568.93	$9,128,655.52

3 ½% of Equalized Valuation Basis (Municipal)	$42,809,897.15
Net Debt	9,128,655.52
Remaining Borrowing Power	$33,681,241.63

The Township's long term debt consisted of the following at December 31, 2022:

Paid by Current Fund	Amount Outstanding
General Serial Bonds - General Serial Bonds with variable interest rates from 2.00% to 3.75% issued December 1, 2011, due through December 1, 2024	$325,000.00
General Obligation Bonds - General Refunding Bonds with variable interest rates of 3.00% to 4.00%, issued May 16, 2013, due through October 1, 2023	335,000.00
General Obligation Bonds - General Improvement Bonds with variable interest rates of 2.00% to 4.00%, issued April 7, 2015, due through April 1, 2029	1,035,000.00
General Obligation Bonds - General Refunding Bonds with variable interest rates of 2.00% to 4.00%, issued February 1, 2015, due through February 1, 2030	2,060,000.00
	$3,755,000.00

NOTE 3. MUNICIPAL DEBT, (continued)

Assessment Trust:

New Jersey Department of Environmental Protection Loan, issued May 29, 2014, due May 29, 2028	$246,363.06

General Capital Serial Bonds are direct obligations of the Township for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Township.

In addition to the above, the Township had authorized but not issued debt as follows:

General Capital	$1,107,000.00

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

	General Capital Fund			Assessment Trust Fund		
Year	Principal	Interest	Total	Principal	Interest	Total
2023	$840,000.00	$126,475.00	$966,475.00	$40,350.03	$4,443.25	$44,793.28
2024	590,000.00	95,525.00	685,525.00	41,161.06	3,632.22	44,793.28
2025	440,000.00	74,050.00	514,050.00	41,988.40	2,804.88	44,793.28
2026	440,000.00	58,700.00	498,700.00	42,832.37	1,960.92	44,793.29
2027	440,000.00	42,975.00	482,975.00	43,693.30	1,099.98	44,793.28
2028-2030	1,005,000.00	41,343.75	1,046,343.75	22,174.89	221.76	22,396.65
	$3,755,000.00	$439,068.75	$4,194,068.75	$232,200.05	$14,163.01	$246,363.06

	Grand Totals		
Year	Principal	Interest	Total
2023	$880,350.03	$130,918.25	$1,011,268.28
2024	631,161.06	99,157.22	730,318.28
2025	481,988.40	76,854.88	558,843.28
2026	482,832.37	60,660.92	543,493.29
2027	483,693.30	44,074.98	527,768.28
2028-2030	1,027,174.89	41,565.51	1,068,740.40
	$3,987,200.05	$453,231.76	$4,440,431.81

NOTE 4. SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Township of Hardyston has not elected to defer local school or regional high school district taxes.

NOTE 5. PENSION PLANS

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

NOTE 5. PENSION PLANS, (continued)

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

Police and Firemens' Retirement System (PFRS)

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60%

NOTE 5. PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS)(continued)

Benefits Provided (continued)

(Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except

NOTE 5. PENSION PLANS, (continued)

Contribution Requirements (continued)

the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Township's contribution to the various plans, equal to the required contributions for each year, were as follows:

Year	PERS	PFRS	DCRP
2022	$334,144.00	$644,744.00	$4,307.78
2021	340,750.00	635,672.00	4,460.27
2020	294,957.00	552,893.00	5,665.11

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At December 31, 2022, the Township had a liability of $4,385,655 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental 1ntities, actuarially determined. At June 30, 2022, the Township's proportion was 0.029060697 percent, which was an increase/(decrease) of 0.0005285742 percent from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Township recognized pension expense of $334,144. At December 31, 2022, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

NOTE 5. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$31,654	$27,914
Changes of assumptions	13,588	656,706
Net difference between projected and actual earnings on pension plan investments	181,518	
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	166,334	392,567
Total	$393,094	$1,077,187

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2022) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2023	($1,294,523,233)
2024	(659,516,114)
2025	(321,633,159)
2026	701,681,878
2027	(1,541,299)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

NOTE 5. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Additional Information

Local Group Collective balances net of non-employer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	June 30, 2022	June 30, 2021
Collective deferred outflows of resources	$1,660,772,008	$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,091,376,611	11,846,499,172
Township s Proportion	0.0290606697%	0.0285320955%

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55% based on years of service
Investment Rate of Return	7.00%

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

NOTE 5. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Mortality Rates

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

Long-Term Rate of Return

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

NOTE 5. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

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

Discount Rate

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

NOTE 5. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

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

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

	June 30, 2022		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Township's proportionate share of the pension liability	$5,681,999	$4,385,655	$3,351,166

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

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NOTE 5. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS)

At December 31, 2022, the Township had a liability of $6,899,543 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the Township's proportion was 0.06018984 percent, which was an increase/(decrease) of 0.0048690556 percent from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Township recognized pension expense of $644,744. At December 31, 2022, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

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NOTE 5. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in actual and expected experience	$311,839	$422,078
Changes of assumptions	18,882	867,257
Net difference between projected and actual earnings on pension plan investments	630,880	-
Changes in proportion and differences between Township's contributions and proportionate share of contributions	745,701	165,571
Total	$1,707,302	$1,454,906

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2022) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2022	($344,587)
2023	(220,213)
2024	438,191
2025	4,223
2026	4,427

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.22, 6.17, 5.90, 5.92, 5.73 and 5.59 years for 2022, 2020, 2019, 2018 and 2017 amounts, respectively.

NOTE 5. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Additional Information

Local Group Collective balances net of non-employer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	June 30, 2022	June 30, 2021
Collective deferred outflows of resources	$2,163,793,985	$817,271,932
Collective deferred inflows of resources	2,805,919,493	6,875,738,520
Collective net pension liability	11,446,356,176	7,309,152,035
Township's Proportion	0.0601898400%	0.0553207844%

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25-16.25% (based on years of service)
Thereafter	Not Applicable
Investment Rate of Return	7.00%

NOTE 5. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Mortality Rates

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

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

Long-Term Rate of Return

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

NOTE 5. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Long-Term Rate of Return (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	2.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

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

NOTE 5. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

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

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

	June 30, 2022		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Township's proportionate share of the pension liability	$11,135,590	$6,889,544	$5,601,591

Special Funding Situations - PFRS

Under N.J.S.A.43:16A-15, the Township is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, p.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Township by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Township's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

NOTE 5. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

At December 31, 2022 and 2021, the State proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is $1,226,137 and $1,141,036, respectively. For the years ended December 31, 2022 and 2021, the pension system has determined the State proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is $141,464 and $129,314, respectively, which is more than the actual contributions the State made on behalf of the Township of $152,648 and $87,802, respectively. The State's proportionate share attributable to the Township was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Township's financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed at via the New Jersey, Division of Pension and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 6. OTHER POST EMPLOYMENT BENEFITS (OPEB)

PLAN OVERVIEW

Township of Hardyston ("Hardyston") provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. As a result of offering such benefits, Hardyston will be required to report the value of such benefits and the associated costs according to the accounting requirements of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting "by Employers for Postemployment Benefits Other Than Pensions ("GASB 75").

The summary below presents the results of the actuarial valuation of the post-retirement medical obligations as of December 31, 2022, including a determination of financial reporting information for the year ending December 31, 2022.

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Contributions to pay for the health premiums of participating retirees in the Municipal Reinsurance Health Insurance Fund (MRHIF) are billed to the Township of Hardyston on a monthly basis. Funds for retiree health premiums are raised each year in the municipality via property taxes. There is no cost sharing policies that the current retirees contribute.

Results of Valuation

- *Total OPEB Liability*

The Total OPEB Liability ("TOL") is the actuarial accrued liability.

(1) Actives	$ 940,668.00
(2) Retirees	$ 1,638,562.00
(3) Total	$ 2,579,230.00

- *Net OPEB Liability*

The Net OPEB Liability ("NOL") is the TOL less the Fiduciary Net Position (Assets). Since there are no plan assets to offset the liability, the two are equal.

(1) Total	$ 2,579,230.00
(2) Fiduciary Net Position (Assets)	$ -
(3) NOL	$ 2,579,230.00

- *Total OPEB Expense*

The Total OPEB Expense ("TOE") is the measure of annual cost based on the actuarial funding method utilized. It is comprised of the "Service Cost" (aka "normal cost") which is the portion of future liabilities attributable to the measurement year, plus the recognized portion of the experience gain or loss and interest on the NOL during the year.

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

The TOE as of December 31, 2022 is $_____.

- *Impact of 1% Change in Discount Rate*

  Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. If the discount rate were to increase by 1% per annum, the NOL as of December 31, 2022 would decrease to $2,431,663.00 and if it were to increase by 1%, the NOL would increase to $2,746,694.00.

- *Impact of 1% Change in Trend Rate*

  Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. If medical trend were to increase by 1% per annum, the NOL as of December 31, 2022 would increase to $2,751,995.00 and if it were to decrease by 1%, the NOL would decrease to $2,416,905.00.

Basis of Valuation

This valuation has been conducted based on census, plan design and financial information provided by the Fund. Census includes 6 retirees and spouses currently receiving retiree benefits, and 41 active participants of whom 2 are eligible to retire as of the valuation date. The average age of the active population is 48 and the average age of the retiree population is 57.

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard Number 75.

Demographic assumptions were selected based on those used in the State Division of Pensions and Benefits in calculation pension benefits taken from the July 1, 2021 report from Cheiron. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2021 report from Aon Consultants.

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Key Actuarial Assumptions

Mortality	*December 31, 2021 - RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement* *December 31, 2022 - PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2022*
Turnover	*NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility*
Assumed Retirement Age	*At first eligibility after the completion of 25 years of service*
Full Attribution Period	*Service to Assumed Retirement Age*
Annual Discount Rate	*2.12% Based on the Bond Buyer 20 Index December 31, 2020* *2.06% Based on the Bond Buyer 20 Index December 31, 2021* *3.72% Based on the Bond Buyer 20 Index December 31, 2022*
CPI Increase	*2.5%*
Rate of Salary Increase	*2.5%*
Medical Travel	*Medical: 5.3% in 2022, reducing by 0.2% per annum, leveling at 4.5% per annum in 2026* *Drug: 6.5% in 2022, reducing by 0.5% per annum to 2022 and 4.5% per annum in 2026* *Medicare Advantage: 4.5% per annum* *Dental and Vision: 3.5% per annum*
Medical Cost Aging Factor	*NJ SHBP Medical Morbidity Rates*

- Attribution period - The attribution period begins with the date of hire and ends with full benefits eligibility date.

- Per capita cost methods - The employer will pay in full the single premium and in addition 50% of either the spouse or child portion of the premium in excess of the single premium. The age specific cost was derived based on per person costs at the average age of the active population (48) and scaled to each age based on the medical cost aging factors. At 65, benefits cease.

- Retiree contribution - The retiree pays the difference between total cost of coverage and the amount paid by the employer. Dependents of future retirees are not covered.

- Actuarial valuation method - Entry Age Normal Funding Method based on a level percentage of salary. 2022 salaries were reported as $3.301 million.

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Net OPEB Liability as of 12/31/2021

Net OPEB Liability January 1, 2022	$3,394,037.00
Service Cost	124,355.00
Interest on total OPEB Liability - over measurement period	71,656.00
Benefit payments	(79,914.00)
Changes in Assumptions	(312,755.00)
Difference between expected and actual experience	(849,322.00)
Changes in Benefits	231,193.00
Total OPEB Liability December 31, 2020	$2,579,230.00

Total OPEB Expense Calculation as of 12/31/2021

Service Cost	$124,335.00
Interest on total OPEB Liability - over measurement period	71,656.00
Recognition of experience changes	(114,216.00)
Recognition of Assumption changes	(12,109.00)
Benefit Changes	231,193.00
Total OPEB expense recognized	$300,879.00

Interest on Total OPEB Liability

	Amount (a)	Time Period* (b)	Interest (c)	Calculation (a) x (b) x (c)
Beginning of Year Total OPEB Liability	$3,394,037.00	1.0	0.0206	$69,917.00
Service cost	124,355.00	1.0	0.0206	2,562.00
Benefit Payments	(79,914.00)	0.5	0.0206	(823.00)
Interest on Total OPEB Liability				$71,656.00

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Special Funding Situation PFRS

In addition to the pension described in Note 5, the Township does not provide post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan. However, benefits are provided as describe below:

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

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

The following other post employment benefit information is as of June 30, 2021 which is the latest information available. This information is eighteen months prior to December 31, 2022. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current other post employment benefit information is available.

At December 31, 2022, the State's proportionate share of the net OPEB liability attributable to the Township for the PFRS special funding situation is $5,335,714.00 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is $(875,169.00).

NOTE 7. FUND BALANCES

Fund balances as of December 31, 2022 and 2021 that have been anticipated as revenue in the 2023 and 2022 budget is as follows:

	2023	2022
Current Fund	$1,220,000.00	$1,020,000.00

NOTE 8. FIXED ASSETS

The following is a summary of changes in the general fixed asset account group for the year 2022.

	Dec. 31, 2021	Increases	Decreases	Dec. 31, 2022
Land, Buildings and Improvements	$7,420,900.00	$	$	$7,420,900.00
Machinery & Equipment	7,974,343.00			7,974,343.00
	$15,395,243.00	$0.00	$0.00	$15,395,243.00

NOTE 9. ACCRUED SICK AND VACATION BENEFITS

Under the existing policies and labor agreements of the Township, employees are allowed to accumulate (with certain restrictions) unused sick pay over the life of their working careers up to a maximum of 150 days. Of the days accumulated one-third will be paid as terminal leave upon retirement.

The estimated current cost of such unpaid compensation is $126,742.59. This amount is not reported either as an expenditure or liability. The Township has reserved $599,573.43 from previous budgets to be used to offset this liability and is reflected on the Trust Fund balance sheet. See Exhibit B-15 for an analysis. It is expected that any remaining cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

NOTE 10. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2022 consists of the following:

$3,581,268.30	Due to Federal and State Grant Fund from Current Fund various receipts and disbursements.
4,536.51	Due to Assessment Trust Fund from Current Fund for various receipts and disbursements.
675.10	Due to General Capital Fund from Assessment Trust Fund for various receipts and disbursements.
$3,586,479.91	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 11. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On January 17, 2001, the Division of Local Government Services approved the Township's LOSAP plan, provided by Lincoln Financial Group. The purpose of this plan is to enhance the Township's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln Financial Group will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for a fixed annual contribution of $1,150.00 to each eligible volunteer who accumulates a minimum of 350 service points based on criteria established by Township Ordinance No. 2000-17. The Township's contribution shall be included in the current years budget.

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

NOTE 11. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP), (continued)

We have reviewed the plan for the year ended December 31, 2022 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 12. RISK MANAGEMENT

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2022 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Township of Hardyston is currently a member of the Garden State Municipal Joint Insurance Fund (the "Fund"). The Fund provides their members with Liability, Property and Workers' Compensation and Employer Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self administered group of municipalities established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective share of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Financial statements for the Fund are available at the office of the Fund's Executive Director, NIP Group, Inc., Woodbridge, New Jersey.

NOTE 13. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance Dec 31, 2022	Balance Dec 31, 2021
Prepaid Taxes	$301,087.96	$442,419.48
Cash Liability for Taxes Collected in Advance	$301,087.96	$442,419.48

NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES

We are advised by the Township Counsel that there are several tax appeals pending whose impact on the financial statements is not known at this time.

NOTE 15. BOND ANTICIPATION NOTES

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2022, the Township had $4,072,045.00 in outstanding general capital bond anticipation notes. Maturing on August 25, 2023 at an interest rate of 3.50%.

NOTE 15. BOND ANTICIPATION NOTES, (continued)

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2022.

	Beginning Balance	Additions	Reductions	Ending Balance
Notes Payable:				
General Capital Oppenheimer & Co.		$3,490,000.00		$3,490,000.00
Assessment Trust Oppenheimer & Co.		582,045.00		582,045.00

NOTE 16: OTHER MATTERS

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Township of Hardyston is $814,949.37 which will be available for use until December 31, 2024.

NOTE 17: SUBSEQUENT EVENT

The Township has evaluated subsequent events through September 7, 2023, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA AND SCHEDULES

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

Name	Title
Frank Cicerale	Mayor
Santo Verrilli	Deputy Mayor
Carl Miller	Councilperson
Stanley Kula	Councilperson
Brian Kaminski	Councilperson
Carrine Piccolo-Kaufer	Manager
Scott Holzhauer	Assessor
Jane Bakalarczyk	Clerk, Assessment Search Officer & Registrar of Vital Statistics
Anne-Marie Wilhelm	Land Use Administrator
Township of Sparta	C. F. O.
Rebecca Westra	Tax Collection Services
Paris Eliades	Magistrate
Lauren Mitchener	Court Administrator
Suzann Brush	Deputy Court Clerk
Fred Semrau	Attorney
Jonathan McMeen	Prosecutor
Jeff Stabile	Zoning Officer
Michael Vreeland	Engineer
Scott Lobban	Chief of Police
James Cerullo, C.P.A., R.M.A.	Township Auditor

All employees are covered under a blanket bond in the amount of $10,000,000.00 issued by National Casualty Company, issued January 1, 2014.

Township of Hardyston

Schedule of Expenditures of Fedreral Assistance

For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Program or Award Amount	Grant Period	12/31/2021 (Receivable)	12/31/2021 Reserve Balance	Receipts	Expended	Adjustment/ Canceled	12/31/2022 (Receivable)	12/31/2022 Reserve Balance	MEMO Cumulative Total Expenditures
CURRENT FUND											
U.S. Department of Treasury											
Pass Through New Jersey Department of Community Affairs - Division of Local Government Services:											
Local Fiscal Recovery Fund - ARP	21.027	407,474.68	3/1/21-12/31/26	-	-	407,474.68	-	(173,892.00)	-	233,582.68	-
TOTAL CURRENT FUND				-	-	407,474.68	-	(173,892.00)	-	233,582.68	-
FEDERAL AND STATE GRANT FUND											
U.S. Department of Treasury											
Pass Through New Jersey Department of Community Affairs - Division of Local Government Services:											
Local Fiscal Recovery Fund - ARP	21.027	407,474.69	3/1/21-12/31/26	-	407,474.68	0.01	-	-	-	407,474.69	-
U.S. Department of Homeland Security:											
Pass Through NJ Department of Law & Public Safety:											
Assistance to Firefighters	97.044	29,420.95	9/22/22-9/21/24	-	-	-	-	-	(29,420.95)	29,420.95	-
TOTAL FEDERAL AND STATE GRANT FUND				-	407,474.68	0.01	-	-	(29,420.95)	436,895.64	-
OTHER TRUST FUND											
Federal Emergency Management Agency:											
Pass through the NJ State Police Office of Emergency Management:											
Public Assistance Grants	97.036	16,158.70	1/1/21-12/31/21	-	-	16,158.70	16,158.70	-	-	-	16,158.70
Coronavirus Relief Funds	21.019	4,715.36	1/1/21-12/31/21	-	-	4,715.36	4,715.36	-	-	-	4,715.23
TOTAL OTHER TRUST FUND				-	-	20,874.06	20,874.06	-	-	-	20,873.93
GENERAL CAPITAL FUND											
U.S. Department of Treasury											
Pass Through New Jersey Department of Community Affairs - Division of Local Government Services:											
Local Fiscal Recovery Fund - ARP	21.027	173,892.00	3/1/21-12/31/26	-	-	-	173,892.00	173,892.00	-	-	173,892.00
TOTAL GENERAL CAPITAL FUND				-	-	-	173,892.00	173,892.00	-	-	173,892.00
TOTAL FEDERAL AID				-	407,474.68	428,348.75	194,766.06	-	(29,420.95)	670,478.32	194,765.93

Note: This schedule was not subject to an audit in accordance with Uniform Guidance.

Township of Hardyston

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	12/31/2021 (Receivable)	12/31/2021 Reserve Balance	Receipts	Expended	Adjustment/ Canceled	12/31/2022 (Receivable)	12/31/2022 Reserve Balance	MEMO Cumulative Total Expenditures
FEDERAL AND STATE GRANT FUND											
NJ Department of Environmental Protection:											
Recycling Tonnage	4910-100-042-224	9,497.31	2019	-	7,964.22	-	5,000.00	-	-	2,964.22	6,533.09
Recycling Tonnage	4910-100-042-224	25,360.31	2020	(5,876.51)	9,497.31	-	-	-	(5,876.51)	9,497.31	15,863.00
Recycling Tonnage	4910-100-042-224	7,095.51	2021	-	-	7,095.51	-	-		7,095.51	-
Total Recycling Tonnage				(5,876.51)	17,461.53	7,095.51	5,000.00	-	(5,876.51)	19,557.04	22,396.09
Clean Communities	4900-765-042-004	22,601.20	2017	-	11,199.05	-	11,199.05	-	-	-	22,601.20
Clean Communities	4900-765-042-004	21,620.96	2018	-	21,620.96	-	21,620.96	-	-	-	21,620.96
Clean Communities	4900-765-042-004	24,132.70	2019	-	24,132.70	-	18,298.20	-	-	5,834.50	18,298.20
Clean Communities	4900-765-042-004	21,758.64	2020	-	21,758.64	-	-	-	-	21,758.64	-
Clean Communities	4900-765-042-004	23,152.98	2021	-	23,152.98	-	-	-	-	23,152.98	-
Clean Communities	4900-765-042-004	23,498.25	2022	-	-	23,498.25	-	-		23,498.25	-
Total Clean Communities				-	101,864.33	23,498.25	51,118.21	-	-	74,244.37	62,520.36
Total NJ Environmental Protection Agency				(5,876.51)	119,325.86	30,593.76	56,118.21	-	(5,876.51)	93,801.41	84,916.45
NJ Highlands Council											
Highlands Planning	N/A	68,050.00	2017	(68,050.00)	235.00	-			(68,050.00)	235.00	67,815.00
NJ Division of Highway Traffic Safety:											
Drunk Driving Enforcement Fund	6400-100-078-YYYY	3,886.41	2014	-	3,846.08	-	1,165.27	-	-	2,680.81	1,205.60
NJ Department of Transportation:											
Local Municipal Aid - Silver Grove Rd	6320-480-078-ANP	197,000.00	2019	(49,250.00)	-	49,250.00	-	-	-	-	197,000.00
Local Municipal Aid - Park Drive Rd	6320-480-078-AN8	135,000.00	2020	(50,121.98)	1,211.80	50,121.98	1,211.80	-	-	-	135,000.00
Local Municipal Aid - Big Spring Rd Phase 2	6320-480-078-AOP	166,200.00	2021	(41,550.00)	-	41,550.00	-	-	-	-	166,200.00
Local Municipal Aid - Scenic Lakes Rd Phase I		129,945.00	2022	-	-	-	-	-	(129,945.00)	129,945.00	-
Total NJ Department of Transportation				(140,921.98)	1,211.80	140,921.98	1,211.80	-	(129,945.00)	129,945.00	498,200.00
NJ Department of Health:											
Alcohol Education & Rehabilitation	9735-760-098-001	5,737.39	Prior Years	-	5,737.39	-	5,010.62	-	-	726.77	5,010.62
Alcohol Education & Rehabilitation	9735-760-098-001	302.16	2016	-	302.16	-	-	-	-	302.16	-
Alcohol Education & Rehabilitation	9735-760-098-001	579.06	2017	-	579.06	-	-	-	-	579.06	-
Alcohol Education & Rehabilitation	9735-760-098-001	73.23	2018	-	73.23	-	-	-	-	73.23	-
Alcohol Education & Rehabilitation	9735-760-098-001	6,691.84	2019	(6,691.84)	6,691.84	-	-	-	(6,691.84)	6,691.84	-
Total NJ Department of Health				(6,691.84)	13,383.68	-	5,010.62	-	(6,691.84)	8,373.06	5,010.62
NJ Department of Law & Public Safety:											
Body Armor Replacement	1020-718-066-001	3,086.02	2020	-	3,086.02	-	-		-	3,086.02	-
Body Armor Replacement	1020-718-066-001	2,903.87	2021	(4,752.69)	2,903.87	1,574.34	-	2,800.60	(377.75)	2,903.87	-
Body Armor Replacement	1020-718-066-001	1,226.26	2022	-	-	1,226.26	-	-	-	1,226.26	-
				(4,752.69)	5,989.89	2,800.60	-	2,800.60	(377.75)	7,216.15	-
Body-worn Camera Grant	100-066-1020-495	50,950.00	2021	(50,950.00)	31,512.69	-	26,645.29	-	(50,950.00)	4,867.40	46,082.60
Total NJ Department of Law & Public Safety:				(55,702.69)	37,502.58	2,800.60	26,645.29	-	(51,327.75)	12,083.55	46,082.60

Note: This schedule was not subject to an audit in accordance with NJ OMB Circular 15-08

Township of Hardyston

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	12/31/2021 (Receivable)	12/31/2021 Reserve Balance	Receipts	Expended	Adjustment/ Canceled	12/31/2022 (Receivable)	12/31/2022 Reserve Balance	MEMO Cumulative Total Expenditures
NJ Department of CommunityAffairs:											
Special Legislative Grant - Walkill River Cleanup	N/A	3,500,000.00	2000	-	3,072,253.45	-	17,706.24	-	-	3,054,547.21	445,452.79
Special Legislative Grant Interest	N/A	77,467.44	Prior Years	-	75,969.24	-	-	-	-	75,969.24	1,498.20
Special Legislative Grant Interest	N/A	534.06	2016	-	534.06	-	-	-	-	534.06	-
Special Legislative Grant Interest	N/A	1,185.37	2017	-	1,185.37	-	-	-	-	1,185.37	-
Special Legislative Grant Interest	N/A	3,313.69	2018	-	3,313.69	-	-	-	-	3,313.69	-
Special Legislative Grant Interest	N/A	3,102.38	2019	-	3,102.38	-	-	-	-	3,102.38	-
Special Legislative Grant Interest	N/A	1,814.15	2020	-	1,814.15	-	-	-	-	1,814.15	-
Special Legislative Grant Interest	N/A	746.05	2021	-	746.05	-	-	-	-	746.05	-
Special Legislative Grant Interest	N/A	655.34	2022	-	-	655.34	-	-	-	655.34	-
Total NJ Departmnet of Community Affairs				-	3,158,918.39	655.34	17,706.24	-	-	3,141,867.49	446,950.99
NJ Governor's Council on Alcoholism and Drug Abuse:											
Passed Through County of Sussex Division of Community and Youth Services:											
Municipal Alliance	N/A	15,863.00	2019	(4,865.28)	-	4,865.28	-	-	-	-	15,863.00
Municipal Alliance	N/A	15,863.00	2020	-	12,411.31	-	9,608.60	89.50	-	2,892.21	12,970.79
Municipal Alliance	N/A	4,017.00	2021	(4,017.00)	4,017.00	4,017.00	-	-	-	4,017.00	-
Municipal Alliance	N/A	7,905.00	2022	-	-	1,495.41	-	-	(6,409.59)	7,905.00	-
Total Governor's Council on Alcoholism and Drug Abuse				(8,882.28)	16,428.31	10,377.69	9,608.60	89.50	(6,409.59)	14,814.21	28,833.79
NJ Department of the Treasury											
BPU Clean Energy Program - EV Tourism	100-082-2008-009-6140	150,000.00	2022	-	-	-	-	-	(150,000.00)	150,000.00	-
TOTAL FEDERAL AND STATE GRANT FUND:				(286,125.30)	3,350,851.70	185,349.37	117,466.03	89.50	(418,300.69)	3,553,800.53	1,179,015.05
TOTAL STATE AID				(286,125.30)	3,350,851.70	185,349.37	117,466.03	89.50	(418,300.69)	3,553,800.53	1,179,015.05

Note: This schedule was not subject to an audit in accordance with NJ OMB Circular 15-08

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

CURRENT FUND

	Year 2022		Year 2021	
	Amount	%	Amount	%
Revenue and Other Income Realized				
Fund Balance Utilized	1,020,000.00	2.697%	850,000.00	2.323%
Miscellaneous - From Other Than Local Property Tax Levies	3,396,641.25	8.979%	2,762,714.58	7.549%
Collection of Delinquent Taxes and Tax Title Liens	434,972.33	1.150%	437,939.97	1.197%
Collection of Current Tax Levy	32,044,111.24	84.713%	31,516,120.86	86.121%
Other Credits to Income	931,037.16	2.461%	1,028,496.88	2.810%
Total Revenue and Other Income Realized	37,826,761.98	100.000%	36,595,272.29	100.000%
Expenditures				
Budget Expenditures:				
Municipal Purposes	11,714,841.24	32.295%	10,852,630.96	30.955%
Local and Regional School Taxes	17,668,887.00	48.708%	17,406,215.00	49.648%
County Taxes	6,865,347.46	18.926%	6,800,096.20	19.396%
Other Expenditures	25,738.53	0.071%	-	0.000%
Total Expenditures	36,274,814.23	100.000%	35,058,942.16	100.000%
Excess (Deficit) in Revenue	1,551,947.75		1,536,330.13	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	-		20,000.00	
Statutory Excess to Fund Balance	1,551,947.75		1,556,330.13	
Fund Balance, January 1,	2,797,681.08		2,091,350.95	
	4,349,628.83		3,647,681.08	
Less:				
Utilized as Anticipated Revenue	1,020,000.00		850,000.00	
Fund Balance, December 31,	3,329,628.83		2,797,681.08	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	2022	2021	2020
Tax Rate:	2.989	2.997	2.895
Apportionment of Tax Rate:			
Municipal	0.715	0.715	0.695
County	0.634	0.639	0.627
District School	1.037	1.057	1.016
Regional School	0.603	0.586	0.557

Assessed Valuation:			
2022	$1,076,583,600.00		
2021		$1,058,603,000.00	
2020			$1,067,197,400.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

		Currently	
Year	Tax Levy	Cash Collections	Percentage of Collection
2022	$32,451,266.54	$32,044,111.24	98.75%
2021	32,002,561.80	31,516,120.86	98.48%
2020	30,954,435.59	30,464,383.45	98.41%

DELINQUENT TAXES AND TAX TITLE LIENS

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

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2022	$455,373.09	$377,151.92	$832,524.92	2.75%
2021	440,260.01	442,643.47	882,903.48	2.76%
2020	406,725.55	438,163.22	844,888.77	2.73%

PROPERTY ACQUIRED BY TAX TITLE LIENS LIQUIDATION

No properties have been acquired in 2022 by foreclosure or deed as a result of liquidation of tax title liens.

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

Year	Amount
2022	$14,700.00
2021	14,700.00
2020	14,700.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	Current Fund	
Year	Balance	Utilized in Budget of Succeeding Year
2022	$3,329,628.83	$1,220,000.00
2021	2,797,681.08	1,020,000.00
2020	2,091,350.95	850,000.00
2019	2,069,192.11	750,000.00
2018	1,661,646.36	730,000.00

Township of Hardyston , N.J.

Schedule of Cash - Treasurer

Current Fund

Year Ended December 31, 2022

	Ref.		Current Fund
Balance - December 31, 2021	A		7,602,462.79
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	803,191.42	
Petty Cash	A-6	50.00	
State of NJ Receipts	A-7	57,486.30	
Taxes Receivable	A-8	31,967,659.52	
Tax Title Lien Receipts	A-9	8,740.87	
Revenue Accounts Receivable	A-12	3,042,385.87	
Interfunds	A-13	600,255.18	
Prepaid Taxes	A-16	301,087.96	
Various Cash Liabilities and Reserves	A-20	100,358.69	
			36,881,215.81
			44,483,678.60
Decreased by Disbursements:			
Refund Prior Year Revenue	A-1	25,738.53	
Current Year Budget Appropriations	A-3	10,302,342.77	
Petty Cash	A-6	50.00	
Interfunds	A-13	520,231.21	
Appropriation Reserves	A-14	529,161.52	
Encumbrances Payable - Various Reserves	A-15	10,087.57	
Local District School Taxes	A-17	11,174,726.00	
Regional High School Taxes	A-18	6,494,161.00	
County Taxes Payable	A-19	6,866,581.55	
Various Cash Liabilities and Reserves	A-20	69,609.29	
			35,992,689.44
Balance - December 31, 2022	A		8,490,989.16

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Township of Hardyston , N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2022

	Ref.	
Balance - December 31, 2021	A	625.00
Balance - December 31, 2022	A	625.00
Analysis of Balance:		
Tax Collector		200.00
Clerk		100.00
Recreation		100.00
Police		25.00
Building Department - Wantage		100.00
Building Department		100.00
		625.00

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Schedule of Cash - Petty Cash

Current Fund

Year Ended December 31, 2022

	Ref.	
Increased by:		
Disbursements	A-4	50.00
Decreased by:		
Receipts	A-4	50.00

Township of Hardyston , N.J.

Schedule of Amount Due From/(To) State of New Jersey for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976

Current Fund

Year Ended December 31, 2022

	Ref.		
Balance - December 31, 2021	A		(145.98)
Increased by:			
State Share of Senior Citizens and Veteran Deductions Received in Cash	A-4		57,486.30
			(57,632.28)
Decreased by:			
Senior Citizens Deductions Per Tax Billing		5,250.00	
Veterans Deductions Per Tax Billing		51,500.00	
Senior Citizens & Veterans Deduction Allowed by Tax Collector			
Less: Deductions Disallowed by Tax Collector			
Current Year		4,263.70	
Prior Years		(750.00)	
	A-8		60,263.70
Balance - December 31, 2022	A		2,631.42

Township of Hardyston , N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2022

Year	Balance, Dec. 31, 2021	Levy	Added Taxes	Collected 2021	Collected 2022	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2022
2019	1,167.76	-	-	-	-	-	-	-	1,167.76
2020	2,326.49	-	-	-	-	-	-	-	2,326.49
2021	439,149.47	-	12,234.96	-	426,981.46	(750.00)	2,221.98	1,047.10	21,883.89
	442,643.72	-	12,234.96	-	426,981.46	(750.00)	2,221.98	1,047.10	25,378.14
2022	-	32,179,086.24	272,180.30	442,419.48	31,540,678.06	61,013.70	21,323.52	34,058.00	351,773.78
	442,643.72	32,179,086.24	284,415.26	442,419.48	31,967,659.52	60,263.70	23,545.50	35,105.10	377,151.92
	A			A-2; A-16	A-2; A-4	A-2; A-7	A-9		A

Analysis of Tax Levy

	Ref.		
Tax yield:			
General Property Tax			32,179,086.24
Added Tax (R.S. 54:4-63.1 et seq.)			272,180.30
			32,451,266.54
Tax Levy:			
Local District School Tax	A-17		11,174,726.00
Regional High School Tax	A-18		6,494,161.00
County Library		458,829.39	
County Tax		6,323,670.74	
County Open Space Preservation		25,073.74	
Added County Taxes		57,742.97	
	A-19		6,865,347.46
	A-2		24,534,234.46
Local Tax for Municipal Purposes		7,698,678.36	
Additional Taxes		218,353.72	
			7,917,032.08
			32,451,266.54

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Township of Hardyston , N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2022

	Ref.		
Balance - December 31, 2021	A		440,260.01
Increased by:			
Transfer from Taxes Receivable	A-8	23,545.50	
Interest and Costs from Tax Sale		308.45	
			23,853.95
			464,113.96
Decreased by:			
Cash Receipts	A-2;A-4		8,740.87
Balance - December 31, 2022	A		455,373.09

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Schedule of Property Acquired for

Taxes Assessed Valuation

Current Fund

Year Ended December 31, 2022

	Ref.	
Balance - December 31, 2021	A	14,700.00
Balance - December 31, 2022	A	14,700.00

Township of Hardyston , N.J.

Schedule of Deferred Charges

N.J.S. 40A:4-48 Emergency

Year Ended December 31, 2022

Date Authorized	Purpose	Balance, Dec. 31, 2021	Amount in 2022 Budget
8/25/2021	Legal - Other Expenses	20,000.00	20,000.00
		A	A-3

Township of Hardyston , N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2022

	Ref.	Accrued	Collected
Licenses:			
Alcoholic Beverages	A-2	4,580.00	4,580.00
Fines and Costs:			
Municipal Court	A-2	56,104.59	56,104.59
Interest and Costs on Taxes	A-2	77,781.68	77,781.68
Interest on Investments	A-2	71,231.68	71,231.68
Garbage Collection Fees	A-2	3,310.00	3,310.00
Uniform Fire Safety Act (Local Fees)	A-2	46,933.50	46,933.50
Quarry Lease Fees	A-2	49,365.98	49,365.98
Antenna Lease Fees	A-2	63,550.15	63,550.15
Abandoned and Property Fees	A-2	23,666.66	23,666.66
Sale of Solar Renewable Energy Credits	A-2	5,710.50	5,710.50
Energy Receipts Tax (P.L. 1999, Chapters 162 & 167)	A-2	500,403.00	500,403.00
Garden State Trust - PILOT Funds	A-2	29,950.00	29,950.00
Watershed Moratorium offset	A-2	194,721.00	194,721.00
Uniform Construction Code Fees	A-2	291,358.00	291,358.00
Hardyston Township MUA - Secretarial/Billing Services	A-2	116,280.00	116,280.00
Hardyston Elementary School - Recycling & Solid Waste Removal	A-2	11,220.00	11,220.00
Hardyston Elementary School - Park Maintenance	A-2	17,340.00	17,340.00
Hardyston Township MUA - Sewer and Water Operations	A-2	247,576.00	247,576.00
Franklin Borough - Construction Code Official	A-2	160,883.25	160,883.25
Hamburg Borough - Construction Code Official	A-2	59,513.00	59,513.00
Hamburg Borough - Recycling	A-2	42,990.00	42,990.00
Hamburg Borough Solid Waste	A-2	4,150.00	4,150.00
Town of Newton - Construction	A-2	230,824.55	230,824.55
Sussex Borough - Construction	A-2	43,971.25	43,971.25
Hamburg Borough - Field Coordinator	A-2	3,500.00	3,500.00
Wantage Township - Construction Official	A-2	211,623.00	211,623.00
Uniform Fire Safety Act	A-2	66,373.40	66,373.40
American Rescue Plan - LFRF	A-2	407,474.68	407,474.68
		3,042,385.87	3,042,385.87
			A-4

Township of Hardyston, N.J.

Schedules of Interfunds

Current Fund

Year Ended December 31, 2022

Fund		Due From/(To) Balance Dec. 31, 2021	Increased	Decreased	Due From/(To) Balance Dec. 31, 2022
Assessment Trust Fund	A	-	4,630.52	94.01	(4,536.51)
State and Federal Grant Fund	A	(3,505,874.85)	595,624.66	520,231.21	(3,581,268.30)
		(3,505,874.85)	600,255.18	520,325.22	(3,585,804.81)
		A	A-4		A

	Ref.		
Interest on Investments	A-2	-	71.80
Interest on Assessments	A-2	-	22.21
Cash Receipts	A-4	600,255.18	-
Cash Disbursed	A-4	-	520,231.21
		600,255.18	520,325.22

Township of Hardyston , N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2022

	Balance, Dec. 31, 2021	Balance after Transfers	Paid or Charged	Balance Lapsed
Operations - within "CAPS"				
Administrative and Executive:				
Salaries and Wages	3,271.72	-	-	-
Other Expenses				
Use of Office Equipment and Supplies	2,991.27	152.34	152.34	-
Miscellaneous Other Expenses	7,780.92	13,891.57	13,891.57	-
Elections:				
Other Expenses	163.35	163.35	-	163.35
Financial Administration:				
Other Expenses	14,253.21	17,482.54	14,944.35	2,538.19
Computer Technology/Maintenance				
Other Expenses	12,671.24	12,671.24	8,536.91	4,134.33
Collection of Taxes				
Salaries and Wages	3,229.23	-	-	-
Other Expenses	2,636.21	2,636.21	1,440.26	1,195.95
Assessment of Taxes:				
Salaries and Wages	159.15	159.15	-	159.15
Other Expenses	634.55	634.55	215.78	418.77
Legal Services and Costs:				
Other Expenses	12,206.87	14,606.87	4,527.20	10,079.67
Engineering Services and Costs:				
Retainer	735.00	735.00	-	735.00
Other Expenses	6,260.00	860.00	792.50	67.50
Economic Development Commission:				
Other Expenses	4,895.15	4,895.15	2,429.00	2,466.15
Municipal Land Use Law : (N.J.S. 40:55D-11)				
Planning Board:				
Salaries and Wages	0.37	0.37	-	0.37
Other Expenses	13,685.20	18,385.20	12,712.50	5,672.70
Board of Adjustment:				
Other Expenses	1,943.00	243.00	153.80	89.20
Insurance:				
Other Insurance Premiums	888.94	888.94	-	888.94
Workers' Compensation Insurance	50.00	50.00	-	50.00
Employee Group Health Insurance	101,639.65	101,639.65	101,629.65	10.00
Unemployment Compensation Insurance	1,303.29	303.29	81.02	222.27
Disability Insurance	1,277.72	1,277.72	1,277.72	-
Public Safety:				
Police:				
Salaries and Wages:	72,707.51	50,057.51	2,205.74	47,851.77
Other Expenses	46,235.34	49,235.34	48,650.98	584.36
Purchase of Police Cars	22,350.41	32,350.41	32,350.41	-
Purchase and Maintenance of Uniforms	6,719.10	6,719.10	6,672.58	46.52

Township of Hardyston , N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2022

	Balance, Dec. 31, 2021	Balance after Transfers	Paid or Charged	Balance Lapsed
Police Communications:				
Salaries and Wages	7,710.38	3,710.38	3,321.24	389.14
Other Expenses	2,941.23	2,941.23	2,544.61	396.62
Emergency Management Services:				
Other Expenses	5,070.00	5,070.00	3,078.00	1,992.00
Aid to Volunteer Fire Companies	36,778.41	36,778.41	36,778.41	-
Fire Prevention Bureau:				
Salaries and Wages	520.68	-	-	-
Other Expenses	1,809.60	2,330.28	1,445.00	885.28
Municipal Prosecutor				
Other Expenses	100.00	100.00	-	100.00
Municipal Court				
Salaries and Wages	7,001.74	-	-	-
Other Expenses	2,542.99	2,542.99	327.51	2,215.48
Streets and Roads:				
Road Repairs and Maintenance:				
Salaries and Wages	4,629.51	4,629.51	4,629.51	-
Other Expenses				
Miscellaneous Other Expenses	32,378.98	54,290.08	54,290.08	-
Road Equipment Repair and Maintenance	5,545.04	5,545.04	5,545.04	-
Recycling				
Other Expenses	200.00	200.00	-	200.00
Buildings & Grounds				
Other Expenses	13,134.01	13,134.01	13,134.01	-
Dog Regulation				
Other Expenses	3,570.50	3,570.50	3,570.50	-
Senior Citizen Transportation				
Other Expenses	280.00	280.00	280.00	-
PEOSHA				
Hepatitis - B Vaccination	500.00	500.00	-	500.00
Recreation and Education:				
Recreation:				
Other Expenses	4,985.50	4,985.50	4,985.50	-
State Uniform Construction Code				
Construction Official				
Salaries and Wages	23,093.95	-	-	-
Other Expenses	7,577.82	30,671.77	27,507.94	3,163.83

Township of Hardyston , N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2022

		Balance, Dec. 31, 2021	Balance after Transfers	Paid or Charged	Balance Lapsed
Zoning Enforcement Officer:					
Salaries and Wages		0.73	0.73	-	0.73
Other Expenses		712.63	712.63	-	712.63
Unclassified:					
Celebration of Public Events:					
Other Expenses		1,350.00	1,350.00	1,350.00	-
Accumulated Leave Compensation		25,000.00	25,000.00	-	25,000.00
Utility Expense/Bulk Purchases					
Electricity		12,482.12	12,482.12	5,205.78	7,276.34
Street Lighting		12,095.82	12,095.82	12,095.82	-
Telephone		5,377.77	5,377.77	2,816.09	2,561.68
Fuel Oil		4,185.87	4,185.87	4,185.87	-
Gasoline		20,321.26	20,321.26	20,321.26	-
Diesel Fuel		21,620.16	21,620.16	21,620.16	-
Natural Gas		7,047.06	7,047.06	3,102.98	3,944.08
Total Operations within "CAPS"		611,252.16	611,511.62	484,799.62	126,712.00
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		8,451.02	541.56	541.56	-
DCRP		1,039.73	1,039.73	-	1,039.73
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"		620,742.91	613,092.91	485,341.18	127,751.73
Operations - Excluded from "CAPS"					
Reserve for Tax Appeals		30,000.00	30,000.00	30,000.00	-
Emergency Services Volunteer Length of Service Award Program - Other Expenses		28,000.00	35,650.00	35,650.00	-
Interlocal Municipal Service Agreements					
Hamburg Borough Field Coordinator					
Other Expenses		3,500.00	3,500.00	3,500.00	-
Total Operations - Excluded from "CAPS"		61,500.00	69,150.00	69,150.00	-
Total General Appropriations		682,242.91	682,242.91	554,491.18	127,751.73
	Ref.				A-1
Analysis of Appropriation Reserves					
Unencumbered	A	578,417.41			
Encumbered	A	103,825.50			
		682,242.91			
Analysis of Paid or Charged					
Cash Disbursements	A-4			529,161.52	
Accounts Payable	A-20			25,329.66	
				554,491.18	

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Township of Hardyston , N.J.

Schedule of Encumbrances Payable - Non-Budget

Current Fund

Year Ended December 31, 2022

	Ref.	
Balance - December 31, 2021	A	10,087.57
Increased by:		
Various Reserves	A-20	13,629.54
		23,717.11
Decreased by:		
Disbursed	A-4	10,087.57
Balance - December 31, 2022	A	13,629.54

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Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2022

	Ref.	
Balance - December 31, 2021	A	442,419.48
Increased by:		
Receipts - Prepaid 2023 Taxes	A-4	301,087.96
		743,507.44
Decreased by:		
Applied to 2022 Taxes	A-8	442,419.48
Balance - December 31, 2022	A	301,087.96

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Township of Hardyston , N.J.

Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2022

	Ref.	
Increased by:		
Levy Calendar Year 2022	A-1; A-8	11,174,726.00
Decreased by:		
Payments	A-4	11,174,726.00

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Schedule of Regional High School Tax

Current Fund

Year Ended December 31, 2022

	Ref.	
Increased by:		
Levy Calendar Year 2022	A-1; A-8	6,494,161.00
Decreased by:		
Payments	A-4	6,494,161.00

Township of Hardyston , N.J.

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2022

	Ref.		
Balance - December 31, 2021	A		58,977.06
Increased by:			
Tax Levy 2022			
County Tax		6,323,670.74	
County Library		458,829.39	
County Health		30.62	
County Open Space Preservation		25,073.74	
Added and Omitted Taxes		57,742.97	
	A-1; A-8		6,865,347.46
			6,924,324.52
Decreased by:			
Payments	A-4		6,866,581.55
Balance - December 31, 2022	A		57,742.97

Township of Hardyston , N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2022

Liabilities and Reserves	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
Liabilities:				
Tax Overpayments	17,281.35	43,530.73	45,804.60	15,007.48
Accounts Payable	79,529.90	25,329.66	36,709.23	68,150.33
Due to State of N.J. Marriage Surcharge	-	725.00	725.00	-
Reserves for:				
Tax Appeals	-	30,000.00	-	30,000.00
Municipal Relief Funds	-	26,102.96	-	26,102.96
Sale of Assets	16,605.61	-	-	16,605.61
Tax Map	4,793.00	-	-	4,793.00
Revaluation	7,449.00	-	-	7,449.00
	125,658.86	125,688.35	83,238.83	168,108.38
	A			A

	Ref.		
Receipts	A-4	100,358.69	-
Disbursed	A-4	-	69,609.29
Appropriation Reserves	A-14	25,329.66	-
Reserve for Encumbrances	A-15	-	13,629.54
		125,688.35	83,238.83

Township of Hardyston , N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2022

Grant	Balance, Dec. 31, 2021	Budget Revenue	Received	Transfer From Unappropriated Reserves	Cancelled	Balance, Dec. 31, 2022
Body Armor Grant	4,752.69	5,989.89	1,574.34	5,989.89	2,800.60	377.75
Body-worn Camera Grant	50,950.00	-	-	-	-	50,950.00
Municipal Alliance on Alcoholism and Drug Abuse	8,882.28	7,905.00	10,377.69	-	-	6,409.59
Clean Communities Grant	-	23,152.98	-	23,152.98	-	-
Assistance to Firefighters Grant	-	29,420.95	-	-	-	29,420.95
Recycling Tonnage Grant	5,876.51	7,095.51	7,095.51	-	-	5,876.51
Special Legislative Grant Interest	-	746.05	-	746.05	-	-
Alcohol Education and Rehabilitation Fund	6,691.84	-	-	-	-	6,691.84
NJDOT Municipal Aid:						
Old Prospect and Davis Roads	99,371.98	-	99,371.98	-	-	-
Big Spring Rd Phase 2	41,550.00	-	41,550.00	-	-	-
Scenic Lakes Road Phase I	-	129,945.00	-	-	-	129,945.00
Highlands Compliance Grant	68,050.00	-	-	-	-	68,050.00
Clean Energy Electric Vehicle Tourism Grant	-	150,000.00	-	-	-	150,000.00
	286,125.30	354,255.38	159,969.52	29,888.92	2,800.60	447,721.64
	A	A-2, A-22	A-24	A-23	A-24	A

Township of Hardyston , N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2022

Grant	Balance, Dec. 31, 2021	Transfer From Budget Appropriations	Expended	Prior Year Encumbrance Cancelled	Dec. 31, 2022
Clean Communities Program	78,711.35	23,152.98	51,118.21	-	50,746.12
Recycling Tonnage Grant	17,461.53	7,095.51	5,000.00	-	19,557.04
Drunk Driving Enforcement Fund	3,846.08	-	1,165.27	-	2,680.81
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	16,428.31	7,905.00	9,608.60	89.50	14,814.21
Local Share	1,728.52	-	-	-	1,728.52
Alcohol Education and Rehabilitation	13,383.68	-	5,010.62	-	8,373.06
Body-worn Camera Grant	31,512.69	-	26,645.29	-	4,867.40
Body Armor Grant	-	5,989.89	-	-	5,989.89
NJ Special Legislative Grant - Wallkill River Cleanup	3,072,253.45	-	17,706.24	-	3,054,547.21
Assistance to Firefighters Grant	-	29,420.95	-	-	29,420.95
Special Leg. Grant Interest	85,918.89	746.05	-	-	86,664.94
Highlands Compliance Grant	235.00	-	-	-	235.00
NJDOT Municipal Aid:					
Old Prospect and Davis Roads	1,211.80	-	1,211.80	-	-
Scenic Lakes Road Phase I	-	129,945.00	-	-	129,945.00
Clean Energy Electric Vehicle Tourism Grant	-	150,000.00	-	-	150,000.00
	3,322,691.30	354,255.38	117,466.03	89.50	3,559,570.15
	A	A-3; A-21		A-25	A

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Township of Hardyston , N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2022

Grant	Balance Dec. 31, 2021	Transfer To 2022 Budget	Received	Balance Dec. 31, 2022
Local Fiscal Relief Fund - ARP	407,474.68	-	0.01	407,474.69
Body Armor Grant	5,989.89	5,989.89	1,226.26	1,226.26
Interest on Special Legislative Grant	746.05	746.05	655.34	655.34
Clean Communities	23,152.98	23,152.98	23,498.25	23,498.25
	437,363.60	29,888.92	25,379.86	432,854.54
	A	A-21	A-24	A

A-24

Schedule of Due From Current Fund

Federal and State Grant Fund

Year Ended December 31, 2022

	Ref.		
Balance - December 31, 2021	A		3,505,874.85
Increased by:			
Federal and State Grant Fund Receipts	A-21	159,969.52	
Federal and State Grant Fund Receivable Canceled	A-21	2,800.60	
Unappropriated Receipts	A-23	25,379.86	
			188,149.98
			3,694,024.83
Decreased by:			
Federal and State Grant Fund Expenditures	A-22	87,241.03	
Encumbrance Expenditures	A-25	25,515.50	
			112,756.53
Balance - December 31, 2022	A		3,581,268.30

Township of Hardyston , N.J.

Schedule of Encumbrances Payable

Federal and State Grant Fund

Year Ended December 31, 2022

	Ref.		
Balance - December 31, 2021	A		31,945.25
Increased by:			
Charges to Federal and State Grants	A-22		30,225.00
			62,170.25
Decreased by:			
Cancelled	A-22	89.50	
Disbursements	A-24	25,515.50	
			25,605.00
Balance - December 31, 2022	A		36,565.25

Township of Hardyston , N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2022

	Ref.	Emergency Services Volunteer Length of Service Award Program	Assessment Trust Fund	Animal Control Trust Fund	Other Trust Funds
Balance - December 31, 2021	B	516,953.49	53,636.46	7,470.90	2,776,767.81
Increase by Receipts:					
Assessment Receivable	B-5	-	93,953.94	-	-
State Share of Dog Licenses	B-11	-	-	1,400.40	-
Township Share of Dog Licenses	B-12	-	-	9,147.60	-
Late Fees	B-12	-	-	1,105.40	-
Interfunds	B-7	-	7,549.01	-	-
Other Trust Funds	B-15	-	-	-	7,249,288.59
Township Contributions	B-16	35,650.00	-	-	-
Total Receipts		35,650.00	101,502.95	11,653.40	7,249,288.59
		552,603.49	155,139.41	19,124.30	10,026,056.40
Decreased by Disbursements:					
Due to State of New Jersey	B-11	-	-	1,401.60	-
Assessment BANs Payable	B-9	-	62,455.00	-	-
Reserve for Dog Expenditures	B-12	-	-	10,000.00	-
Reserve for Encumbrances - Trust	B-13	-	-	-	590.00
Other Trust Funds	B-15	-	-	-	6,741,836.79
Decrease in Investment Value	B-17	88,393.08	-	-	-
Withdrawals	B-17	78,731.87	-	-	-
Accounting Charge	B-17	989.42	-	-	-
Loan Payable	B-8	-	44,793.28	-	-
Interfunds	B-7	-	-	-	-
Total Disbursements		168,114.37	107,248.28	11,401.60	6,742,426.79
Balance - December 31, 2022	B	384,489.12	47,891.13	7,722.70	3,283,629.61

Township of Hardyston , N.J.

Analysis of Assessment Cash

Assessment Trust Fund

Year Ended December 31, 2022

Ordinance Number		Balance Dec. 31, 2021	Receipts: Assessments	Receipts: Miscellaneous Receipts	Receipts: Assessment Liens	Disbursements: Payment of DEP Loan	Disbursements: Payment of BAN	Balance Dec. 31, 2022
2013-09	Summit Lake Dam Improvements	53,636.46	38,277.87	-	4,630.52	44,793.28	-	51,751.57
2020-01	Park Drive Improvements		55,676.07				55,675.10	0.97
	Interfund - Current Fund			94.01	(4,630.52)			(4,536.51)
	Interfund - General Capital	-		7,455.00	-	-	6,779.90	675.10
		53,636.46	93,953.94	7,549.01	-	44,793.28	62,455.00	47,891.13
		B	B-5	B-7	B-6/B-7	B-8	B-9	B

Township of Hardyston , N.J.

Schedule of Assessments Receivable

Assessment Trust Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Date of Confir-mation	Balance Dec. 31, 2021	Assessments Confirmed	Collected	Balance Dec. 31, 2022	Balance Pledged to BANs	Balance Pledged to NJ DEP Loan	Balance Pledged to Reserve
2013-09	Summit Lake Dam Improvements	4/22/2015	223,976.98	-	38,277.87	185,699.11	-	185,699.11	-
2020-01	Park Drive Improvements	12/22/2021	-	657,989.00	55,676.07	602,312.93	582,044.03	-	20,268.90
			223,976.98	657,989.00	93,953.94	788,012.04	582,044.03	185,699.11	20,268.90
			B		B-3;B-4	B			

	Ref.	
Reserve for Assessments and Liens	B-10	13,489.00
Bond Anticipation Note Payable	B-9	644,500.00
		657,989.00

Township of Hardyston , N.J.

Schedule of Assessment Liens

Assessment Trust Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	Collected	Balance Dec. 31, 2022	Balance Pledged to NJDEP Loan	Balance Pledged to Reserve
2013-09	Summit Lake Dam Improvements	20,054.20	4,630.52	15,423.68	8,912.38	6,511.30
		B	B-4/B-7	B		B-10

Township of Hardyston , N.J.

Schedule of Interfunds

Assessment Trust Fund

Year Ended December 31, 2022

	Due (to)/from Balance Dec. 31, 2021	Increased	Decreased	Due (to)/from Balance Dec. 31, 2022
General Capital	-	6,779.90	7,455.00	(675.10)
Current Fund	-	4,630.52	94.01	4,536.51
	-	11,410.42	7,549.01	3,861.41
	B			B

	Ref.		
Assessment Liens Receivable	B-6	4,630.52	-
Reserve for Assessments and Liens	B-10	6,779.90	-
Cash Receipts	B-3	-	7,549.01
		11,410.42	7,549.01

Township of Hardyston , N.J.

Schedule of NJ DEP Loan Payable - Gordon Lake

Assessment Trust Fund

Year Ended December 31, 2022

	Ref.	
Balance - December 31, 2021	B	291,156.34
Decreased by:		
Cash Disbursement	B-3;B-4	44,793.28
Balance - December 31, 2022	B	246,363.06

Payment Date	Interest	Principal	Balance
			246,363.06
05/29/23	2,322.00	20,074.64	223,966.42
11/29/23	2,121.25	20,275.39	201,569.78
05/29/24	1,918.50	20,478.14	179,173.14
11/29/24	1,713.72	20,682.92	156,776.50
05/29/25	1,506.89	20,889.75	134,379.86
11/29/25	1,297.99	21,098.65	111,983.22
05/29/26	1,087.01	21,309.64	89,586.57
11/29/26	873.91	21,522.73	67,189.93
05/29/27	658.68	21,737.96	44,793.29
11/29/27	441.30	21,955.34	22,396.65
05/29/28	221.76	22,174.89	0.00
	14,163.01	232,200.05	

Township of Hardyston , N.J.

Schedule of Bond Anticipation Notes Payable

Assessment Trust Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2021	Issued	Decreased	Balance, Dec. 31, 2022
19-07	Improvement of the Fire Protection at the North Church Tech Center	08/26/21	08/25/22	08/25/23	3.50%	-	437,000.00	-	437,000.00
20-01	Supl. Approp. Fire Protection at the North Church Tech Center	08/26/21	08/25/22	08/25/23	3.50%	-	207,500.00	62,455.00	145,045.00
						-	644,500.00	62,455.00	582,045.00
						B			B

	Ref.		
Paid by Cash on Hand	B-3	-	62,455.00
Transferred from General Capital	B-5	644,500.00	-
		644,500.00	62,455.00

Township of Hardyston , N.J.

Schedule of Reserve for Assessments and Liens

Assessment Trust Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	Raised in Current Budget	Municipal Share of Assessments	Balance Dec. 31, 2022
Assessments Receivable					
2013-09	Summit Lake Dam Improvements	6,511.30	-	-	6,511.30
2020-01	Park Drive Improvements	-	6,799.90	13,469.00	20,268.90
		6,511.30	6,799.90	13,469.00	26,780.20
		B	B-7	B-5	B B-5;B-6

Township of Hardyston , N.J.

Schedule of Due To State of New Jersey

Animal Control Trust Fund

Year Ended December 31, 2022

	Ref.		
Balance - December 31, 2021	B		3.60
Increased by:			
State License Fees Collected	B-3		1,400.40
			1,404.00
Decreased by:			
Payments to State of NJ	B-3	1,401.60	
Encumbrance Payable	B-14	2.40	
			1,404.00

Township of Hardyston , N.J.

Reserve for Animal Control Trust Expenditures

Animal Control Trust Fund

Year Ended December 31, 2022

	Ref.		
Balance - December 31, 2021	B		7,467.30
Increased by:			
Dog License Fees Collected in 2022	B-3	9,147.60	
Late Charges and Fines	B-3	1,105.40	
			10,253.00
			17,720.30
Decreased by:			
Expenditures R.S. 4:19-1511	B-3		10,000.00
Balance - December 31, 2022	B		7,720.30

License Fees Collected

Year	
2021	9,590.40
2020	6,366.20
	15,956.60

B-13

Township of Hardyston , N.J.

Schedule of Reserve for Encumbrances

Other Trust Fund

Year Ended December 31, 2022

	Ref.	
Balance - December 31, 2021	B	590.00
Increased by:		
Charges to Reserves	B-15	23,161.94
		23,751.94
Decreased by:		
Cash Disbursements	B-3	590.00
Balance - December 31, 2022	B	23,161.94

B-14

Schedule of Reserve for Encumbrances

Animal Control Trust Fund

Year Ended December 31, 2022

	Ref.	
Balance - December 31, 2021	B	
Increased by:		
Due State of New Jersey	B-11	2.40
Balance - December 31, 2022	B	2.40

Township of Hardyston , N.J.

Schedule of Other Trust Funds

Other Trust Fund

Year Ended December 31, 2022

	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
Uniform Fire Safety Fines	15,125.84	11,228.86	14,678.06	11,676.64
Uniform Construction Code Fees	-	320,000.00	-	320,000.00
Reserve for Recreation	42,595.09	7,004.50	20,262.26	29,337.33
Escrow Deposits	87,102.07	43,590.88	58,073.85	72,619.10
Small Cities	67,907.52	-	-	67,907.52
Municipal Court - P.O.A.A.	416.00	14.00	-	430.00
Public Defender	5,779.86	1,075.00	2,000.00	4,854.86
Redemption O/S Liens	-	15,307.21	15,307.21	-
Police Outside Work	1,480.98	7,150.97	8,631.95	-
Affordable Housing	997,122.18	114,323.19	24,082.36	1,087,363.01
Accumulated Sick Leave	504,040.43	116,223.23	20,690.23	599,573.43
Snow Removal/Storm Recovery	335,202.78	71,526.68	135,154.07	271,575.39
Performance Bonds Escrow	627,540.06	37,904.04	54,648.63	610,795.47
Premiums on Tax Sale	51,400.00	185,500.00	91,800.00	145,100.00
Payroll Agency	40,465.00	3,300,801.56	3,302,031.64	39,234.92
Net Payroll	-	3,017,638.47	3,017,638.47	-
	2,776,177.81	7,249,288.59	6,764,998.73	3,260,467.67
	B			B

	Ref.		
Cash Receipts	B-3	7,249,288.59	-
Cash Disbursements	B-3	-	6,741,836.79
Reserve for Encumbrances	B-13	-	23,161.94
		7,249,288.59	6,764,998.73

B-16

Township of Hardyston , N.J.

Schedule of Contributions Receivable

Emergency Services Volunteer Length of Services Award Program

Year Ended December 31, 2022

	Ref.	
Balance - December 31, 2021	B	35,650.00
Increased by:		
Township Contributions	B-17	34,500.00
		70,150.00
Decreased by:		
Receipts	B-3	35,650.00
Balance - December 31, 2022	B	34,500.00

B-17

Schedule of Net Assets Available for Benefits

Emergency Services Volunteer Length of Services Award Program

Year Ended December 31, 2022

	Ref.		
Balance - December 31, 2021	B		552,603.49
Increased by:			
Township Contributions	B-16		34,500.00
			587,103.49
Decreased by:			
Decrease in Investment Value	B-3	88,393.08	
Withdrawals	B-3	78,731.87	
Accounting Charge	B-3	989.42	
			168,114.37
Balance - December 31, 2022	B		418,989.12

Township of Hardyston , N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2022

	Ref.		
Balance - December 31, 2021	C		2,864,371.37
Increased by Receipts:			
Premium on Sale of Notes	C-1	27,360.00	
Deferred Charges to Future Taxation:			
Unfunded	C-6	24,250.00	
Interfund - Assessment Trust Fund	C-11	6,779.90	
Down Payments on Improvements	C-10	556,792.00	
			615,181.90
			3,479,553.27
Decreased by Disbursements:			
Improvement Authorizations	C-8	529,548.80	
Interfund - Assessment Trust Fund	C-10	7,455.00	
Various Capital Reserves	C-13	7,718.00	
Reserve for Encumbrances	C-14	409,859.20	
			954,581.00
Balance - December 31, 2022	C		2,524,972.27

Township of Hardyston , N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2022

	Balance or (Deficit) Dec. 31, 2021	Receipts: Budget Appropriations	Receipts: Bond Anticiptaion Notes Issued	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Transfers: From	Transfers: To	Balance or (Deficit) Dec. 31, 2022
Fund Balance	41,872.26	-	27,360.00	-	-	-	-	-	69,232.26
Capital Improvement Fund	88,820.45	-	-	-	-	-	-	-	88,820.45
Down Payments on Improvements	-	556,792.00	-	-	-	-	556,792.00	-	-
Various Reserves	1,012,884.75	-	-	-	-	7,718.00	-	-	1,005,166.75
Reserve for Encumbrances	531,065.32	-	-	-	409,859.20	-	10,321.46	266,421.35	377,306.01
Interfund - Assessment Trust	-	-	-	6,779.90	-	7,455.00	-	-	(675.10)
Improvement Authorizations:									
13-01 Purchase of Street Sweeper	(97,500.00)	19,500.00	-	-	-	-	-	-	(78,000.00)
13-08 Upgrade to "911" Equip	(28,500.00)	4,750.00	-	-	-	-	-	-	(23,750.00)
14-06 Various Improvements and Purchases	1,157.26	-	-	-	-	-	1,157.26	-	-
18-08 Various Capital Improvements	489.46	-	-	-	-	-	280.06	162.52	371.92
18-13 Various Capital Improvements	1,153,174.62		-	-	354,595.18	-	-	5,136.00	803,715.44
19-05 Various Capital Improvements	330.15	-	-	-	-	-	-	832.48	1,162.63
20-01 Supplemental Appropriation for the Improvements to the Fire Protection System at North Church Technical Center	20,011.10	-	-	-	-	-	13,574.82	-	6,436.28
20-04 Various Capital Improvements	17,631.06	-	-	-	1,004.00	-	5,400.00	-	11,227.06
21-05 Various Capital Improvements	120,799.94	-	-	-	109,720.00	-	4,823.70	4,050.46	10,306.70
21-13 Acquisition of FF Turnout Gear	2,135.00	-	-	-	1,227.00	-	907.00	140.00	141.00
22-06 Various Capital Improvements	-	-	-	-	63,017.62	-	240,263.51	556,792.00	253,510.87
	2,864,371.37	581,042.00	27,360.00	6,779.90	939,423.00	15,173.00	833,519.81	833,534.81	2,524,972.27
	C								C

Township of Hardyston , N.J.

Schedule of Prospective Assessments Raised by Taxation

General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Total Appropriated	Ordinance Down Payment	Balance, Dec. 31, 2021	Assessment Confirmed
19-07	Improvement to the Fire Protection System at North Church Technical Center	06/26/19	460,000.00	23,000.00	23,000.00	23,000.00
20-01	Supplemental Appropriation for the Improvements to the Fire Protection System at North Church Technical Center	02/26/20	218,000.00	10,500.00	10,500.00	10,500.00
					33,500.00	33,500.00
					C	

Township of Hardyston , N.J.

Schedule of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year Ended December 31, 2022

	Ref.	
Balance - December 31, 2021	C	4,560,000.00
Decreased by:		
Serial Bonds Paid by Current Year Budget Appropriations	C-7	805,000.00
Balance - December 31, 2022	C	3,755,000.00

Township of Hardyston , N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Balance, Dec. 31, 2021	Funded by Budget Appropriation	Notes Paid by Budget Appropriation	Assessments Confirmed	Balance, Dec. 31, 2022	Analysis of Balance Dec. 31, 2022: Financed by Bond Anticipation Notes	Analysis of Balance Dec. 31, 2022: Expended	Analysis of Balance Dec. 31, 2022: Unexpended Improvement Authorization
13-01	Street Sweeper	97,500.00	19,500.00	-	-	78,000.00	-	78,000.00	-
13-08	Upgrades to 911 Equipment	28,500.00	4,750.00	-	-	23,750.00	-	23,750.00	-
18-13	Various Capital Improvements	4,590,250.00		95,000.00	-	4,495,250.00	3,490,000.00	-	1,005,250.00
19-07	Improvement to the Fire Protection System at North Church Technical Center	437,000.00	-	-	437,000.00	-	-	-	-
20-01	Supplemental Appropriation for the Improvements to the Fire Protection System at North Church Technical Center	207,500.00	-	-	207,500.00	-	-	-	
		5,360,750.00	24,250.00	95,000.00	644,500.00	4,597,000.00	3,490,000.00	101,750.00	1,005,250.00
		C	C-2; C-15	C-12	C-11	C	C-12		

		Ref.	
Improvement Authorizations - Unfunded		C-8	1,808,965.44
Less: Unexpended Proceeds of Bond Anticipation Notes	Ord. Number		
Ordinance Number:	18-13		803,715.44
			1,005,250.00

Township of Hardyston , N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2022

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2022 Date	Amount	Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
General Improvement Bonds of 2011A	12/1/2011	1,425,000.00	12/1/23	125,000.00	3.75%			
			12/1/24	200,000.00	3.75%	425,000.00	100,000.00	325,000.00
General Refunding Bonds of 2013	5/16/2013	2,655,000.00	10/01/23	335,000.00	4.00%	670,000.00	335,000.00	335,000.00
General Improvement Bonds of 2015	4/7/2015	1,700,000.00	04/01/23	140,000.00	2.250%			
			04/01/24-25	150,000.00	2.250%			
			04/01/26-28	150,000.00	2.750%			
			04/01/29	145,000.00	2.750%	1,165,000.00	130,000.00	1,035,000.00
General Refunding Bonds of 2015	4/7/2015	3,555,000.00	2/1/23-24	240,000.00	4.00%			
			2/1/25-27	290,000.00	4.00%			
			2/1/28-29	285,000.00	4.00%			
			02/01/30	140,000.00	3.00%	2,300,000.00	240,000.00	2,060,000.00
						4,560,000.00	805,000.00	3,755,000.00
						C	C-5	C

Township of Hardyston , N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance, Dec. 31, 2021 Funded	Balance, Dec. 31, 2021 Unfunded	2022 Authorizations	Paid or Charged	Purchase Order Adjustments	Balance, Dec. 31, 2022 Funded	Balance, Dec. 31, 2022 Unfunded
	General Improvements:									
14-06	Various Improvements and Purchases	05/28/14	454,228.00	1,157.26	-	-	1,157.26	-	-	-
18-08	Various Capital Improvements	06/27/18	550,000.00	489.46	-	-	280.06	162.52	371.92	-
18-13	Various Capital Improvements	11/28/18	4,825,000.00	-	2,158,424.62	-	354,595.18	5,136.00	-	1,808,965.44
19-05	Various Capital Improvements	05/22/19	375,900.00	330.15	-	-	-	832.48	1,162.63	-
20-04	Various Capital Improvements	05/27/20	345,200.00	17,631.06	-	-	6,404.00	-	11,227.06	-
21-05	Various Capital Improvements	05/26/21	382,500.00	120,799.94	-	-	114,543.70	4,050.46	10,306.70	-
21-13	Acquisition of FF Turnout Gear	12/08/21	25,000.00	2,135.00	-	-	2,134.00	140.00	141.00	-
22-06	Various Capital Improvements	05/25/22	531,792.00	-	-	556,792.00	303,281.13	-	253,510.87	-
	General and Local Improvements:									
20-01	Supplemental Appropriation for the Improvements to the Fire Protection System at North Church Technical Center	02/26/20	218,000.00	-	20,011.10	-	13,574.82	-	6,436.28	-
				142,542.87	2,178,435.72	556,792.00	795,970.15	10,321.46	283,156.46	1,808,965.44
				C	C	C-10		C-14	C	C

	Ref.	
Cash Disbursements	C-2	529,548.80
Encumbrances Payable	C-14	266,421.35
		795,970.15

C-9

Township of Hardyston , N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2022

	Ref.	
Balance - December 31, 2021	C	88,820.45
Balance - December 31, 2022	C	88,820.45

C-10

Schedule of Down Payments on Improvements

General Capital Fund

Year Ended December 31, 2022

	Ref.	
Increased by:		
Budget Appropriation	C-2	556,792.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-8	556,792.00

Township of Hardyston , N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2022

Fund		Increased	Decreased	Due From/(To) Balance, Dec. 31, 2022
Assessment Trust Fund		651,955.00	651,279.90	675.10
		C-6	C-12	C
	Ref.			
Cash Receipts	C-2	-	6,779.90	
Cash Disbursements	C-2	7,455.00	-	
Deferred Charges Unfunded	C-6	644,500.00	-	
BANs Transferred	C-12	-	644,500.00	
		651,955.00	651,279.90	

Township of Hardyston , N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2021	Issued	Decreased	Balance, Dec. 31, 2022
18-13	Various General Improvements	08/30/19	08/26/21	08/26/22	1.00%	1,795,000.00	-	1,795,000.00	-
		08/26/21	08/26/21	08/26/22	1.00%	1,790,000.00	-	1,790,000.00	-
		08/30/19	08/25/22	08/25/23	3.50%	-	1,700,000.00	-	1,700,000.00
		08/26/21	08/25/22	08/25/23	3.50%	-	1,790,000.00	-	1,790,000.00
19-07	Improvement of the Fire Protection at the North Church Tech Center	08/26/21	08/26/21	08/26/22	1.00%	437,000.00	-	437,000.00	-
20-01	Supl. Approp. Fire Protection at the North Church Tech Center	08/26/21	08/26/21	08/26/22	1.00%	207,500.00	-	207,500.00	-
						4,229,500.00	3,490,000.00	4,229,500.00	3,490,000.00
						C			C

	Ref.		
Renewals		3,490,000.00	3,490,000.00
Paid by Budget Appropriation	C-6	-	95,000.00
Transferred to Assessment	C-11	-	644,500.00
		3,490,000.00	4,229,500.00

Township of Hardyston , N.J.

Schedule of Various Reserves

General Capital Fund

Year Ended December 31, 2022

	Balance, Dec. 31, 2021	Decreased	Balance, Dec. 31, 2022
Improvements to Block 62 Lot 34.01	24,000.00	-	24,000.00
Improvement Ridgefield Road	51,000.00	-	51,000.00
Pembridge at CS	57,962.16	-	57,962.16
Imp. Shotland Bauer Cloverdale	134,780.37	-	134,780.37
Imp. Shotland Bauer High Grove	118,279.67	-	118,279.67
Ridgefield Commons	124,278.11	-	124,278.11
Imp. Shotland Bauer Ferndown Phase I	157,772.66	-	157,772.66
Brecia Farms	344,811.78	7,718.00	337,093.78
	1,012,884.75	7,718.00	1,005,166.75
	C	C-2	C

Township of Hardyston , N.J.

Schedule of Reserve for Encumbrances

General Capital Fund

Year Ended December 31, 2022

	Ref.		
Balance - December 31, 2021	C		531,065.32
Increased by:			
Charges to:			
Improvement Authorizations	C-8		266,421.35
			797,486.67
Decreased by:			
Cash Disbursements	C-2	409,859.20	
Cancelled	C-8	10,321.46	
			420,180.66
Balance - December 31, 2022	C		377,306.01

Township of Hardyston , N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Balance, Dec. 31, 2021	Funded by Budget Appropriation	Balance, Dec. 31, 2022
13-01	Street Sweeper	97,500.00	19,500.00	78,000.00
13-08	Upgrades to 911 Equipment	28,500.00	4,750.00	23,750.00
18-13	Various Capital Improvements	1,005,250.00		1,005,250.00
		1,131,250.00	24,250.00	1,107,000.00
		Footnote C	C-6	Footnote C

TOWNSHIP OF HARDYSTON

PART II

LETTER ON COMPLIANCE AND ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Mayor and
Members of the Township Council
Township of Hardyston
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-regulatory basis of the Township of Hardyston in the County of Sussex as of and for the year ended December 31, 2022 and the related notes to the financial statements, and have issued our report thereon dated September 7, 2023, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for Length of Services Award Program not being audited.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the Township of Hardyston's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Township of Hardyston's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Hardyston'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Hardyston's financial statements-regulatory basis 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.*

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township of Hardyston in the accompanying comments and recommendations section of this report.

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 Township of Hardyston internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Hardyston internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

James Cerullo, C.P.A.
Registered Municipal Accountant
No. 415

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

September 7, 2023

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

a. "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of $17,500, 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, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to $25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contracts made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (I) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198 (C.40A:11-2), and shall round the adjustment to the nearest $1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. That adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A:11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsection b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective April 17, 2000 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 (as amended) is $17,500.00 and $25,000.00 with a qualified purchasing agent. On July 1, 2015, the bid threshold was increased to $40,000.00 with a qualified purchasing agent and on July 1, 2020, was increased to $44,000.00 with a qualified purchasing agent.

GENERAL COMMENTS (CONTINUED)

The Governing Body of the Township of Hardyston have the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

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

The minutes indicated the bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for the 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. None were noted.

Our review of the Township's minutes indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

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.A. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 4, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, Chapter 75 of the Public Laws of 1991 of the State of New Jersey authorizes the governing body of each municipality by resolution to fix the rate of interest to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent, and

WHEREAS, the provisions of said statute provides that the rate of interest to be so charged may be fixed at a rate not to exceed 8% per annum on the first $1,500 of delinquency, and a rate of 18% per annum on any amount in excess of $1,500.

WHEREAS, the statute further provides that the governing body may provide that no interest shall be charged if payment is made within the tenth calendar day following the date which the same became payable, and

GENERAL COMMENTS (CONTINUED)

WHEREAS, (N.J.S.A. 54:4-67 AS AMENDED) also provides that the governing body may fix a penalty to be charged to a taxpayer with a delinquency in excess of $10,000. who fails to pay that delinquency prior to the end of the (calendar) fiscal year which shall not exceed (6%) six percent; and

WHEREAS, the Governing Body of the Township of Hardyston deems that implementation of Chapter 75 of the P.L. of 1991 (N.J.S.A. 54:4-67) the same is desirable and appropriate;

NOW THEREFORE BE IT RESOLVED, by the Governing Body of the Township of Hardyston that pursuant to the authority granted to it by N.J.S.A. 54:4-67, AS AMENDED that the rate of interest be set in the amount of 8% on the first 1,500. of the delinquency and at the rate of 18% on any amount in excess of $1,500 provided payment is not made within the grace period of ten days from the date payable and that the penalty on amounts due in excess of $10,000 at the close of the (calendar) fiscal year be set at 6% of the amount of the delinquency.

It appears from our test of the collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

Year	Number of Liens
2022	30
2021	32
2020	33

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services.

The results of the test, which was made as of December 31, 2022, is not yet known, but a separate report will be rendered if any irregularities were developed.

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

OTHER COMMENTS

Municipal Court

The report required by statute covering the accounts of the Municipal Court has been filed under a separate cover with the Magistrate, Township Clerk and the Division of Local Government Services. Comments regarding the financial records maintained by the Court Administrator are covered in this report.

Finance

1. There is no approved policy for purchasing or petty cash procedures.

   Management Response:
   Management is currently working on purchasing and petty cash procedures.

2. Fixed Asset Ledgers have not been updated for additions and deletions.

   Management Response:
   Fixed Asset Ledgers will be updated for 2023.

RECOMMENDATIONS

1. That the Township should adopt a purchasing/petty cash policy.

2. That Fixed Asset Ledgers be updated in accordance with N.J.A.C. 5:30-5.6.

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior years' recommendations and corrective action was taken on all findings, except for the following:

1. That the Township should adopt a purchasing/petty cash policy.

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

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

Very truly yours,

James Cerullo, C.P.A.
Registered Municipal Accountant
No. 415

WIELKOTZ & COMPANY, LLC
Certified Public Accountants

Pompton Lakes, New Jersey