

REPORT OF AUDIT
TOWNSHIP OF HARDYSTON
COUNTY OF SUSSEX
DECEMBER 31, 2024

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, 2024



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, 2024 and 2023, 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, 2024, 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, 2024 and 2023, 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 \$593,152.53 and \$505,466.86 for 2024 and 2023, 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, 2024, 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, 2024 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.

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.

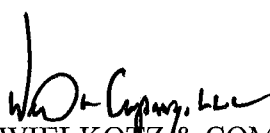
The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2025 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.



Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. 413



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

June 18, 2025



Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

| | <u>Ref.</u> | <u>2024</u> | <u>2023</u> |
|--|-------------|-------------------------|-------------------------|
| <u>Assets</u> | | | |
| Current Fund: | | | |
| Cash | A-4 | \$ 8,280,221.21 | \$ 8,154,216.66 |
| Change Fund | A-5 | 625.00 | 625.00 |
| Due from State of New Jersey: | | | |
| Senior Citizen and Veteran Deductions | A-7 | 784.41 | 631.42 |
| | | <u>8,281,630.62</u> | <u>8,155,473.08</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Taxes Receivable | A-8 | 318,396.09 | 341,565.48 |
| Tax Title Liens Receivable | A-9 | 374,609.68 | 356,783.65 |
| Property Acquired for Taxes - | | | |
| Assessed Valuation | A-10 | 14,700.00 | 14,700.00 |
| Interfund Receivables: | | | |
| Animal Control Trust Fund | A-14 | 19.73 | - |
| Other Trust Fund | A-14 | - | 4,479.63 |
| General Capital Fund | A-14 | 59,769.38 | - |
| | | <u>767,494.88</u> | <u>717,528.76</u> |
| Deferred Charges: | | | |
| Emergency Authorization | A-11 | 200,000.00 | 250,000.00 |
| Overexpenditure of Appropriation | A-12 | 1,924.95 | - |
| | | <u>201,924.95</u> | <u>250,000.00</u> |
| | | <u>9,251,050.45</u> | <u>9,123,001.84</u> |
| Federal and State Grant Fund: | | | |
| Grants Receivable | A-22 | 672,019.46 | 437,099.81 |
| Due From Current Fund | A-25 | 3,166,623.67 | 3,181,289.03 |
| | | <u>3,838,643.13</u> | <u>3,618,388.84</u> |
| | | <u>\$ 13,089,693.58</u> | <u>\$ 12,741,390.68</u> |

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

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

| | <u>Ref.</u> | <u>2024</u> | <u>2023</u> |
|---|-------------|-------------------------|-------------------------|
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Current Fund: | | | |
| Appropriation Reserves | | | |
| Unencumbered | A-3; A-15 | \$ 764,238.92 | \$ 704,860.23 |
| Encumbered | A-3; A-15 | 279,957.52 | 214,561.50 |
| Interfunds Payable | | | |
| State and Federal Grant Fund | A-14 | 3,166,623.67 | 3,181,289.03 |
| Assessment Trust Fund | A-14 | 2,078.38 | 4,536.51 |
| Animal Control Trust Fund | A-14 | - | 4,390.00 |
| Other Trust Funds | A-14 | 2,409.70 | - |
| Encumbrances Payable | A-16 | 5,482.14 | 39,093.08 |
| Prepaid Taxes | A-17 | 456,084.30 | 332,385.61 |
| County Taxes Payable | A-20 | 13,227.67 | 30,665.51 |
| Tax Overpayments | A-21 | 8,074.77 | 3,140.11 |
| Accounts Payable | A-21 | 59,956.92 | 106,769.68 |
| Reserve for: | | | |
| Tax Appeals | A-21 | 76,575.40 | 43,962.90 |
| Municipal Relief Funds | A-21 | - | 52,194.93 |
| Sale of Assets | A-21 | 16,605.61 | 16,605.61 |
| Preparation of Tax Map | A-21 | 6,493.00 | 4,793.00 |
| Revaluation | A-21 | 7,449.00 | 7,449.00 |
| | | <u>4,865,257.00</u> | <u>4,746,696.70</u> |
| Reserve for Receivables | Contra | 767,494.88 | 717,528.76 |
| Fund Balance | A-1 | <u>3,618,298.57</u> | <u>3,658,776.38</u> |
| | | <u>9,251,050.45</u> | <u>9,123,001.84</u> |
| Federal and State Grant Fund: | | | |
| Appropriated Reserve for Grants | A-23 | 3,651,471.97 | 3,503,274.47 |
| Unappropriated Reserve for Grants | A-24 | 41,203.46 | 56,940.22 |
| Encumbrances Payable | A-26 | 145,967.70 | 58,174.15 |
| | | <u>3,838,643.13</u> | <u>3,618,388.84</u> |
| | | <u>\$ 13,089,693.58</u> | <u>\$ 12,741,390.68</u> |

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, 2024

| | <u>Ref.</u> | <u>2024</u> | <u>2023</u> |
|---|-------------|------------------------|------------------------|
| Revenues and Other Income: | | | |
| Fund Balance Utilized | A-2 | \$ 1,342,000.00 | \$ 1,220,000.00 |
| Miscellaneous Revenue Anticipated | A-2 | 3,449,322.08 | 3,464,944.87 |
| Receipts from Delinquent Taxes | A-2 | 342,643.47 | 378,096.42 |
| Receipts from Current Taxes | A-2 | 34,025,846.91 | 32,833,815.58 |
| Non-Budget Revenue | A-2 | 824,190.28 | 830,991.86 |
| Other Credits to Income: | | | |
| Interfunds Returned | A-14 | 4,479.63 | - |
| Unexpended Balance of PY Appropriation Reserves | A-15 | 112,210.50 | 105,521.70 |
| Accounts Payable Cancelled | A-21 | 61,052.67 | 2,822.22 |
| Total Revenues and Other Income | | <u>40,161,745.54</u> | <u>38,836,192.65</u> |
| Expenditures: | | | |
| Budget and Emergency Appropriations: | | | |
| Operations: | | | |
| Salaries and Wages | A-3 | 4,927,021.08 | 4,751,961.71 |
| Other Expenses | A-3 | 4,387,637.67 | 4,172,955.97 |
| Capital Improvement Fund | A-3 | 377,192.00 | 648,674.00 |
| Municipal Debt Service | A-3 | 1,117,860.16 | 1,108,996.57 |
| Deferred Charges and Statutory Expenditures - | | | |
| Municipal | A-3 | 1,607,333.37 | 1,501,949.90 |
| Refund of Prior Year Revenue | A-4 | 1,987.73 | - |
| Interfund Advances | A-14 | 59,789.11 | 4,479.63 |
| Local District School Tax | A-18 | 11,629,293.00 | 11,622,262.00 |
| Regional High School Tax | A-19 | 7,117,912.00 | 6,806,350.00 |
| County Taxes Including Added Taxes | A-20 | 7,636,122.18 | 6,919,415.32 |
| Total Expenditures | | <u>38,862,148.30</u> | <u>37,537,045.10</u> |
| Excess (Deficit) Revenue Over Expenditures | | 1,299,597.24 | 1,299,147.55 |
| Adjustment to Income Before Fund Balance - Expenditures | | | |
| Included above Which are by Statute Deferred | | | |
| Charges to Budget of Succeeding Year | | 1,924.95 | 250,000.00 |
| Statutory Excess to Fund Balance | | <u>1,301,522.19</u> | <u>1,549,147.55</u> |
| Fund Balance, January 1, | A | <u>3,658,776.38</u> | <u>3,329,628.83</u> |
| | | 4,960,298.57 | 4,878,776.38 |
| Decreased by: | | | |
| Fund Balance Utilized as Budget Revenue | A-2 | <u>1,342,000.00</u> | <u>1,220,000.00</u> |
| Fund Balance, December 31, | A | <u>\$ 3,618,298.57</u> | <u>\$ 3,658,776.38</u> |

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

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2024

| | Ref. | Budget | Special N.J.S.A. 40A: 4-87 | Realized | (Deficit) |
|---|----------|-------------------------|-------------------------------|-------------------------|------------------------|
| Fund Balance Anticipated | A-1 | \$ 1,342,000.00 | \$ - | \$ 1,342,000.00 | \$ - |
| Miscellaneous Revenues: | | | | | |
| Licenses: | | | | | |
| Alcoholic Beverages | A-13 | 6,085.00 | - | 6,085.00 | - |
| Fines and Costs: | | | | | |
| Municipal Court | A-13 | 59,565.00 | - | 66,536.09 | 6,971.09 |
| Interest and Costs on Taxes | A-13 | 71,894.00 | - | 66,166.15 | (5,727.85) |
| Interest on Investments | A-13 | 400,000.00 | - | 424,371.01 | 24,371.01 |
| Garbage Collection Fees | A-13 | 3,255.00 | - | 4,739.50 | 1,484.50 |
| Uniform Fire Safety Act (Local Fees) | A-13 | 51,500.00 | - | 57,143.00 | 5,643.00 |
| Antenna Lease Fees | A-13 | 66,672.44 | - | 67,987.58 | 1,315.14 |
| Sale of Solar Renewable Energy Credits | A-13 | 10,000.00 | - | 13,215.80 | 3,215.80 |
| Quarry Lease Fees | A-13 | 26,260.00 | - | 50,883.87 | 24,623.87 |
| Abandoned and Vacant Property Registration Fees | A-13 | 30,000.00 | - | 14,876.86 | (15,123.14) |
| Energy Receipts Tax (P.L. 1999, Chapters 162 & 167) | A-13 | 506,370.00 | - | 506,370.04 | 0.04 |
| Garden State Trust - PILOT Funds | A-13 | 36,882.00 | - | 36,882.00 | - |
| Watershed Moratorium offset | A-13 | 194,721.00 | - | 194,721.00 | - |
| Municipal Relief Funds | A-13 | 52,194.93 | - | 52,194.93 | - |
| Uniform Construction Code Fees | A-13 | 182,000.00 | - | 254,687.00 | 72,687.00 |
| Hardyston Township MUA - Secretarial/Billing Services | A-13 | 115,000.00 | - | 115,000.02 | 0.02 |
| Hardyston Elementary School - Recycling & Solid Waste Removal | A-13 | 11,730.00 | - | 11,733.00 | 3.00 |
| Hardyston Elementary School - Park Maintenance | A-13 | 18,000.00 | - | 18,000.00 | - |
| Hardyston Township MUA - Sewer and Water Operations | A-13 | 282,988.00 | - | 299,000.04 | 16,012.04 |
| Franklin Borough - Construction Code Official | A-13 | 86,126.20 | - | 189,882.20 | 103,756.00 |
| Hamburg Borough - Construction Code Official | A-13 | 64,713.30 | - | 60,684.30 | (4,029.00) |
| Hamburg Borough - Recycling | A-13 | 45,608.00 | - | 45,608.00 | - |
| Hamburg Borough Solid Waste | A-13 | 4,150.00 | - | 4,150.00 | - |
| Town of Newton - Construction | A-13 | 155,000.00 | - | 140,992.20 | (14,007.80) |
| Sussex Borough - Construction | A-13 | 33,050.60 | - | 46,478.60 | 13,428.00 |
| Wantage Township - Construction Official | A-13 | 203,035.10 | - | 228,122.10 | 25,087.00 |
| Hamburg Borough - Field Coordinator | A-13 | 3,500.00 | - | 3,500.00 | - |
| Transportation Trust Fund Municipal Aid Program | A-22 | 142,524.00 | - | 142,524.00 | - |
| Clean Communities Program | A-22 | 26,356.02 | - | 26,356.02 | - |
| Municipal Alliance on Alcoholism And Drug Abuse | A-22 | 5,358.00 | - | 5,358.00 | - |
| NJ Division of Criminal Justice - Body Armor Grant | A-22 | 1,779.85 | - | 1,779.85 | - |
| Interest on Special Legislative Grant | A-22 | 3,804.44 | - | 3,804.44 | - |
| Municipal Alliance Leadership | A-22 | 2,547.00 | - | 2,547.00 | - |
| Assistance to Firefighters Grant | A-22 | 15,000.00 | - | 15,000.00 | - |
| Stormwater Assistance Grant | A-22 | 75,000.00 | - | 75,000.00 | - |
| Local Recreation Improvement Grant | A-22 | - | 73,000.00 | 73,000.00 | - |
| Drunk Driving Enforcement Fund | A-22 | - | 34,752.40 | 34,752.40 | - |
| Uniform Fire Safety Act | A-13 | 68,875.00 | - | 89,190.08 | 20,315.08 |
| Total Miscellaneous Revenues | A-1 | 3,061,544.88 | 107,752.40 | 3,449,322.08 | 280,024.80 |
| Receipts from Delinquent Taxes | A-1; A-2 | 359,794.47 | - | 342,643.47 | (17,151.00) |
| Subtotal General Revenues | | 4,763,339.35 | 107,752.40 | 5,133,965.55 | 262,873.80 |
| Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes | A-2 | 7,969,027.58 | - | 8,067,519.73 | 98,492.15 |
| Budget Totals | | 12,732,366.93 | 107,752.40 | 13,201,485.28 | 361,365.95 |
| Non-Budget Revenue | A-1; A-2 | - | - | 824,190.28 | 824,190.28 |
| | | <u>\$ 12,732,366.93</u> | <u>\$ 107,752.40</u> | <u>\$ 14,025,675.56</u> | <u>\$ 1,185,556.23</u> |
| | | 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, 2024

Analysis of Realized Revenues

| | <u>Ref.</u> | |
|---|-------------|------------------------|
| Revenue from Collections | A-1; A-8 | \$ 34,025,846.91 |
| Allocated to School and County Taxes | A-8 | <u>26,383,327.18</u> |
| Balance for Support of Municipal Budget Appropriations | | 7,642,519.73 |
| Add : Appropriation - Reserve for Uncollected Taxes | A-3 | <u>425,000.00</u> |
| Amount for Support of Municipal Budget Appropriations | A-2 | <u>\$ 8,067,519.73</u> |
| Receipts from Delinquent Taxes: | | |
| Delinquent Taxes | A-8 | <u>\$ 342,643.47</u> |
| | | A-2 |

Analysis of Non-budget Revenues

| | <u>Ref.</u> | |
|--|-------------|----------------------|
| Miscellaneous Revenues Not Anticipated: | | |
| Board of Health | \$ | 9,410.00 |
| Zoning Permits | | 8,025.00 |
| Application Fees | | 15,468.25 |
| Tax Collector Receipts | | 229.01 |
| Clerk Receipts | | 8,013.75 |
| Senior Citizen and Veterans Administration Fee | | 1,195.00 |
| Cable TV Franchise Tax | | 24,220.00 |
| Soil Log/Perce Test | | 525.00 |
| Miscellaneous / Reimbursements | | 25,837.92 |
| Sale of Assets | | 4,500.00 |
| Payment in Lieu of Taxes | | 795.00 |
| Void Checks | | 125.00 |
| NJ Hotel Tax | | 708,311.99 |
| Police Receipts | | <u>17,534.36</u> |
| | A-2 | <u>\$ 824,190.28</u> |
| | | A-4 |

Township of Hardyston , N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

| <u>General Appropriations</u> | <u>Ref.</u> | <u>Budget</u> | <u>After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Over Expended</u> |
|--------------------------------------|-------------|---------------|-------------------------------|----------------------------|-----------------|--------------------------|
| Operations - within "CAPS": | | | | | | |
| Administrative and Executive: | | | | | | |
| Salaries and Wages | \$ | 183,865.00 | \$ 183,865.00 | \$ 185,789.95 | \$ - | \$ 1,924.95 |
| Other Expenses: | | | | | | |
| Use of Office Equipment and Supplies | | 7,500.00 | 8,500.00 | 6,769.30 | 1,730.70 | - |
| Miscellaneous Other Expenses | | 70,750.00 | 69,750.00 | 50,943.68 | 18,806.32 | - |
| Elections: | | | | | | |
| Other Expenses | | 8,000.00 | 8,000.00 | 7,575.97 | 424.03 | - |
| Financial Administration: | | | | | | |
| Salaries and Wages | | 56,174.00 | 64,004.00 | 63,612.96 | 391.04 | - |
| Other Expenses | | 117,335.00 | 117,335.00 | 97,568.22 | 19,766.78 | - |
| Computer Technology/Maintenance: | | | | | | |
| Salaries and Wages | | 25,626.00 | 25,626.00 | 25,626.00 | - | - |
| Other Expenses | | 65,699.00 | 65,699.00 | 61,772.69 | 3,926.31 | - |
| Collection of Taxes: | | | | | | |
| Salaries and Wages | | 80,340.00 | 80,340.00 | 80,340.00 | - | - |
| Other Expenses | | 14,445.00 | 14,445.00 | 12,462.74 | 1,982.26 | - |
| Assessment Of Taxes: | | | | | | |
| Salaries and Wages | | 96,874.00 | 95,374.00 | 95,199.60 | 174.40 | - |
| Other Expenses | | 19,225.00 | 19,225.00 | 13,796.06 | 5,428.94 | - |
| Legal Services and Costs: | | | | | | |
| Other Expenses | | 75,000.00 | 85,000.00 | 67,059.35 | 17,940.65 | - |
| Engineering Services and Costs: | | | | | | |
| Other Expenses | | 33,500.00 | 33,500.00 | 14,876.00 | 18,624.00 | - |
| Economic Development Commission: | | | | | | |
| Other Expenses | | 13,250.00 | 13,250.00 | 1,481.93 | 11,768.07 | - |

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, 2024

| <u>General Appropriations</u> | <u>Ref.</u> | <u>Budget</u> | <u>After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Over Expended</u> |
|--|-------------|---------------|-------------------------------|----------------------------|-----------------|--------------------------|
| Municipal Land Use Law (N.J.S. 40:55D-11): | | | | | | |
| Planning Board: | | | | | | |
| Salaries and Wages | | 105,509.00 | 107,259.00 | 107,181.20 | 77.80 | - |
| Other Expenses | | 30,850.00 | 30,600.00 | 21,119.22 | 9,480.78 | - |
| Insurance: | | | | | | |
| Other Insurance Premiums | | 192,719.16 | 192,719.16 | 192,719.16 | - | - |
| Workers' Compensation Insurance | | 67,466.00 | 67,466.00 | 67,466.00 | - | - |
| Employee Group Health Insurance | | 708,819.40 | 708,819.40 | 687,129.18 | 21,690.22 | - |
| Health Benefit Waiver | | 82,000.00 | 82,000.00 | 73,310.48 | 8,689.52 | - |
| Unemployment Compensation Insurance | | 11,500.00 | 11,500.00 | 8,863.11 | 2,636.89 | - |
| Disability Insurance | | 38,600.00 | 38,600.00 | 32,361.39 | 6,238.61 | - |
| Public Safety: | | | | | | |
| Police: | | | | | | |
| Salaries and Wages: | | 2,669,144.42 | 2,669,144.42 | 2,568,647.89 | 100,496.53 | - |
| Other Expenses | | 144,879.00 | 144,879.00 | 95,351.32 | 49,527.68 | - |
| Purchase of Police Cars | | 119,210.00 | 119,210.00 | - | 119,210.00 | - |
| Purchase and Maintenance of Uniforms | | 23,800.00 | 23,800.00 | 13,810.39 | 9,989.61 | - |
| Police Communications: | | | | | | |
| Salaries and Wages | | 366,354.00 | 365,354.00 | 339,548.24 | 25,805.76 | - |
| Other Expenses | | 63,829.00 | 63,829.00 | 41,017.83 | 22,811.17 | - |
| Emergency Management Services: | | | | | | |
| Salaries and Wages | | 10,762.00 | 10,762.00 | 10,761.60 | 0.40 | - |
| Other Expenses | | 10,500.00 | 10,500.00 | 7,180.38 | 3,319.62 | - |
| Aid to Volunteer Fire Companies | | 54,300.00 | 54,300.00 | 38,528.78 | 15,771.22 | - |
| Fire Prevention Bureau: | | | | | | |
| Salaries and Wages | | 92,310.00 | 93,310.00 | 92,822.08 | 487.92 | - |
| Other Expenses | | 6,015.00 | 6,015.00 | 5,595.69 | 419.31 | - |

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, 2024

| | <u>Ref.</u> | <u>Budget</u> | <u>After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Over Expended</u> |
|---|-------------|---------------|-------------------------------|----------------------------|-----------------|--------------------------|
| <u>General Appropriations</u> | | | | | | |
| Municipal Prosecutor: | | | | | | |
| Other Expenses | | 17,700.00 | 17,700.00 | 17,700.00 | - | - |
| Municipal Court: | | | | | | |
| Salaries and Wages | | 36,915.05 | 36,916.05 | 36,915.12 | 0.93 | - |
| Other Expenses | | 100,500.00 | 100,499.00 | 98,343.01 | 2,155.99 | - |
| Streets and Roads: | | | | | | |
| Road Repairs and Maintenance: | | | | | | |
| Salaries and Wages | | 409,414.20 | 409,414.20 | 404,385.13 | 5,029.07 | - |
| Other Expenses: | | | | | | |
| Miscellaneous Other Expenses | | 408,120.00 | 380,620.00 | 169,876.06 | 210,743.94 | - |
| Road Equipment Repair & Maintenance | | 180,500.00 | 180,500.00 | 163,656.64 | 16,843.36 | - |
| Recycling: | | | | | | |
| Other Expenses | | 183,750.00 | 186,250.00 | 184,728.43 | 1,521.57 | - |
| Buildings & Grounds: | | | | | | |
| Other Expenses | | 124,500.00 | 149,500.00 | 132,687.62 | 16,812.38 | - |
| Dog Regulation: | | | | | | |
| Other Expenses | | 13,705.00 | 13,705.00 | 10,738.00 | 2,967.00 | - |
| 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 | 14,182.00 | 3,318.00 | - |
| PEOSHA: | | | | | | |
| Hepatitis - B Vaccination | | 500.00 | 500.00 | - | 500.00 | - |
| Recreation and Education: | | | | | | |
| Recreation: | | | | | | |
| Salaries and Wages | | 14,304.00 | 14,304.00 | 13,917.51 | 386.49 | - |
| Other Expenses | | 32,575.00 | 32,575.00 | 28,474.37 | 4,100.63 | - |

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, 2024

| | <u>Ref.</u> | <u>Budget</u> | <u>After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Over Expended</u> |
|----------------------------------|-------------|---------------------|-------------------------------|----------------------------|-------------------|--------------------------|
| <u>General Appropriations</u> | | | | | | |
| State Uniform Construction Code: | | | | | | |
| Construction Official: | | | | | | |
| Salaries and Wages | | 112,475.00 | 112,475.00 | 105,822.03 | 6,652.97 | - |
| Other Expenses | | 9,098.80 | 9,098.80 | - | 9,098.80 | - |
| Zoning Enforcement Officer: | | | | | | |
| Salaries and Wages | | 33,073.86 | 33,073.86 | 29,422.50 | 3,651.36 | - |
| Other Expenses | | 1,100.00 | 1,100.00 | 383.19 | 716.81 | - |
| Unclassified: | | | | | | |
| Celebration of Public Events: | | | | | | |
| Other Expenses | | 6,500.00 | 6,500.00 | 6,105.00 | 395.00 | - |
| Accumulated Leave Compensation | | 25,000.00 | 25,000.00 | 21,302.08 | 3,697.92 | - |
| Utility Expense/ Bulk Purchases: | | | | | | |
| Electricity | | 54,000.00 | 54,000.00 | 51,796.98 | 2,203.02 | - |
| Street Lighting | | 37,500.00 | 37,500.00 | 11,710.27 | 25,789.73 | - |
| Telephone | | 60,000.00 | 60,000.00 | 55,801.16 | 4,198.84 | - |
| Fuel Oil | | 32,000.00 | 32,000.00 | 27,163.62 | 4,836.38 | - |
| Gasoline | | 105,000.00 | 105,000.00 | 57,591.89 | 47,408.11 | - |
| Diesel Fuel | | 55,000.00 | 55,000.00 | 30,293.56 | 24,706.44 | - |
| Natural Gas | | 35,000.00 | 35,000.00 | 17,582.16 | 17,417.84 | - |
| Revaluation of Real Property | | 50,000.00 | 50,000.00 | 43,200.00 | 6,800.00 | - |
| | | <u>7,823,880.89</u> | <u>7,841,710.89</u> | <u>6,922,066.72</u> | <u>921,569.12</u> | <u>1,924.95</u> |
| Total Operations within "CAPS" | | | | | | |
| Detail: | | | | | | |
| Salaries and Wages | A-1 | 4,293,140.53 | 4,301,221.53 | 4,159,991.81 | 141,229.72 | 1,924.95 |
| Other Expenses | A-1 | 3,530,740.36 | 3,540,489.36 | 2,762,074.91 | 778,414.45 | - |

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, 2024

| <u>General Appropriations</u> | <u>Ref.</u> | <u>Budget</u> | <u>After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Over Expended</u> |
|--|-------------|---------------|-------------------------------|----------------------------|-----------------|--------------------------|
| Deferred Charges and Statutory Expenditures - Municipal within "CAPS" | | | | | | |
| Statutory Expenditures: | | | | | | |
| Contribution to: | | | | | | |
| Public Employees Retirement System | | 367,533.00 | 367,533.00 | 367,533.00 | - | - |
| Social Security System (O.A.S.I.) | | 350,000.00 | 332,170.00 | 327,871.25 | 4,298.75 | - |
| Police and Firemen's Retirement System of N.J. | | 819,306.00 | 819,306.00 | 819,306.00 | - | - |
| DCRP | | 5,500.00 | 5,500.00 | 2,799.70 | 2,700.30 | - |
| Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS" | A-1 | 1,542,339.00 | 1,524,509.00 | 1,517,509.95 | 6,999.05 | - |
| Total General Appropriations for Municipal Purposes within "CAPS" | | 9,366,219.89 | 9,366,219.89 | 8,439,576.67 | 928,568.17 | 1,924.95 |
| 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 | - |
| Interlocal Municipal Service Agreements: | | | | | | |
| Hardyston Twp. M.U.A. Sec./Billing Clerk Salaries and Wages | | 115,000.00 | 115,000.00 | 115,000.00 | - | - |
| Hardyston Elementary School - Park Maint. Other Expenses | | 18,000.00 | 18,000.00 | 18,000.00 | - | - |
| Hardyston Township M.U.A. Water/Sewer Operations Other Expenses | | 282,988.00 | 282,988.00 | 282,988.00 | - | - |
| Franklin Borough - Construction Code Official Salaries and Wages | | 86,126.20 | 86,126.20 | 66,950.00 | 19,176.20 | - |

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, 2024

| | <u>Ref.</u> | <u>Budget</u> | <u>After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Over Expended</u> |
|---|-------------|---------------|-------------------------------|----------------------------|-----------------|--------------------------|
| <u>General Appropriations</u> | | | | | | |
| Hamburg Borough - Construction Code Official | | 64,713.30 | 64,713.30 | 57,622.00 | 7,091.30 | - |
| Salaries and Wages | | | | | | |
| Hardyston Elementary School- Recycle/Solid | | 11,730.00 | 11,730.00 | 11,730.00 | - | - |
| Other Expenses | | | | | | |
| Hamburg Borough - Recycling | | 45,608.00 | 45,608.00 | 45,608.00 | - | - |
| Other Expenses | | | | | | |
| Newton - Construction Code Official | | 155,000.00 | 155,000.00 | 151,500.00 | 3,500.00 | - |
| Salaries and Wages | | | | | | |
| Sussex Borough - Construction Code Official | | 33,050.60 | 33,050.60 | 26,026.00 | 7,024.60 | - |
| Other Expenses | | | | | | |
| Wantage Township - Construction Code Official | | 203,035.10 | 203,035.10 | 192,198.93 | 10,836.17 | - |
| Salaries and Wages | | | | | | |
| Hamburg Borough - Solid Waste | | 4,150.00 | 4,150.00 | 4,150.00 | - | - |
| Other Expenses | | | | | | |
| Hamburg Borough Field Coordinator | | 3,500.00 | 3,500.00 | 3,500.00 | - | - |
| Salaries and Wages | | | | | | |
| Public and Private Programs Offset by Revenues: | | | | | | |
| Municipal Alliance on Alcoholism and Drug Abuse | | 5,358.00 | 5,358.00 | 5,358.00 | - | - |
| State Share | | 1,779.85 | 1,779.85 | 1,779.85 | - | - |
| Body Armor Grant | | 26,356.02 | 26,356.02 | 26,356.02 | - | - |
| Clean Communities Program | | 3,804.44 | 3,804.44 | 3,804.44 | - | - |
| Interest on Special Legislative Grant | | 142,524.00 | 142,524.00 | 142,524.00 | - | - |
| Transportation Trust Fund Municipal Aid Program | | 2,547.00 | 2,547.00 | 2,547.00 | - | - |
| Municipal Alliance Leadership | | 15,000.00 | 15,000.00 | 15,000.00 | - | - |
| Assistance to Fire Fighters Grant | | 75,000.00 | 75,000.00 | 75,000.00 | - | - |
| Stormwater Assistance Grant | | - | 73,000.00 | 73,000.00 | - | - |
| Local Recreation Improvement Grant | | | | | | |

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, 2024

| | <u>Ref.</u> | <u>Budget</u> | <u>After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Over Expended</u> |
|--|-------------|---------------|-------------------------------|----------------------------|-----------------|--------------------------|
| General Appropriations | | | | | | |
| Drunk Driving Enforcement Fund | | | | | | |
| Total Operations - Excluded from "CAPS" | | 1,363,270.51 | 1,471,022.91 | 1,355,394.64 | 115,628.27 | - |
| Detail: | | | | | | |
| Salaries & Wages | A-1 | 627,374.60 | 623,874.60 | 583,270.93 | 40,603.67 | - |
| Other Expenses | A-1 | 735,895.91 | 847,148.31 | 772,123.71 | 75,024.60 | - |
| Capital Improvements | | | | | | |
| Capital Improvement Fund | | 25,000.00 | 25,000.00 | 25,000.00 | - | - |
| Various Capital Equipment Purchases | | 352,192.00 | 352,192.00 | 352,192.00 | - | - |
| Total Capital Improvements Excluded from "CAPS" | A-1 | 377,192.00 | 377,192.00 | 377,192.00 | - | - |
| Municipal Debt Service: | | | | | | |
| Payment of Bond Principal | | 890,000.00 | 890,000.00 | 890,000.00 | - | - |
| Interest on Bonds | | 227,860.16 | 227,860.16 | 227,860.16 | - | - |
| Total Municipal Debt Service-Excluded from "CAPS" | A-1 | 1,117,860.16 | 1,117,860.16 | 1,117,860.16 | - | - |
| Deferred Charges: | | | | | | |
| Special Emergency Authorization - 5 Years | | 50,000.00 | 50,000.00 | 50,000.00 | - | - |
| 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 | - | - |
| Deficit in Assessment Cash | | 1,794.47 | 1,794.47 | 1,794.47 | - | - |
| Total Deferred Charges - Municipal - Excluded from "CAPS" | A-1 | 82,824.37 | 82,824.37 | 82,824.37 | - | - |
| Total General Appropriations for Municipal Purposes Excluded from "CAPS" | | 2,941,147.04 | 3,048,899.44 | 2,933,271.17 | 115,628.27 | - |

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, 2024

| <u>General Appropriations</u> | <u>Ref.</u> | <u>Budget</u> | <u>After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Over Expended</u> |
|--|-------------|------------------|-------------------------------|----------------------------|------------------------|--------------------------|
| Subtotal General Appropriations | | 12,307,366.93 | 12,415,119.33 | 11,372,847.84 | 1,044,196.44 | 1,924.95 |
| Reserve for Uncollected Taxes | | 425,000.00 | 425,000.00 | 425,000.00 | - | - |
| Total General Appropriations | | \$ 12,732,366.93 | \$ 12,840,119.33 | \$ 11,797,847.84 | \$ 1,044,196.44 | \$ 1,924.95 |
| | | | | | | A-12 |
| <u>Analysis of Modified Budget</u> | | | | | | |
| Adopted Budget | A-2 | | \$ 12,732,366.93 | | | |
| Appropriated by N.J.S.A. 40A:4-87 | A-2 | | 107,752.40 | | | |
| | | | <u>\$ 12,840,119.33</u> | | | |
| <u>Analysis of Paid or Charged</u> | | | | | | |
| Reserve for Uncollected Taxes | A-2 | | | \$ 425,000.00 | | |
| Cash Disbursed | A-4 | | | 10,940,266.43 | | |
| Deferred Charges | A-11 | | | 50,000.00 | | |
| Schedule of Interfunds | A-14 | | | 2,459.70 | | |
| Reserve for Federal and State Grants | A-23 | | | 380,121.71 | | |
| | | | | <u>\$ 11,797,847.84</u> | | |
| <u>Analysis of Appropriation Reserve</u> | | | | | | |
| Unencumbered | A | | | | \$ 764,238.92 | |
| Encumbered | A | | | | 279,957.52 | |
| | | | | | <u>\$ 1,044,196.44</u> | |

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

| | <u>Ref.</u> | <u>2024</u> | <u>2023</u> |
|---|-------------|------------------------|------------------------|
| <u>Assets</u> | | | |
| Assessment Fund: | | | |
| Cash | B-3;B-4 | \$ 88,445.98 | \$ 45,851.37 |
| Assessment Receivable | B-5 | 579,935.43 | 689,861.72 |
| Assessment Liens | B-6 | 6,381.20 | 6,381.20 |
| Amount to be Raised by Taxes | | | |
| Property Acquired for Taxes | B-7 | 2,531.18 | 2,531.18 |
| Interfunds Receivable | B-8 | 2,078.38 | 4,536.51 |
| | | <u>679,372.17</u> | <u>749,161.98</u> |
| Animal Control Trust Fund | | | |
| Cash | B-3 | 17,796.86 | 7,809.01 |
| Interfund Recievable | B-11 | - | 4,390.00 |
| | | <u>17,796.86</u> | <u>12,199.01</u> |
| Other Trust Funds: | | | |
| Cash | B-3 | 3,753,916.95 | 3,507,322.27 |
| Interfund Animal Control Trust | B-15 | 4,390.00 | - |
| Interfund Current Fund | B-16 | 2,409.70 | - |
| | | <u>3,760,716.65</u> | <u>3,507,322.27</u> |
| Emergency Services Volunteer Length of Service Award Program (Unaudited) | | | |
| Cash | B-3 | 563,252.53 | 475,566.87 |
| Contributions Receivable | B-19 | 29,900.00 | 29,900.00 |
| | | <u>593,152.53</u> | <u>505,466.87</u> |
| | | <u>\$ 5,051,038.21</u> | <u>\$ 4,774,150.13</u> |

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

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

| | <u>Ref.</u> | <u>2024</u> | <u>2023</u> |
|---|-------------|------------------------|------------------------|
| <u>Liabilities, Reserves & Fund Balance</u> | | | |
| Assessment Fund: | | | |
| Interfunds Payable | B-8 | \$ 507,312.20 | \$ 527,323.30 |
| NJDEP Loan Payable | B-9 | 156,776.50 | 201,569.78 |
| Reserve for Assessments and Liens | B-10 | 15,283.47 | 20,268.90 |
| | | <u>679,372.17</u> | <u>749,161.98</u> |
| Animal Control Trust Fund | | | |
| Interfunds Payable | B-11 | 4,409.73 | - |
| Reserve for Dog Fund Expenditures | B-13 | 13,385.93 | 12,190.61 |
| Encumbrances Payable | B-14 | 1.20 | 8.40 |
| | | <u>17,796.86</u> | <u>12,199.01</u> |
| Other Trust Fund: | | | |
| Reserve for Encumbrances | B-17 | 21,921.08 | 30,237.92 |
| Interfunds Payable | B-16 | - | 4,479.63 |
| Various Reserves | B-18 | 3,738,795.57 | 3,472,604.72 |
| | | <u>3,760,716.65</u> | <u>3,507,322.27</u> |
| Emergency Services Volunteer Length of Service Award Program (Unaudited) | | | |
| Net Assets Available for Benefits | B-20 | 593,152.53 | 505,466.87 |
| | | <u>\$ 5,051,038.21</u> | <u>\$ 4,774,150.13</u> |

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

Township of Hardyston , N.J.

Schedule of Revenues

Assessment Trust Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | <u>Budget Revenue</u> | <u>Realized</u> |
|--------------------------|-------------|---------------------------|---------------------|
| Assessment Cash | B-2 | \$ 42,998.91 | \$ 42,998.91 |
| Deficit (General Budget) | B-3 | <u>1,794.47</u> | <u>1,794.47</u> |
| | | <u>\$ 44,793.38</u> | <u>\$ 44,793.38</u> |
| | | B-2 | |

Schedule of Expenditures

Assessment Trust Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | <u>Budget Appropriations</u> | <u>Expended</u> |
|------------------------------------|-------------|----------------------------------|---------------------|
| DEP Dam Loan Principal & Interest | | <u>\$ 44,793.28</u> | <u>\$ 44,793.28</u> |
| | | B-1 | |
| Assessment Cash | B-1 | | 42,998.91 |
| Reserve for Assessments Receivable | B-10 | | <u>1,794.37</u> |
| | | | <u>\$ 44,793.28</u> |

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,

| | <u>Ref.</u> | <u>2024</u> | <u>2023</u> |
|---|-------------|------------------------|------------------------|
| <u>Assets</u> | | | |
| Cash | C-2; C-3 | \$ 2,824,210.10 | \$ 3,176,432.66 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-4 | 6,525,000.00 | 7,415,000.00 |
| Unfunded | C-5 | 2,048,500.00 | 72,750.00 |
| Interfund Assessment Trust Fund | C-10 | <u>507,312.20</u> | <u>527,323.30</u> |
| | | <u>\$11,905,022.30</u> | <u>\$11,191,505.96</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Serial Bonds Payable | C-6 | \$ 6,525,000.00 | \$ 7,415,000.00 |
| Improvement Authorizations: | | | |
| Funded | C-7 | 1,730,902.25 | 2,281,062.46 |
| Unfunded | C-7 | 166,705.57 | - |
| Capital Improvement Fund | C-8 | 38,820.45 | 113,820.45 |
| Interfund Current Fund | C-10 | 59,769.38 | - |
| Various Reserves | C-11 | 987,457.48 | 1,091,811.13 |
| Reserve for Encumbrances | C-12 | 2,282,134.91 | 175,579.66 |
| Fund Balance | C-1 | <u>114,232.26</u> | <u>114,232.26</u> |
| | | <u>\$11,905,022.30</u> | <u>\$11,191,505.96</u> |

Footnote: There were Bonds and Notes Authorized But Not Issued on December 31, 2024 and 2023 in the amount of \$2,048,500.00 and \$72,750.00, respectively, as show on Exhibit C-13.

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,

| | <u>Ref.</u> | <u>2024</u> | <u>2023</u> |
|--------------------------|-------------|----------------------------|----------------------------|
| Balance - January 1, | C | \$114,232.26 | \$69,232.26 |
| Increased by: | | | |
| Premium on Sale of Bonds | | <u>-</u> | <u>45,000.00</u> |
| Balance - December 31, | C | <u><u>\$114,232.26</u></u> | <u><u>\$114,232.26</u></u> |

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

Township of Hardyston

Comparative Statement of General Fixed Assets - Regulatory Basis

December 31, 2024 and 2023

| | Balance <u>Dec. 31, 2024</u> | Balance <u>Dec. 31, 2023</u> |
|---|---------------------------------|---------------------------------|
| <u>General Fixed Assets:</u> | | |
| Land / Land Improvements and Buildings | 7,420,900.00 | 7,420,900.00 |
| Machinery and Equipment | <u>9,002,964.00</u> | <u>8,588,330.00</u> |
| | <u>16,423,864.00</u> | <u>16,009,230.00</u> |
| Investment in Fixed Assets | <u>16,423,864.00</u> | <u>16,009,230.00</u> |

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

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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 (the "Township") 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 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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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. 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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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 March 29, of the fiscal year. The budget shall be adopted not later than April 30, 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 2024, 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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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

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

Basis of Accounting, (continued)

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).

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, 2024.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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

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

Basis of Accounting, (continued)

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.

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.

Recent Accounting Pronouncements

The following GASB statement became effective for the fiscal year ended December 31, 2024:

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. As a result of the regulatory basis of accounting described in note 1, this Statement will have no impact on the financial statements of the Township.

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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

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

Recent Accounting Pronouncements, (continued)

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the Township.

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its' effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. Management is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.

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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (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, 2024, \$563,252.53 of the Township's bank balance of \$16,383,236.84 was exposed to custodial credit risk. In comparison, as of December 31, 2023, \$475,566.86 of the Township's bank balance of \$16,909,808.84 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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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, 2024, the Township had \$472,951.95 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, 2024 and 2023 amounted to \$563,252.53 and \$475,566.86, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|-------------------------------------|---------------------|---------------------|
| AB VPS Sustain Global Thematic Port | \$26,402.87 | \$24,357.73 |
| AF Growth | 63,205.59 | 48,717.25 |
| Fidelity VIP Growth | 29,044.38 | 21,792.58 |
| Fixed | 79,901.75 | 69,059.11 |
| LVIP SSGA S & P 500 Index | 174,172.99 | 141,697.26 |
| Investments under 5% | <u>190,524.95</u> | <u>169,942.93</u> |
| Total | <u>\$563,252.53</u> | <u>\$475,566.86</u> |

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2024 consisted of the following:

| | <u>Balance</u> <u>Dec. 31, 2023</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending</u> <u>Balance</u> | <u>Amounts Due</u> <u>Within</u> <u>One Year</u> |
|--|--|------------------|---------------------|---------------------------------|--|
| Bonds Payable - General Obligation Debt | \$7,415,000.00 | \$ - | \$890,000.00 | \$6,525,000.00 | \$765,000.00 |
| Loans Payable - Assessment Trust: | | | | | |
| NJDEP Trust Loan | 201,569.78 | - | 44,793.28 | 156,776.50 | 44,793.28 |
| Other Liabilities - Compensated Absences Payable | <u>114,335.64</u> | <u>-</u> | <u>27,016.08</u> | <u>87,319.56</u> | <u>-</u> |
| | <u>\$7,730,905.42</u> | <u>\$0.00</u> | <u>\$961,809.36</u> | <u>\$6,769,096.06</u> | <u>\$809,793.28</u> |

(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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

NOTE 3. MUNICIPAL DEBT, (continued)

The Township's debt is summarized as follows:

| | <u>Year 2024</u> | <u>Year 2023</u> | <u>Year 2022</u> |
|---|-----------------------|-----------------------|-----------------------|
| <u>Issued:</u> | | | |
| General: | | | |
| Bonds and Notes | \$6,525,000.00 | \$7,415,000.00 | \$7,245,000.00 |
| Assessment Trust: | | | |
| Notes and Loans | <u>156,776.50</u> | <u>201,569.78</u> | <u>828,408.06</u> |
| Total Issued | 6,681,776.50 | 7,616,569.78 | 8,073,408.06 |
| <u>Authorized But Not Issued:</u> | | | |
| General: | | | |
| Bonds and Notes | <u>2,048,500.00</u> | <u>72,750.00</u> | <u>1,107,000.00</u> |
| Less: | | | |
| Assessment Trust Cash | <u>25,299.96</u> | <u>42,630.19</u> | <u>51,752.54</u> |
| Net Bonds and Notes Issued and Authorized But Not Issued | <u>\$8,704,976.54</u> | <u>\$7,646,689.59</u> | <u>\$9,128,655.52</u> |

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 0.561%.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|---|------------------------|------------------------|-----------------------|
| Local and Regional School District Debt | \$10,895,000.00 | \$10,895,000.00 | \$ - |
| General Debt | 8,573,500.00 | - | 8,573,500.00 |
| Assessment Debt | <u>156,776.50</u> | <u>25,299.96</u> | <u>131,476.54</u> |
| | <u>\$19,625,276.50</u> | <u>\$10,920,299.96</u> | <u>\$8,704,976.54</u> |

| | |
|---|------------------------|
| 3 ½% of Equalized Valuation Basis (Municipal) | \$54,348,687.57 |
| Net Debt | <u>8,704,976.54</u> |
| Remaining Borrowing Power | <u>\$45,643,711.03</u> |

The foregoing debt information is not in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

NOTE 3. MUNICIPAL DEBT, (continued)

The Township's long term debt consisted of the following at December 31, 2024:

| <u>Paid by Current Fund</u> | <u>Amount Outstanding</u> |
|--|-------------------------------|
| General Improvement Bonds of 2015 with variable interest rates of 2.00% to 4.00%, issued April 7, 2015, due through April 1, 2029 | \$745,000.00 |
| General Refunding Bonds of 2015 with variable interest rates of 2.00% to 4.00%, issued February 1, 2015 due through February 1, 2030 | 1,580,000.00 |
| General Improvement Bonds of 2023 with variable interest rates between 1.00% to 4.00%, issued August 1, 2023, due through August 1, 2033 | <u>4,200,000.00</u> |
| | <u>\$6,525,000.00</u> |

Assessment Trust:

| | |
|---|---------------------|
| New Jersey Department of Environmental Protection Loan, issued May 29, 2014, due May 29, 2028 | <u>\$156,776.50</u> |
|---|---------------------|

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 | <u>\$2,048,500.00</u> |
|-----------------|-----------------------|

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

NOTE 3. MUNICIPAL DEBT, (continued)

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

| | General Capital Fund | | | Assessment Trust Fund | | |
|-------------|-----------------------|---------------------|-----------------------|-----------------------|-------------------|---------------------|
| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2024 | \$765,000.00 | \$206,406.26 | \$971,406.26 | \$41,988.40 | \$2,804.88 | \$44,793.28 |
| 2025 | 865,000.00 | 187,806.26 | 1,052,806.26 | 42,832.37 | 1,960.92 | 44,793.29 |
| 2026 | 890,000.00 | 167,831.26 | 1,057,831.26 | 43,693.30 | 1,099.98 | 44,793.28 |
| 2027 | 900,000.00 | 138,706.26 | 1,038,706.26 | 22,174.90 | 221.75 | 22,396.65 |
| 2028 | 905,000.00 | 104,650.01 | 1,009,650.01 | 0.00 | 0.00 | 0.00 |
| 2029-2033 | <u>2,200,000.00</u> | <u>181,318.78</u> | <u>2,381,318.78</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| | <u>\$6,525,000.00</u> | <u>\$986,718.83</u> | <u>\$7,511,718.83</u> | <u>\$150,688.97</u> | <u>\$6,087.53</u> | <u>\$156,776.50</u> |

| Grand Totals | | | |
|--------------|-----------------------|---------------------|-----------------------|
| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2024 | \$806,988.40 | \$209,211.14 | \$1,016,199.54 |
| 2025 | 907,832.37 | 189,767.18 | 1,097,599.55 |
| 2026 | 933,693.30 | 168,931.24 | 1,102,624.54 |
| 2027 | 922,174.90 | 138,928.01 | 1,061,102.91 |
| 2028 | 905,000.00 | 104,650.01 | 1,009,650.01 |
| 2029-2033 | <u>2,200,000.00</u> | <u>181,318.78</u> | <u>2,381,318.78</u> |
| | <u>\$6,675,688.97</u> | <u>\$992,806.36</u> | <u>\$7,668,495.33</u> |

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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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 financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.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:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

NOTE 5. PENSION PLANS, (continued)

Benefits Provided, (continued)

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 financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.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:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year 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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

NOTE 5. PENSION PLANS, (continued)

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

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 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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

NOTE 5. PENSION PLANS, (continued)

Contribution Requirements, (continued)

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

| <u>Year</u> | <u>PERS</u> | <u>PFRS</u> | <u>DCRP</u> |
|-------------|--------------|--------------|-------------|
| 2024 | \$367,533.00 | \$819,306.00 | \$2,799.70 |
| 2023 | 366,469.00 | 782,801.00 | 3,810.18 |
| 2022 | 334,144.00 | 644,744.00 | 4,307.78 |

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 June 30, 2024, the Township had a liability of \$3,762,894 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2024, the Township's proportion was 0.0276926825 percent, which was an increase/(decrease) of 0.0001935801 percent from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Township recognized pension expense of \$367,533.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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)

At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to PERS from the following:

| | Deferred Outflows of <u>Resources</u> | Deferred Inflows of <u>Resources</u> |
|--|---|--|
| Difference between expected and actual experience | \$75,378 | \$10,018 |
| Changes of assumptions | 4,675 | 42,813 |
| Net difference between projected and actual earnings on pension plan investments | - | 174,475 |
| Changes in proportion and differences between the Township's contributions and proportionate share of contributions | <u>70,065</u> | <u>283,497</u> |
| Total | <u>\$150,118</u> | <u>\$510,803</u> |

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2024) 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:

| | |
|------|-------------|
| 2025 | (\$159,763) |
| 2026 | 123,620 |
| 2027 | (71,121) |
| 2028 | (41,058) |
| 2029 | 1,069 |

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 5.08, 5.08, 5.04, 5.13, 5.16 and 5.21 years for 2024, 2023, 2022, 2021, 2020 and 2019 amounts, respectively.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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, 2024 and June 30, 2023 are as follows:

| | <u>June 30, 2024</u> | <u>June 30, 2023</u> |
|---|----------------------|----------------------|
| Collective deferred outflows of resources | \$1,079,580,780 | \$1,080,204,730 |
| Collective deferred inflows of resources | 1,611,322,898 | 1,780,216,457 |
| Collective net pension liability | 13,588,045,796 | 14,484,374,047 |
| Township's Proportion | 0.0276926825% | 0.0274991024% |

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. 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 |

Thereafter Not Applicable

| | |
|---------------------------|-------|
| Investment Rate of Return | 7.00% |
|---------------------------|-------|

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) 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, 2024 are summarized in the following table:

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| U.S. Equity | 28.00% | 8.63% |
| Non-U.S. Developed Market Equity | 12.75% | 8.85% |
| International Small Cap Equity | 1.25% | 8.85% |
| Emerging Market Equity | 5.50% | 10.66% |
| Private Equity | 13.00% | 12.40% |
| Real Estate | 8.00% | 10.95% |
| Real Assets | 3.00% | 8.20% |
| High Yield | 4.50% | 6.74% |
| Private Credit | 8.00% | 8.90% |
| Investment Grade Credit | 7.00% | 5.37% |
| Cash Equivalents | 2.00% | 3.57% |
| U.S. Treasuries | 4.00% | 3.57% |
| Risk Mitigation Strategies | 3.00% | 7.10% |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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, 2024 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, 2024 | | |
|--|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
| Township's proportionate share of the pension liability | \$5,042,049 | \$3,762,894 | \$2,732,970 |

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.

Police and Firemen's Retirement System (PFRS)

At June 30, 2024, the Township had a liability of \$6,689,067 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2024, the Township's proportion was 0.06477512 percent, which was an increase/(decrease) of 0.00322875 percent from its proportion measured as of June 30, 2023.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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)

For the year ended December 31, 2024, the Township recognized pension expense of \$819,306.

At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Difference in actual and expected experience | \$421,406 | \$228,996 |
| Changes of assumptions | 10,574 | 196,447 |
| Net difference between projected and actual earnings on pension plan investments | - | 52,354 |
| Changes in proportion and differences between Township's contributions and proportionate share of contributions | <u>803,252</u> | <u>86,159</u> |
| Total | <u>\$1,235,232</u> | <u>\$563,956</u> |

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2024) 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: | |
| 2025 | (\$324,003) |
| 2026 | 373,328 |
| 2027 | (93,701) |
| 2028 | (43,512) |
| 2029 | 38,709 |
| Thereafter | 3,362 |

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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)

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 6.09, 6.16, 6.22, 6.17, 5.90 and 5.92 years for 2024, 2023, 2022, 2021, 2020 and 2019 amounts, respectively.

Additional Information

Local Group Collective balances net of non-employer (State of New Jersey) balances at June 30, 2024 and June 30, 2023 are as follows:

| | <u>June 30, 2024</u> | <u>June 30, 2023</u> |
|---|----------------------|----------------------|
| Collective deferred outflows of resources | \$1,350,388,724 | \$1,753,080,638 |
| Collective deferred inflows of resources | 1,421,121,200 | 1,966,439,601 |
| Collective net pension liability | 10,326,599,453 | 13,084,649,602 |
| Township's Proportion | 0.0647751200% | 0.0615463700% |

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. 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% |

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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

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.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) 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, 2024 are summarized in the following table:

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-------------------------------------|--------------------------|---|
| U.S. Large-Cap Equity | 24.00% | 6.90% |
| U.S. Small/Mid Cap Equity | 4.00% | 7.40% |
| Non-U.S. Developed Large-Cap Equity | 9.50% | 6.70% |
| Non-U.S. Developed Small-Cap Equity | 2.00% | 7.50% |
| Emerging Markets Large-Cap Equity | 6.00% | 9.60% |
| Emerging Markets Small-Cap Equity | 1.50% | 9.60% |
| U.S. Treasury Bond | 7.00% | 4.10% |
| U.S. Corporate Bond | 5.00% | 5.90% |
| U.S. Mortgage-Backed Securities | 5.00% | 4.40% |
| Global Multisector Fixed Income | 6.00% | 6.50% |
| Cash | 2.00% | 3.40% |
| Real Estate Core | 3.00% | 5.10% |
| Real Estate Non-Core | 4.00% | 6.50% |
| Infrastructure | 3.00% | 7.00% |
| Private Debt/Credit | 8.00% | 9.10% |
| Private Equity | 10.00% | 10.10% |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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, 2024, 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, 2024 | | |
|--|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
| Township's proportionate share of the pension liability | \$11,441,368 | \$6,689,067 | \$5,148,395 |

Special Funding Situations - PFRS

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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 June 30, 2023 and 2022, the State proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,253,002 and \$1,226,137, respectively. For the years ended June 30, 2023 and 2022, the pension system has determined the State proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is \$142,526 and \$141,464, respectively, in comparison to the actual contributions the State made on behalf of the Township of \$143,295 and \$152,648, 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, 2024, including a determination of financial reporting information for the year ending December 31, 2024.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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 | \$ 833,258.00 |
| (2) Retirees | \$ 1,809,876.00 |
| (3) Total | \$ 2,643,134.00 |

- *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 | \$ 2,643,134.00 |
| (2) Fiduciary Net Position (Assets) | \$ - |
| (3) NOL | \$ 2,643,134.00 |

- *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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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

The TOE as of December 31, 2024 is \$36,424.00.

- *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, 2024 would decrease to \$2,514,968.00 and if it were to increase by 1%, the NOL would increase to \$2,787,950.00.

- *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, 2024 would increase to \$2,763,507.00 and if it were to decrease by 1%, the NOL would decrease to \$2,533,557.00.

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 45 and the average age of the retiree population is 59.

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, 2023 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, 2023 report from Aon Consultants.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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

Key Actuarial Assumptions

| | |
|----------------------------------|--|
| <i>Mortality</i> | <i>PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2024</i> |
| <i>Turnover</i> | <i>NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility</i> |
| <i>Assumed Retirement Age</i> | <i>At first eligibility after the completion of 25 years of service</i> |
| <i>Full Attribution Period</i> | <i>Service to Assumed Retirement Age</i> |
| <i>Annual Discount Rate</i> | <i>3.72% Based on the Bond Buyer 20 Index December 31, 2022 3.26% Based on the Bond Buyer 20 Index December 31, 2023 4.08% Based on the Bond Buyer 20 Index December 31, 2024</i> |
| <i>CPI Increase</i> | <i>2.5%</i> |
| <i>Rate of Salary Increase</i> | <i>2.5%</i> |
| <i>Medical Travel</i> | <i>Medical: 6.5% in 2024, reducing by 0.25% per annum, leveling at 4.5% per annum in 2032 Drug: 14.0% in 2024, 10.0% in 2025, 7.5% in 2026, reducing by 0.75% per annum, leveling at 4.5% per annum in 2030 Medicare Advantage: 4.5% per annum Dental and Vision: 3.5% per annum</i> |
| <i>Medical Cost Aging Factor</i> | <i>NJ SHBP Medical Morbidity Rates</i> |

- 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 (45) 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. 2024 salaries were reported as \$3.697 million.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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

Net OPEB Liability as of 12/31/2024

| | |
|--|----------------|
| Net OPEB Liability December 31, 2023 | \$2,576,180.00 |
| Service Cost | 92,741.00 |
| Interest on total OPEB Liability - over measurement period | 85,639.00 |
| Benefit payments | (83,856.00) |
| Changes in Assumptions | (15,455.00) |
| Difference between expected and actual experience | (12,115.00) |
| Changes in Benefits | <u>-</u> |

| | |
|---|------------------------------|
| Total OPEB Liability December 31, 2024 | <u>\$2,643,134.00</u> |
|---|------------------------------|

Total OPEB Expense Calculation as of 12/31/2024

| | |
|--|-------------------|
| Service Cost | \$92,741.00 |
| Interest on total OPEB Liability - over measurement period | 85,639.00 |
| Recognition of experience changes | (115,160.00) |
| Recognition of Assumption changes | (26,796.00) |
| Benefit Changes | <u>231,193.00</u> |

| | |
|--------------------------------------|---------------------------|
| Total OPEB expense recognized | <u>\$36,424.00</u> |
|--------------------------------------|---------------------------|

Interest on Total OPEB Liability

| | Amount (a) | Time Period* (b) | Interest (c) | Calculation (a) x (b) x (c) |
|---|----------------|------------------------|-----------------|-----------------------------------|
| Beginning of Year Total OPEB Liability | \$2,576,180.00 | 1.0 | 0.0326 | \$83,983.00 |
| Service cost | 92,741.00 | 1.0 | 0.0326 | 3,023.00 |
| Benefit Payments | (83,856.00) | 0.5 | 0.0326 | <u>(1,367.00)</u> |
| Interest on Total OPEB Liability | | | | <u>\$85,639.00</u> |

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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, 2023 which is the latest information available. This information is eighteen months prior to December 31, 2024. 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, 2024, the State's proportionate share of the net OPEB liability attributable to the Township for the PFRS special funding situation is \$4,784,908.00 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$(867,597.00).

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

NOTE 7. FUND BALANCES

Fund balances as of December 31, 2024 and 2023 that have been anticipated as revenue in the 2025 and 2024 budget is as follows:

| | <u>2025</u> | <u>2024</u> |
|--------------|-----------------------|-----------------------|
| Current Fund | <u>\$1,392,000.00</u> | <u>\$1,342,000.00</u> |

NOTE 8. FIXED ASSETS

The following is a summary of changes in the general fixed asset account group for the year 2024.

| | <u>Dec. 31, 2023</u> | <u>Increases</u> | <u>Decreases</u> | <u>Dec. 31, 2024</u> |
|----------------------------------|------------------------|---------------------|---------------------|------------------------|
| Land, Buildings and Improvements | \$7,420,900.00 | \$ - | \$ - | \$7,420,900.00 |
| Machinery & Equipment | <u>8,588,330.00</u> | <u>578,877.00</u> | <u>159,243.00</u> | <u>9,002,964.00</u> |
| | <u>\$16,009,230.00</u> | <u>\$578,877.00</u> | <u>\$159,243.00</u> | <u>\$16,423,864.00</u> |

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 \$87,319.56. This amount is not reported either as an expenditure or liability. The Township has reserved \$796,217.04 from previous budgets to be used to offset this liability and is reflected on the Trust Fund balance sheet. See Exhibit B-18 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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

NOTE 10. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2024 consists of the following:

| | |
|-----------------------|--|
| \$3,166,623.67 | Due to Federal and State Grant Fund from Current Fund various receipts and disbursements. |
| 2,078.38 | Due to Assessment Trust Fund from Current Fund for various receipts and disbursements. |
| 507,312.20 | Due to General Capital Fund from Assessment Trust Fund for various receipts and disbursements. |
| 59,769.38 | Due to Current Fund from General Capital Fund for interest earned and General Capital. |
| 19.73 | Due to Current Fund from Animal Control Trust for interest earned in Trust. |
| 2,409.70 | Due to Other Trust Funds from Current Fund for various receipts and disbursements. |
| <u>4,390.00</u> | Due to Other Trust Funds from Animal Control Trust for various receipts and disbursements. |
| <u>\$3,742,603.06</u> | |

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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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

We have reviewed the plan for the year ended December 31, 2024 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 2023 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.

TOWNSHIP OF HARDYSTON, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(continued)**

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:

| | <u>Balance Dec 31, 2024</u> | <u>Balance Dec 31, 2023</u> |
|--|---------------------------------|---------------------------------|
| Prepaid Taxes | <u>\$456,084.30</u> | <u>\$332,385.61</u> |
| Cash Liability for Taxes Collected in Advance | <u>\$456,084.30</u> | <u>\$332,385.61</u> |

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. 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 was available for use until December 31, 2024.

NOTE 16. SUBSEQUENT EVENT

The Township has evaluated subsequent events through June 18, 2025, 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:

| <u>Name</u> | <u>Title</u> |
|------------------------|---|
| Frank Cicerale | Mayor |
| Brian J. Kaminski | Deputy Mayor |
| Carl B. Miller | Councilperson |
| Stanley J. Kula | Councilperson |
| Santo Verrilli | 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. through 9/30/24 |
| Corrine Hockman | C. F. O. from 11/1/24 |
| Rebecca Westra | Tax Collection Services |
| Paris Eliades | Magistrate |
| Lauren Mitchener | Court Administrator |
| Fred Semrau | Attorney |
| Michael Vreeland | Engineer |
| Scott Lobban | Chief of Police |

All employees are covered under a blanket bond in the amount of \$2,000,000.00 issued by the Statewide Insurance Fund, issued January 1, 2014.

Township of Hardyston

Schedule of Expenditures of Federal Assistance

For the Year Ended December 31, 2024

| Federal Grantor/Pass-Through Grantor/ Program Title | Federal Assistance Listing Number | Program or Award Amount | Grant Period | 12/31/2023 | | 12/31/2024 | | MEMO Cumulative Total Expenditures |
|--|-----------------------------------|-------------------------|-----------------|--------------|-----------------|--------------|-----------------|------------------------------------|
| | | | | (Receivable) | Reserve Balance | (Receivable) | Reserve Balance | |
| FEDERAL AND STATE GRANT FUND | | | | | | | | |
| U.S. Department of Treasury | | | | | | | | |
| Pass Through New Jersey Department of Community Affairs - Division of Local Government Services: | | | | | | | | |
| ARP - Firefighter Grant | 21.027 | 29,000.00 | 1/1/23-12/31/23 | (29,000.00) | - | - | - | 29,000.00 |
| ARP - Firefighter Grant | 21.027 | 15,000.00 | 1/1/24-12/31/24 | - | - | 15,000.00 | - | 15,000.00 |
| | | | | (29,000.00) | - | 15,000.00 | - | 44,000.00 |
| 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 | - | 29,420.95 | - |
| | | | | (29,420.95) | 29,420.95 | - | 29,420.95 | - |
| TOTAL FEDERAL AND STATE GRANT FUND | | | | (58,420.95) | 29,420.95 | 15,000.00 | 29,420.95 | 44,000.00 |
| 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 | 814,949.37 | 3/1/21-12/31/26 | - | 529,766.03 | 320,355.73 | 209,410.30 | 605,539.07 |
| TOTAL GENERAL CAPITAL FUND | | | | - | 529,766.03 | 320,355.73 | 209,410.30 | 605,539.07 |
| TOTAL FEDERAL AID | | | | (58,420.95) | 559,186.98 | 335,355.73 | 238,831.25 | 670,413.13 |

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, 2024

| State Grantor/Program Title | Grant or State Project Number | Program or Award Amount | Grant Period | 12/31/2023 | | Receipts | Expended | 12/31/2024 | | MEMO Cumulative Total Expenditures |
|---|-------------------------------|-------------------------|--------------|--------------|-----------------|-----------|------------|--------------|-----------------|------------------------------------|
| | | | | (Receivable) | Reserve Balance | | | (Receivable) | Reserve Balance | |
| FEDERAL AND STATE GRANT FUND | | | | | | | | | | |
| NJ Department of Environmental Protection: | | | | | | | | | | |
| Recycling Tonnage | 042-4910-100-224 | 25,360.31 | 2021 | (5,876.51) | 5,347.53 | - | 5,347.53 | (5,876.51) | - | 25,360.31 |
| Recycling Tonnage | 042-4910-100-224 | 7,095.51 | 2022 | - | 7,095.51 | - | 624.47 | - | 6,471.04 | 624.47 |
| Recycling Tonnage | 042-4910-100-224 | 7,773.16 | 2023 | - | 7,773.16 | - | - | - | 7,773.16 | - |
| Recycling Tonnage | 042-4910-100-224 | 6,785.56 | 2024 | - | - | 6,785.56 | - | - | 6,785.56 | - |
| Total Recycling Tonnage | | | | (5,876.51) | 20,216.20 | 6,785.56 | 5,972.00 | (5,876.51) | 21,029.76 | 25,984.78 |
| Clean Communities | | | | | | | | | | |
| Clean Communities | 042-4900-765-004 | 23,152.98 | 2021 | - | 217.83 | - | 217.83 | - | - | 23,152.98 |
| Clean Communities | 042-4900-765-004 | 23,498.25 | 2022 | - | 23,498.25 | - | 12,399.03 | - | 11,099.22 | 12,399.03 |
| Clean Communities | 042-4900-765-004 | 26,356.02 | 2023 | - | 26,356.02 | - | - | - | 26,356.02 | - |
| Clean Communities | 042-4900-765-004 | 29,935.55 | 2024 | - | - | 29,935.55 | - | - | 29,935.55 | - |
| Total Clean Communities | | | | - | 50,072.10 | 29,935.55 | 12,616.86 | - | 67,390.79 | 35,552.01 |
| Total NJ Environmental Protection Agency | | | | (5,876.51) | 70,288.30 | 36,721.11 | 18,588.86 | (5,876.51) | 88,420.55 | 61,536.79 |
| 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 | 078-6400-100-YYYY | 3,886.41 | 2014 | - | 578.33 | - | 578.33 | - | - | 3,886.41 |
| Drunk Driving Enforcement Fund | 078-6400-100-YYYY | 34,752.40 | 2024 | - | - | - | 22,959.78 | (34,752.40) | 11,792.62 | 22,959.78 |
| Total NJ Division of Highway Traffic Safety | | | | - | 578.33 | - | 23,538.11 | (34,752.40) | 11,792.62 | 26,846.19 |
| NJ Department of Transportation: | | | | | | | | | | |
| Local Municipal Aid - Scenic Lakes Rd Phase I | 078-6320-480-A01 | 129,945.00 | 2022 | (32,901.00) | 5,154.00 | - | 147.00 | (32,901.00) | 5,007.00 | 124,938.00 |
| Local Municipal Aid - Campbell Dr & Old Quarry Rd | 078-6320-480-APF | 139,730.00 | 2023 | (49,894.92) | 128,592.25 | - | 120,241.10 | (49,894.92) | 8,351.15 | 131,378.85 |
| Local Municipal Aid - Holland Mountain Rd Phase I | | 142,524.00 | 2024 | - | - | - | - | (142,524.00) | 142,524.00 | - |
| Total NJ Department of Transportation | | | | (82,795.92) | 133,746.25 | - | 120,388.10 | (225,319.92) | 155,882.15 | 256,316.85 |
| NJ Department of Health: | | | | | | | | | | |
| Alcohol Education & Rehabilitation | 098-9735-760-001 | 5,737.39 | Prior Years | - | 2,750.62 | - | 2,750.62 | - | - | 5,737.39 |
| Alcohol Education & Rehabilitation | 098-9735-760-001 | 302.16 | 2016 | - | 28.93 | - | 28.93 | - | - | 302.16 |
| Alcohol Education & Rehabilitation | 098-9735-760-001 | 579.06 | 2017 | - | 579.06 | - | 579.06 | - | - | 579.06 |
| Alcohol Education & Rehabilitation | 098-9735-760-001 | 73.23 | 2018 | - | 73.23 | - | 73.23 | - | - | 73.23 |
| Alcohol Education & Rehabilitation | 098-9735-760-001 | 6,691.84 | 2019 | (6,691.84) | 6,691.84 | 367.75 | 1,028.16 | (6,324.09) | 5,663.68 | 1,028.16 |
| Total NJ Department of Health | | | | (6,691.84) | 10,123.68 | 367.75 | 4,460.00 | (6,324.09) | 5,663.68 | 7,720.00 |
| NJ Department of Law & Public Safety: | | | | | | | | | | |
| Body Armor Replacement | 066-1020-718-001 | 3,086.02 | 2020 | - | 2,366.02 | - | 2,366.02 | - | - | 3,086.02 |
| Body Armor Replacement | 066-1020-718-001 | 2,903.87 | 2021 | - | 2,526.12 | - | 607.58 | - | 1,918.54 | 985.33 |
| Body Armor Replacement | 066-1020-718-001 | 4,404.61 | 2022 | - | 4,404.61 | - | - | - | 4,404.61 | - |
| Body Armor Replacement | 066-1020-718-001 | 1,574.34 | 2023 | - | 1,574.34 | - | - | - | 1,574.34 | - |
| Body Armor Replacement | 066-1020-718-001 | 1,779.76 | 2024 | - | 1,779.76 | - | - | - | 1,779.76 | - |
| Body Armor Replacement | 066-1020-718-001 | 1,842.44 | 2025 | - | - | 1,842.44 | - | - | 1,842.44 | - |
| Total NJ Department of Law & Public Safety: | | | | - | 12,650.85 | 1,842.44 | 2,973.60 | - | 11,519.69 | 4,071.35 |
| Body-worn Camera Grant | 100-066-1020-495 | 50,950.00 | 2022 | (50,950.00) | 7,462.60 | 50,950.00 | 4,722.40 | - | 2,740.20 | 48,209.80 |
| Total NJ Department of Law & Public Safety: | | | | (50,950.00) | 20,113.45 | 52,792.44 | 7,696.00 | - | 14,259.89 | 52,281.15 |

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, 2024

| MEMO | State Grantor/Program Title | Grant or State Project Number | Program or Award Amount | Grant Period | 12/31/2023 | | Receipts | Expended | 12/31/2024 | | MEMO Cumulative Total Expenditures |
|---|--|----------------------------------|----------------------------|--------------|--------------|--------------------|------------|------------|--------------|--------------------|---|
| | | | | | (Receivable) | Reserve Balance | | | (Receivable) | Reserve Balance | |
| | | | | | | | | | | | |
| <u>NJ Department of Community Affairs:</u> | | | | | | | | | | | |
| | Special Legislative Grant - Walkill River Cleanup | N/A | 3,500,000.00 | 2000 | - | 3,019,556.09 | - | 33,352.24 | - | 2,986,203.85 | 513,796.15 |
| | Special Legislative Grant Interest | N/A | 77,467.44 | Prior Years | - | 58,226.17 | - | - | - | 58,226.17 | 19,241.27 |
| | 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 | - |
| | Special Legislative Grant Interest | N/A | 3,804.44 | 2023 | - | 3,804.44 | - | - | - | 3,804.44 | - |
| | Special Legislative Grant Interest | N/A | 2,640.00 | 2024 | - | - | 2,640.00 | - | - | 2,640.00 | - |
| | | | | | - | 3,092,937.74 | 2,640.00 | 33,352.24 | - | 3,062,225.50 | 533,037.42 |
| | Stormwater Assistance Grant | 042-4850-100-099 | 25,000.00 | 2023 | - | 25,000.00 | - | 1,396.50 | - | 23,603.50 | 1,396.50 |
| | Stormwater Assistance Grant | 042-4850-100-099 | 50,000.00 | 2024 | - | - | - | - | (50,000.00) | 50,000.00 | - |
| | | | | | - | 25,000.00 | - | 1,396.50 | (50,000.00) | 73,603.50 | 1,396.50 |
| | Local Recreation Improvement Grant | | 73,000.00 | 2024 | - | - | - | - | (73,000.00) | 73,000.00 | - |
| | Total NJ Department of Community Affairs | | | | - | 3,117,937.74 | 2,640.00 | 34,748.74 | (123,000.00) | 3,208,829.00 | 534,433.92 |
| <u>NJ Governor's Council on Alcoholism and Drug Abuse:</u> | | | | | | | | | | | |
| Passed Through County of Sussex Division of Community and Youth Services: | | | | | | | | | | | |
| | Municipal Alliance | N/A | 15,863.00 | 2020 | - | 2,892.21 | - | 2,892.21 | - | - | 15,863.00 |
| | Municipal Alliance | N/A | 4,017.00 | 2021 | - | 4,017.00 | - | 2,490.79 | - | 1,526.21 | 2,490.79 |
| | Municipal Alliance | N/A | 7,905.00 | 2022 | (3,862.59) | 5,358.00 | 3,862.59 | - | - | 5,358.00 | 2,547.00 |
| | Municipal Alliance | N/A | 5,358.00 | 2023 | (5,358.00) | 5,358.00 | 1,895.41 | - | (3,462.59) | 5,358.00 | - |
| | Municipal Alliance | N/A | 5,358.00 | 2024 | - | - | - | - | (5,358.00) | 5,358.00 | - |
| | Municipal Alliance - Leadership | N/A | 2,547.00 | 2022 | (2,547.00) | 2,547.00 | 2,186.00 | 1,273.50 | (361.00) | 1,273.50 | 1,273.50 |
| | Municipal Alliance - Leadership | N/A | 2,547.00 | 2023 | (2,547.00) | 2,547.00 | - | - | (2,547.00) | 2,547.00 | - |
| | Municipal Alliance - Leadership | N/A | 2,547.00 | 2024 | - | - | - | - | (2,547.00) | 2,547.00 | - |
| | | | | | (14,314.59) | 22,719.21 | 7,944.00 | 6,656.50 | (14,275.59) | 23,967.71 | 22,174.29 |
| | Total Governor's Council on Alcoholism and Drug Abuse | | | | | | | | | | |
| <u>NJ Department of the Treasury</u> | | | | | | | | | | | |
| | BPU Clean Energy Program - EV Tourism | 082-2008-100-009 | 150,000.00 | 2022 | (150,000.00) | 150,000.00 | - | - | (150,000.00) | 150,000.00 | - |
| | | | | | | | | | | | |
| | | | | | (378,678.86) | 3,525,741.96 | 100,465.30 | 216,076.31 | (627,598.51) | 3,659,050.60 | 1,029,124.19 |
| | TOTAL FEDERAL AND STATE GRANT FUND: | | | | | | | | | | |
| | | | | | (378,678.86) | 3,525,741.96 | 100,465.30 | 216,076.31 | (627,598.51) | 3,659,050.60 | 1,029,124.19 |
| | TOTAL STATE AID | | | | | | | | | | |

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|-----------------------------------|--------------|--------------|--------------|
| <u>Tax Rate:</u> | <u>2.007</u> | <u>3.045</u> | <u>2.998</u> |
| <u>Apportionment of Tax Rate:</u> | | | |
| Municipal | 0.465 | 0.714 | 0.715 |
| County | 0.447 | 0.635 | 0.634 |
| District School | 0.679 | 1.070 | 1.037 |
| Regional School | 0.416 | 0.626 | 0.603 |

Assessed Valuation:

| | | | |
|------|--------------------|--------------------|--------------------|
| 2024 | \$1,710,674,100.00 | | |
| 2023 | | \$1,086,596,600.00 | |
| 2022 | | | \$1,076,583,600.00 |

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.

| <u>Year</u> | <u>Tax Levy</u> | <u>Currently</u> | |
|-------------|-----------------|-------------------------|---------------------------------|
| | | <u>Cash Collections</u> | <u>Percentage of Collection</u> |
| 2024 | \$34,411,067.64 | \$34,025,846.91 | 98.88% |
| 2023 | 33,233,856.53 | 32,833,815.58 | 98.80% |
| 2022 | 32,451,266.54 | 32,044,111.24 | 98.75% |

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.

| <u>Year</u> | <u>Amount of Tax Title Liens</u> | <u>Amount of Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percentage of Tax Levy</u> |
|-------------|----------------------------------|-----------------------------------|-------------------------|-------------------------------|
| 2024 | \$374,609.68 | \$318,396.09 | \$693,005.77 | 2.01% |
| 2023 | 356,783.65 | 341,565.48 | 698,349.13 | 2.10% |
| 2022 | 455,373.09 | 377,151.92 | 832,524.92 | 2.75% |

PROPERTY ACQUIRED BY TAX TITLE LIENS LIQUIDATION

Several properties have been acquired in 2023 by foreclosure or deed as a result of liquidation of tax title liens. However, these properties had previously been determined exempt and have no effect on the value of properties acquired by 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:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2024 | \$14,700.00 |
| 2023 | 14,700.00 |
| 2022 | 14,700.00 |

COMPARATIVE SCHEDULE OF FUND BALANCES

| <u>Year</u> | <u>Current Fund</u> | |
|-------------|---------------------|--|
| | <u>Balance</u> | <u>Utilized in Budget of Succeeding Year</u> |
| 2024 | \$3,618,298.57 | \$1,392,000.00 |
| 2023 | 3,658,776.38 | 1,342,000.00 |
| 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 |

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

CURRENT FUND

| | <u>Year 2024</u> | | <u>Year 2023</u> | |
|---|-------------------------------|----------------|-------------------------------|----------------|
| | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> |
| <u>Revenue and Other Income Realized</u> | | | | |
| Fund Balance Utilized | \$ 1,342,000.00 | 3.34% | \$ 1,220,000.00 | 3.14% |
| Miscellaneous - From Other Than | | | | |
| Local Property Tax Levies | 3,449,322.08 | 8.59% | 3,464,944.87 | 8.92% |
| Collection of Delinquent Taxes | | | | |
| and Tax Title Liens | 342,643.47 | 0.85% | 378,096.42 | 0.97% |
| Collection of Current | | | | |
| Tax Levy | 34,025,846.91 | 84.72% | 32,833,815.58 | 84.54% |
| Other Credits to Income | <u>1,001,933.08</u> | <u>2.49%</u> | <u>939,335.78</u> | <u>2.42%</u> |
| <u>Total Revenue and Other Income Realized</u> | 40,161,745.54 | 100.00% | 38,836,192.65 | 100.00% |
| <u>Expenditures</u> | | | | |
| Budget Expenditures: | | | | |
| Municipal Purposes | 12,417,044.28 | 31.952% | 12,184,538.15 | 32.460% |
| Local and Regional School Taxes | 18,747,205.00 | 48.240% | 18,428,612.00 | 49.094% |
| County Taxes | 7,636,122.18 | 19.649% | 6,919,415.32 | 18.434% |
| Other Expenditures | <u>61,776.84</u> | <u>0.159%</u> | <u>4,479.63</u> | <u>0.012%</u> |
| <u>Total Expenditures</u> | <u>38,862,148.30</u> | <u>100.00%</u> | <u>37,537,045.10</u> | <u>100.00%</u> |
| Excess (Deficit) in Revenue | 1,299,597.24 | | 1,299,147.55 | |
| Adjustments to Income Before Fund Balance: | | | | |
| Expenditures Included Above Which are by | | | | |
| Statute Deferred Charges to Budget | | | | |
| of Succeeding Year | <u>1,924.95</u> | | <u>250,000.00</u> | |
| Statutory Excess to Fund Balance | 1,301,522.19 | | 1,549,147.55 | |
| Fund Balance, January 1, | <u>3,658,776.38</u> | | <u>3,329,628.83</u> | |
| | 4,960,298.57 | | 4,878,776.38 | |
| Less: | | | | |
| Utilized as Anticipated Revenue | <u>1,342,000.00</u> | | <u>1,220,000.00</u> | |
| Fund Balance, December 31, | <u><u>\$ 3,618,298.57</u></u> | | <u><u>\$ 3,658,776.38</u></u> | |

Township of Hardyston , N.J.

Schedule of Cash - Treasurer

Current Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | | <u>Current Fund</u> |
|---|-------------|------------------|-------------------------------|
| Balance - December 31, 2023 | A | | \$ 8,154,216.66 |
| Increased by Receipts: | | | |
| Miscellaneous Revenue Not Anticipated | A-2 | \$ 824,190.28 | |
| Petty Cash | A-6 | 50.00 | |
| State of NJ Receipts | A-7 | 59,750.00 | |
| Taxes Receivable | A-8 | 33,976,201.78 | |
| Revenue Accounts Receivable | A-13 | 2,961,538.10 | |
| Interfunds | A-14 | 133,944.93 | |
| Prepaid Taxes | A-17 | 456,084.30 | |
| Various Cash Liabilities and Reserves | A-21 | <u>63,897.34</u> | |
| | | | <u>38,475,656.73</u> |
| | | | 46,629,873.39 |
| Decreased by Disbursements: | | | |
| Refund Prior Year Revenue | A-1 | 1,987.73 | |
| Current Year Budget Appropriations | A-3 | 10,940,266.43 | |
| Petty Cash | A-6 | 50.00 | |
| Interfunds | A-14 | 155,350.56 | |
| Appropriation Reserves | A-15 | 766,934.31 | |
| Encumbrances Payable - Various Reserves | A-16 | 36,480.58 | |
| Local District School Taxes | A-18 | 11,629,293.00 | |
| Regional High School Taxes | A-19 | 7,117,912.00 | |
| County Taxes Payable | A-20 | 7,653,560.02 | |
| Various Cash Liabilities and Reserves | A-21 | <u>47,817.55</u> | |
| | | | <u>38,349,652.18</u> |
| Balance - December 31, 2024 | A | | <u><u>\$ 8,280,221.21</u></u> |

Township of Hardyston , N.J.
Schedule of Cash - Change Fund
Current Fund
Year Ended December 31, 2024

| | <u>Ref.</u> | |
|-------------------------------|-------------|-------------|
| Balance - December 31, 2023 | A | \$ 625.00 |
| | | <hr/> <hr/> |
| Balance - December 31, 2024 | A | \$ 625.00 |
| | | <hr/> <hr/> |
| <u>Analysis of Balance:</u> | | |
| Tax Collector | | \$ 200.00 |
| Clerk | | 100.00 |
| Recreation | | 100.00 |
| Police | | 25.00 |
| Building Department - Wantage | | 100.00 |
| Building Department | | 100.00 |
| | | <hr/> <hr/> |
| | | \$ 625.00 |

Schedule of Cash - Petty Cash
Current Fund
Year Ended December 31, 2024

| | <u>Ref.</u> | |
|---------------|-------------|-------------|
| Increased by: | | |
| Disbursements | A-4 | \$ 50.00 |
| | | <hr/> <hr/> |
| Decreased by: | | |
| Receipts | A-4 | \$ 50.00 |
| | | <hr/> <hr/> |

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, 2024

| | <u>Ref.</u> | |
|--|-------------|-------------------------|
| Balance - December 31, 2023 | A | \$ 631.42 |
| Increased by: | | |
| State Share of Senior Citizens and Veteran | | |
| Deductions Received in Cash | A-4 | <u>59,750.00</u> |
| | | (59,118.58) |
| Decreased by: | | |
| Senior Citizens Deductions Per Tax Billing | | \$ 6,000.00 |
| Veterans Deductions Per Tax Billing | | 50,750.00 |
| Senior Citizens & Veterans Deduction | | |
| Allowed by Tax Collector | | 4,500.00 |
| Less: Deductions Disallowed by Tax Collector | | |
| Current Year | | (744.52) |
| Prior Years | | <u>(602.49)</u> |
| | A-8 | <u>59,902.99</u> |
| Balance - December 31, 2024 | A | <u><u>\$ 784.41</u></u> |

Township of Hardyston , N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2024

| Year | Balance, Dec. 31, 2023 | Levy | Added Taxes | Collected | | Senior Citizen and Veteran Deductions | Transferred to Tax Title Liens | Canceled | Balance, Dec. 31, 2024 |
|------|------------------------------|---------------|----------------|------------|---------------|---|--------------------------------------|-----------|------------------------------|
| | | | | 2023 | 2024 | | | | |
| 2019 | \$ 1,167.76 | - | - | - | - | - | - | - | \$ 1,167.76 |
| 2020 | 2,326.49 | - | - | - | - | - | - | - | 2,326.49 |
| 2021 | 2.08 | - | - | - | - | - | - | 2.08 | - |
| 2023 | 338,069.15 | - | 7,481.56 | - | 343,245.96 | (602.49) | - | - | 2,907.24 |
| | 341,565.48 | - | 7,481.56 | - | 343,245.96 | (602.49) | - | 2.08 | 6,401.49 |
| 2024 | - | 34,350,335.75 | 60,731.89 | 332,385.61 | 33,632,955.82 | 60,505.48 | 17,756.75 | 55,469.38 | 311,994.60 |
| | \$ 341,565.48 | 34,350,335.75 | 68,213.45 | 332,385.61 | 33,976,201.78 | 59,902.99 | 17,756.75 | 55,471.46 | \$ 318,396.09 |
| | A | | | A-2; A-17 | A-2; A-4 | A-2; A-7 | A-9 | | A |

Analysis of Tax Levy

Ref.

Tax yield:

General Property Tax
Added Tax (R.S. 54:4-63.1 et seq.)

\$ 34,350,335.75
60,731.89
\$ 34,411,067.64

Tax Levy:

Local District School Tax
Regional High School Tax
County Tax
County Library
County Health
County Open Space Preservation
Added County Taxes

A-18
A-19
\$ 7,048,846.21
546,873.74
2.11
27,172.45
13,227.67
7,636,122.18
26,383,327.18

A-20
A-2

Local Tax for Municipal Purposes
Additional Taxes

7,969,027.58
58,712.88
8,027,740.46
\$ 34,411,067.64

Township of Hardyston , N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | |
|--------------------------------|-------------|----------------------|
| Balance - December 31, 2023 | A | \$ 356,783.65 |
| Increased by: | | |
| Transfer from Taxes Receivable | A-8 | \$ 17,756.75 |
| Adjustment | | <u>69.28</u> |
| | | <u>17,826.03</u> |
| Balance - December 31, 2024 | A | <u>\$ 374,609.68</u> |

Schedule of Property Acquired for

Taxes Assessed Valuation

Current Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | |
|-----------------------------|-------------|---------------------|
| Balance - December 31, 2023 | A | <u>\$ 14,700.00</u> |
| Balance - December 31, 2024 | A | <u>\$ 14,700.00</u> |

Township of Hardyston , N.J.

**Schedule of Deferred Charges
Special Emergency - N.J.S.A. 40A:4-53**

Curerent Fund

Year Ended December 31, 2024

| <u>Date</u> <u>Authorized</u> | <u>Purpose</u> | Balance, Dec. 31, <u>2023</u> | Amount in 2024 <u>Budget</u> | Balance, Dec. 31, <u>2024</u> |
|----------------------------------|------------------------------|-------------------------------------|------------------------------------|-------------------------------------|
| 5/24/2023 | Revaluation of Real Property | <u>\$ 250,000.00</u> A | <u>50,000.00</u> A-3 | <u>\$ 200,000.00</u> A |

Township of Hardyston , N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2024

| <u>Purpose</u> | Added in <u>2024</u> | Balance, Dec. 31, <u>2024</u> |
|-----------------------------------|---------------------------|-------------------------------------|
| Overexpenditure of Appropriations | \$ 1,924.95 <u>A-3</u> | \$ 1,924.95 <u>A</u> |

Township of Hardyston , N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | <u>Accrued</u> | <u>Collected</u> |
|---|-------------|------------------------|------------------------|
| Licenses: | | | |
| Alcoholic Beverages | A-2 | \$ 6,085.00 | \$ 6,085.00 |
| Fines and Costs: | | | |
| Municipal Court | A-2 | 66,536.09 | 66,536.09 |
| Interest and Costs on Taxes | A-2 | 66,166.15 | 66,166.15 |
| Interest on Investments | A-2 | 424,371.01 | 424,371.01 |
| Garbage Collection Fees | A-2 | 4,739.50 | 4,739.50 |
| Uniform Fire Safety Act (Local Fees) | A-2 | 57,143.00 | 57,143.00 |
| Antenna Lease Fees | A-2 | 67,987.58 | 67,987.58 |
| Sale of Solar Renewable Energy Credits | A-2 | 13,215.80 | 13,215.80 |
| Quarry Lease Fees | A-2 | 50,883.87 | 50,883.87 |
| Abandoned and Vacant Property Registration Fees | A-2 | 14,876.86 | 14,876.86 |
| Energy Receipts Tax (P.L. 1999, Chapters 162 & 167) | A-2 | 506,370.04 | 506,370.04 |
| Garden State Trust - PILOT Funds | A-2 | 36,882.00 | 36,882.00 |
| Watershed Moratorium offset | A-2 | 194,721.00 | 194,721.00 |
| Municipal Relief Funds | A-2 | 52,194.93 | 52,194.93 |
| Uniform Construction Code Fees | A-2 | 254,687.00 | 254,687.00 |
| Hardyston Township MUA - Secretarial/Billing Services | A-2 | 115,000.02 | 115,000.02 |
| Hardyston Elementary School - Recycling & Solid Waste Removal | A-2 | 11,733.00 | 11,733.00 |
| Hardyston Elementary School - Park Maintenance | A-2 | 18,000.00 | 18,000.00 |
| Hardyston Township MUA - Sewer and Water Operations | A-2 | 299,000.04 | 299,000.04 |
| Franklin Borough - Construction Code Official | A-2 | 189,882.20 | 189,882.20 |
| Hamburg Borough - Construction Code Official | A-2 | 60,684.30 | 60,684.30 |
| Hamburg Borough - Recycling | A-2 | 45,608.00 | 45,608.00 |
| Hamburg Borough Solid Waste | A-2 | 4,150.00 | 4,150.00 |
| Town of Newton - Construction | A-2 | 140,992.20 | 140,992.20 |
| Sussex Borough - Construction | A-2 | 46,478.60 | 46,478.60 |
| Wantage Township - Construction Official | A-2 | 228,122.10 | 228,122.10 |
| Hamburg Borough - Field Coordinator | A-2 | 3,500.00 | 3,500.00 |
| Uniform Fire Safety Act | A-2 | 89,190.08 | 89,190.08 |
| | | <u>\$ 3,069,200.37</u> | <u>\$ 3,069,200.37</u> |

Analysis of Collections

| | | |
|--------------------------------|------|------------------------|
| Cash Receipts | A-4 | \$ 2,961,538.10 |
| Interfunds Accounts Receivable | A-14 | 55,467.34 |
| Various Reserves | A-21 | 52,194.93 |
| | | <u>\$ 3,069,200.37</u> |

Township of Hardyston, N.J.

Schedules of Interfunds

Current Fund

Year Ended December 31, 2024

| Fund | Due From/(To) Balance | | Due From/(To) Balance | |
|------------------------------|--------------------------|----------------------|--------------------------|--------------------------|
| | Dec. 31, 2023 | Increased | Decreased | Dec. 31, 2024 |
| State and Federal Grant Fund | A \$ (3,181,289.03) | 144,130.66 | 129,465.30 | \$ (3,166,623.67) |
| Assessment Trust Fund | A (4,536.51) | 2,458.13 | - | (2,078.38) |
| Animal Control Fund | A (4,390.00) | 4,409.73 | - | 19.73 |
| Other Trust Funds | A 4,479.63 | 50.00 | 6,939.33 | (2,409.70) |
| General Capital Fund | A - | 59,769.38 | - | 59,769.38 |
| | <u>\$ (3,185,735.91)</u> | <u>210,817.90</u> | <u>136,404.63</u> | <u>\$ (3,111,322.64)</u> |
| | A | | | A |
| Analysis: | | | | |
| Due From Current Fund | \$ (3,190,215.54) | | | \$ (3,171,111.75) |
| Due To Current Fund | A-1 4,479.63 | | | 59,789.11 |
| | <u>\$ (3,185,735.91)</u> | | | <u>\$ (3,111,322.64)</u> |
| | Ref. | | | |
| Budget Appropriation | A-3 \$ | - | \$ 2,459.70 | |
| Cash Receipts | A-4 | - | 133,944.93 | |
| Cash Disbursed | A-4 | 155,350.56 | - | |
| Revenue Accounts Receivable | A-13 | 55,467.34 | - | |
| | | <u>\$ 210,817.90</u> | <u>\$ 136,404.63</u> | |

Township of Hardyston , N.J.
Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2024

| | Balance, Dec. 31, <u>2023</u> | Balance after <u>Transfers</u> | Paid or <u>Charged</u> | Balance <u>Lapsed</u> |
|--|-------------------------------------|--------------------------------------|---------------------------|--------------------------|
| Operations - within "CAPS" | | | | |
| Administrative and Executive: | | | | |
| Salaries and Wages | \$ 1,364.57 | - | - | - |
| Other Expenses: | | | | |
| Use of Office Equipment and Supplies | 2,027.08 | 727.08 | 427.32 | 299.76 |
| Miscellaneous Other Expenses | 19,343.69 | 17,343.69 | 16,607.04 | 736.65 |
| Elections: | | | | |
| Other Expenses | 1,790.50 | - | - | - |
| Financial Administration: | | | | |
| Other Expenses | 12,865.65 | 19,320.72 | 18,110.38 | 1,210.34 |
| Computer Technology/Maintenance: | | | | |
| Other Expenses | 8,435.38 | 8,435.38 | 8,435.38 | - |
| Collection of Taxes: | | | | |
| Other Expenses | 2,126.54 | 2,126.54 | 1,165.13 | 961.41 |
| Assessment of Taxes: | | | | |
| Salaries and Wages | 49.89 | 49.89 | - | 49.89 |
| Other Expenses | 562.16 | 562.16 | 401.53 | 160.63 |
| Revaluation of Real Property | 34,000.00 | 34,000.00 | 34,000.00 | - |
| Legal Services and Costs: | | | | |
| Other Expenses | 17,491.92 | 15,248.60 | 15,248.60 | - |
| Engineering Services and Costs: | | | | |
| Other Expenses | 9,490.75 | 9,490.75 | 6,667.00 | 2,823.75 |
| Economic Development Commission: | | | | |
| Other Expenses | 9,594.37 | 9,594.37 | 9,580.60 | 13.77 |
| Municipal Land Use Law (N.J.S. 40:55D-11): | | | | |
| Planning Board: | | | | |
| Salaries and Wages | 0.96 | 0.96 | - | 0.96 |
| Other Expenses | 10,444.86 | 12,688.18 | 8,810.47 | 3,877.71 |
| Insurance: | | | | |
| Other Insurance Premiums | 6.88 | 6.88 | - | 6.88 |
| Employee Group Health Insurance | 94,008.21 | 94,008.21 | 94,008.21 | - |
| Health Benefit Waiver | 126.62 | 126.62 | - | 126.62 |
| Unemployment Compensation Insurance | 319.15 | 319.15 | 57.49 | 261.66 |
| Disability Insurance | 5,425.58 | 5,425.58 | 4,058.60 | 1,366.98 |
| Public Safety: | | | | |
| Police: | | | | |
| Salaries and Wages | 42,169.89 | 24,169.89 | 949.92 | 23,219.97 |
| Other Expenses | 50,926.03 | 68,926.03 | 68,718.66 | 207.37 |
| Purchase and Maintenance of Uniforms | 6,916.61 | 6,916.61 | 1,282.12 | 5,634.49 |
| Police Communications: | | | | |
| Salaries and Wages | 9,725.36 | 5,725.36 | 3,849.13 | 1,876.23 |
| Other Expenses | 8,414.54 | 8,414.54 | 8,414.54 | - |
| Emergency Management Services: | | | | |
| Salaries and Wages | 0.90 | 0.90 | - | 0.90 |
| Other Expenses | 1,715.28 | 1,715.28 | 225.01 | 1,490.27 |
| Aid to Volunteer Fire Companies | 12,378.30 | 12,378.30 | 12,378.30 | - |
| Fire Prevention Bureau: | | | | |
| Salaries and Wages | 671.94 | 671.94 | - | 671.94 |
| Other Expenses | 94.30 | 94.30 | 94.30 | - |

Township of Hardyston , N.J.
Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2024

| | Balance, Dec. 31, <u>2023</u> | Balance after <u>Transfers</u> | Paid or <u>Charged</u> | Balance <u>Lapsed</u> |
|--|-------------------------------------|--------------------------------------|---------------------------|--------------------------|
| Municipal Court: | | | | |
| Salaries and Wages | 0.93 | 0.93 | - | 0.93 |
| Other Expenses | 2,998.71 | 2,998.71 | 1,982.00 | 1,016.71 |
| Streets and Roads: | | | | |
| Road Repairs and Maintenance: | | | | |
| Salaries and Wages | 10,979.50 | 10,979.50 | 10,979.50 | - |
| Other Expenses: | | | | |
| Miscellaneous Other Expenses | 207,030.79 | 207,030.79 | 207,030.79 | - |
| Road Equipment Repair and Maintenance | 59,006.55 | 59,006.55 | 53,999.03 | 5,007.52 |
| Recycling: | | | | |
| Other Expenses | 3,431.17 | 1,550.08 | 1,550.08 | - |
| Buildings & Grounds: | | | | |
| Other Expenses | 10,517.28 | 10,517.28 | 10,517.28 | - |
| Dog Regulation: | | | | |
| Other Expenses | 1,272.00 | 1,272.00 | 1,272.00 | - |
| Contribution to Senior Citizen Center: | | | | |
| Other Expenses | 2,000.00 | 2,000.00 | 2,000.00 | - |
| Senior Citizen Transportation: | | | | |
| Other Expenses | 4,918.00 | 918.00 | 910.00 | 8.00 |
| PEOSHA: | | | | |
| Hepatitis - B Vaccination | 500.00 | 500.00 | - | 500.00 |
| Recreation and Education: | | | | |
| Recreation: | | | | |
| Salaries and Wages | 4.60 | 4.60 | - | 4.60 |
| Other Expenses | 2,935.08 | 6,935.08 | 6,862.46 | 72.62 |
| State Uniform Construction Code: | | | | |
| Construction Official: | | | | |
| Salaries and Wages | 56,322.04 | 3,322.04 | - | 3,322.04 |
| Other Expenses | 7,160.41 | 60,160.41 | 34,389.63 | 25,770.78 |
| Zoning Enforcement Officer: | | | | |
| Salaries and Wages | 0.93 | 0.93 | - | 0.93 |
| Other Expenses | 379.75 | 379.75 | - | 379.75 |
| Unclassified: | | | | |
| Celebration of Public Events: | | | | |
| Other Expenses | 795.00 | 795.00 | 795.00 | - |
| Accumulated Leave Compensation | 10,000.00 | 10,000.00 | 10,000.00 | - |
| Utility Expense/Bulk Purchases: | | | | |
| Electricity | 9,592.50 | 9,592.50 | 4,972.77 | 4,619.73 |
| Street Lighting | 19,322.36 | 37,398.30 | 25,182.07 | 12,216.23 |
| Telephone | 7,489.69 | 2,020.30 | 2,019.78 | 0.52 |
| Fuel Oil | 6,394.68 | 6,394.68 | 5,230.90 | 1,163.78 |
| Gasoline | 35,358.10 | 35,358.10 | 35,358.10 | - |
| Diesel Fuel | 11,457.45 | 11,457.45 | 11,457.45 | - |
| Natural Gas | 11,985.12 | 5,259.66 | 5,259.66 | - |
| Total Operations within "CAPS" | <u>844,340.55</u> | <u>844,340.55</u> | <u>745,258.23</u> | <u>99,082.32</u> |

Township of Hardyston , N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2024

| | Balance, Dec. 31, <u>2023</u> | Balance after <u>Transfers</u> | Paid or <u>Charged</u> | Balance <u>Lapsed</u> |
|--|-------------------------------------|--------------------------------------|---------------------------|--------------------------|
| Deferred Charges and Statutory Expenditures - Municipal within "CAPS": | | | | |
| Statutory Expenditures: | | | | |
| Contribution to: | | | | |
| Social Security System (O.A.S.I.) | 5,991.36 | 5,991.36 | 2,053.00 | 3,938.36 |
| DCRP | <u>1,089.82</u> | <u>1,089.82</u> | <u>-</u> | <u>1,089.82</u> |
| Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS" | <u>851,421.73</u> | <u>851,421.73</u> | <u>747,311.23</u> | <u>104,110.50</u> |
| 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 | <u>38,000.00</u> | <u>38,000.00</u> | <u>29,900.00</u> | <u>8,100.00</u> |
| Total Operations - Excluded from "CAPS" | <u>68,000.00</u> | <u>68,000.00</u> | <u>59,900.00</u> | <u>8,100.00</u> |
| Total General Appropriations | <u>\$ 919,421.73</u> | <u>919,421.73</u> | <u>807,211.23</u> | <u>112,210.50</u> |
| | Ref. | | | A-1 |
| <u>Analysis of Appropriation Reserves</u> | | | | |
| Unencumbered | A | \$ 704,860.23 | | |
| Encumbered | A | <u>214,561.50</u> | | |
| | | <u>\$ 919,421.73</u> | | |
| <u>Analysis of Paid or Charged</u> | | | | |
| Cash Disbursements | A-4 | | \$ 766,934.31 | |
| Accounts Payable | A-21 | | <u>40,276.92</u> | |
| | | | <u>\$ 807,211.23</u> | |

Township of Hardyston , N.J.

Schedule of Encumbrances Payable - Non-Budget

Current Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | |
|-----------------------------|-------------|---------------------------|
| Balance - December 31, 2023 | A | \$ 39,093.08 |
| Increased by: | | |
| Various Reserves | A-21 | <u>5,482.14</u> |
| | | 44,575.22 |
| Decreased by: | | |
| Disbursed | A-4 | \$ 36,480.58 |
| Various Reserves | A-21 | <u>2,612.50</u> |
| | | <u>39,093.08</u> |
| Balance - December 31, 2024 | A | <u><u>\$ 5,482.14</u></u> |

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | |
|-------------------------------|-------------|-----------------------------|
| Balance - December 31, 2023 | A | \$ 332,385.61 |
| Increased by: | | |
| Receipts - Prepaid 2025 Taxes | A-4 | <u>456,084.30</u> |
| | | 788,469.91 |
| Decreased by: | | |
| Applied to 2024 Taxes | A-8 | <u>332,385.61</u> |
| Balance - December 31, 2024 | A | <u><u>\$ 456,084.30</u></u> |

Township of Hardyston , N.J.
Schedule of Local District School Tax
Current Fund
Year Ended December 31, 2024

Ref.

| | | |
|-------------------------|----------|-------------------------|
| Increased by: | | |
| Levy Calendar Year 2024 | A-1; A-8 | <u>\$ 11,629,293.00</u> |
| Decreased by: | | |
| Payments | A-4 | <u>\$ 11,629,293.00</u> |

Schedule of Regional High School Tax
Current Fund
Year Ended December 31, 2024

Ref.

| | | |
|-------------------------|----------|------------------------|
| Increased by: | | |
| Levy Calendar Year 2024 | A-1; A-8 | <u>\$ 7,117,912.00</u> |
| Decreased by: | | |
| Payments | A-4 | <u>\$ 7,117,912.00</u> |

Township of Hardyston , N.J.

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2024

Ref.

| | | | |
|--------------------------------|----------|----|-------------------------|
| Balance - December 31, 2023 | A | \$ | 30,665.51 |
| Increased by: | | | |
| Tax Levy 2024 | | | |
| County Tax | | \$ | 7,048,846.21 |
| County Library | | | 546,873.74 |
| County Health | | | 2.11 |
| County Open Space Preservation | | | 27,172.45 |
| Added and Omitted Taxes | | | <u>13,227.67</u> |
| | A-1; A-8 | | <u>7,636,122.18</u> |
| | | | <u>7,666,787.69</u> |
| Decreased by: | | | |
| Payments | A-4 | | <u>7,653,560.02</u> |
| Balance - December 31, 2024 | A | \$ | <u><u>13,227.67</u></u> |

Township of Hardyston , N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2024

| <u>Liabilities and Reserves</u> | <u>Balance Dec. 31, 2023</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance Dec. 31, 2024</u> |
|---|----------------------------------|----------------------|----------------------|----------------------------------|
| <u>Liabilities:</u> | | | | |
| Tax Overpayments | \$ 3,140.11 | 30,797.34 | 25,862.68 | \$ 8,074.77 |
| Accounts Payable | 106,769.68 | 40,276.92 | 87,089.68 | 59,956.92 |
| Due to State of N.J. Marriage Surcharge | - | 1,400.00 | 1,400.00 | - |
| <u>Reserves for:</u> | | | | |
| Tax Appeals | 43,962.90 | 32,612.50 | - | 76,575.40 |
| Municipal Relief Funds | 52,194.93 | - | 52,194.93 | - |
| Sale of Assets | 16,605.61 | - | - | 16,605.61 |
| Tax Map | 4,793.00 | 1,700.00 | - | 6,493.00 |
| Revaluation | 7,449.00 | - | - | 7,449.00 |
| | <u>\$ 234,915.23</u> | <u>106,786.76</u> | <u>166,547.29</u> | <u>\$ 175,154.70</u> |
| | A | | | A |
| | <u>Ref.</u> | | | |
| Accounts Payable Canceled | A-1 | \$ - | \$ 61,052.67 | |
| Receipts | A-4 | 63,897.34 | - | |
| Disbursed | A-4 | - | 47,817.55 | |
| Revenue Accounts Receivable | A-13 | - | 52,194.93 | |
| Appropriation Reserves | A-15 | 40,276.92 | - | |
| Reserve for Encumbrances | A-16 | 2,612.50 | 5,482.14 | |
| | | <u>\$ 106,786.76</u> | <u>\$ 166,547.29</u> | |

Township of Hardyston , N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2024

| <u>Grant</u> | <u>Balance, Dec. 31, 2023</u> | <u>Budget Revenue</u> | <u>Received</u> | <u>Transfer From Unappropriated Reserves</u> | <u>Balance, Dec. 31, 2024</u> |
|---|-----------------------------------|---------------------------|------------------|--|-----------------------------------|
| Alcohol Education and Rehabilitation Fund | \$ 6,691.84 | - | 367.75 | - | \$ 6,324.09 |
| ARP Firefighter Grant | 29,000.00 | 15,000.00 | 29,000.00 | - | 15,000.00 |
| Body Armor Grant | - | 1,779.85 | - | 1,779.85 | - |
| Body-worn Camera Grant | 50,950.00 | - | 50,950.00 | - | - |
| Clean Communities Grant | - | 26,356.02 | - | 26,356.02 | - |
| Clean Energy Electric Vehicle Tourism Grant | 150,000.00 | - | - | - | 150,000.00 |
| Drunk Driving Enforcement Fund | - | 34,752.40 | - | - | 34,752.40 |
| FEMA Assistance to Firefighters Grant | 29,420.95 | - | - | - | 29,420.95 |
| Highlands Compliance Grant | 68,050.00 | - | - | - | 68,050.00 |
| Municipal Alliance on Alcoholism and Drug Abuse | 9,220.59 | 5,358.00 | 5,758.00 | - | 8,820.59 |
| Municipal Alliance Leadership Grant | 5,094.00 | 2,547.00 | 2,186.00 | - | 5,455.00 |
| NJDOT Municipal Aid: | | | | | |
| Campbell Dr & Old Quarry Rd | 49,894.92 | - | - | - | 49,894.92 |
| Scenic Lakes Rd Phase I | 32,901.00 | - | - | - | 32,901.00 |
| Holland Mountain Rd Phase I | - | 142,524.00 | - | - | 142,524.00 |
| NJ Special Legislative Grant Interest | - | 3,804.44 | - | 3,804.44 | - |
| Recreation Improvement Grant | - | 73,000.00 | - | - | 73,000.00 |
| Recycling Tonnage Grant | 5,876.51 | - | - | - | 5,876.51 |
| Stormwater Assistance Grant | - | 75,000.00 | - | 25,000.00 | 50,000.00 |
| | <u>\$ 437,099.81</u> | <u>380,121.71</u> | <u>88,261.75</u> | <u>56,940.31</u> | <u>\$ 672,019.46</u> |
| | A | A-2 | A-25 | A-24 | A |

Township of Hardyston , N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2024

| <u>Grant</u> | <u>Balance, Dec. 31, 2023</u> | <u>Transfer From Budget Appropriations</u> | <u>Expended</u> | <u>Dec. 31, 2024</u> |
|---|-----------------------------------|--|-------------------|------------------------|
| Alcohol Education and Rehabilitation Fund | \$ 10,123.68 | - | 4,460.00 | \$ 5,663.68 |
| ARP Firefighter Grant | - | 15,000.00 | 15,000.00 | - |
| Body-worn Camera Grant | 7,462.60 | - | 4,722.40 | 2,740.20 |
| Body Armor Grant | 10,871.09 | 1,779.85 | 2,973.60 | 9,677.34 |
| Clean Communities Program | 23,716.08 | 26,356.02 | 12,616.86 | 37,455.24 |
| Clean Energy Electric Vehicle Tourism Grant | 150,000.00 | - | - | 150,000.00 |
| Drunk Driving Enforcement Fund | 578.33 | 34,752.40 | 23,538.11 | 11,792.62 |
| FEMA Assistance to Firefighters Grant | 29,420.95 | - | - | 29,420.95 |
| Highlands Compliance Grant | 235.00 | - | - | 235.00 |
| Local Recreation Improvement Grant | - | 73,000.00 | - | 73,000.00 |
| Municipal Alliance Leadership Grants | 5,094.00 | 2,547.00 | 1,273.50 | 6,367.50 |
| Municipal Alliance on Alcoholism and Drug Abuse: | | | | |
| State Share | 17,625.21 | 5,358.00 | 5,383.00 | 17,600.21 |
| Local Share | 5,051.78 | - | 847.90 | 4,203.88 |
| NJ DOT Municipal Aid: | | | | |
| Campbell Dr & Old Quarry Rd | 128,592.25 | - | 120,241.10 | 8,351.15 |
| Scenic Lakes Road Phase I | 5,154.00 | - | 147.00 | 5,007.00 |
| Holland Mountain Rd Phase I | - | 142,524.00 | - | 142,524.00 |
| NJ Special Legislative Grant - Wallkill River Cleanup | 3,019,556.09 | - | 33,352.24 | 2,986,203.85 |
| NJ Special Legislative Grant Interest | 69,577.21 | 3,804.44 | - | 73,381.65 |
| Recycling Tonnage Grant | 20,216.20 | - | 5,972.00 | 14,244.20 |
| Stormwater Assistance Grant | - | 75,000.00 | 1,396.50 | 73,603.50 |
| | <u>\$ 3,503,274.47</u> | <u>380,121.71</u> | <u>231,924.21</u> | <u>\$ 3,651,471.97</u> |
| | A | A-3 | | A |

Analysis of Expended

Cash Disbursed

Encumbered

Ref.

A-25

A-26

\$ 85,956.51

145,967.70

\$ 231,924.21

Township of Hardyston , N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2024

| <u>Grant</u> | <u>Balance Dec. 31, 2023</u> | <u>Transfer To 2024 Budget</u> | <u>Received</u> | <u>Balance Dec. 31, 2024</u> |
|---------------------------------------|----------------------------------|--|------------------|----------------------------------|
| Body Armor Grant | \$ 1,779.76 | 1,779.85 | 1,842.44 | \$ 1,842.35 |
| Clean Communities | 26,356.02 | 26,356.02 | 29,935.55 | 29,935.55 |
| Interest on Special Legislative Grant | 3,804.44 | 3,804.44 | 2,640.00 | 2,640.00 |
| State Recycling Grant | - | - | 6,785.56 | 6,785.56 |
| Stormwater Assistance Grant | 25,000.00 | 25,000.00 | - | - |
| | <u>\$ 56,940.22</u> | <u>56,940.31</u> | <u>41,203.55</u> | <u>\$ 41,203.46</u> |
| | A | A-22 | A-25 | A |

A-25

Schedule of Due From Current Fund

Federal and State Grant Fund

Year Ended December 31, 2024

| | | | |
|---------------------------------------|------------------|------------------|------------------------|
| Balance - December 31, 2023 | <u>Ref.</u> A | | \$ 3,181,289.03 |
| Increased by: | | | |
| Federal and State Grant Fund Receipts | A-22 | \$ 88,261.75 | |
| Unappropriated Receipts | A-24 | <u>41,203.55</u> | |
| | | | <u>129,465.30</u> |
| | | | 3,310,754.33 |
| Decreased by: | | | |
| Federal and State Grant Fund | | | |
| Expenditures | A-23 | 85,956.51 | |
| Encumbrance Expenditures | A-26 | <u>58,174.15</u> | |
| | | | <u>144,130.66</u> |
| Balance - December 31, 2024 | A | | <u>\$ 3,166,623.67</u> |

Township of Hardyston , N.J.

Schedule of Encumbrances Payable

Federal and State Grant Fund

Year Ended December 31, 2024

| | | |
|-------------------------------------|------------------|-----------------------------|
| Balance - December 31, 2023 | <u>Ref.</u> A | \$ 58,174.15 |
| Increased by: | | |
| Charges to Federal and State Grants | A-23 | <u>145,967.70</u> |
| | | 204,141.85 |
| Decreased by: | | |
| Disbursements | A-25 | <u>58,174.15</u> |
| Balance - December 31, 2024 | A | <u><u>\$ 145,967.70</u></u> |

Township of Hardyston , N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2024

| | <u>Ref.</u> | <u>Assessment Trust Fund</u> | <u>Animal Control Trust Fund</u> | <u>Other Trust Funds</u> | <u>Emergency Services Volunteer Length of Service Award Program</u> |
|--|-------------|--------------------------------------|--|----------------------------------|---|
| Balance - December 31, 2023 | B | \$ 45,851.37 | \$ 7,809.01 | \$3,507,322.27 | \$ 475,566.87 |
| Increase by Receipts: | | | | | |
| Deficit (General Budget) | B-1 | 1,794.47 | - | - | - |
| Assessment Receivable | B-5 | 83,135.29 | - | - | - |
| Interfund - Current Fund | B-8 | 2,458.13 | - | - | - |
| Interfund - Current Fund | B-11 | - | 8,799.73 | - | - |
| State Share of Dog Licenses | B-12 | - | 1,278.00 | - | - |
| Township Share of Dog Licenses | B-13 | - | 8,856.00 | - | - |
| Late Fees | B-13 | - | 1,405.00 | - | - |
| Miscellaneous | B-13 | - | 24.00 | - | - |
| Current Fund Appropriation | B-13 | - | 1,272.00 | - | - |
| Interfund - Current Fund | B-16 | - | - | 50.00 | - |
| Other Trust Funds | B-18 | - | - | 7,690,484.11 | - |
| Township Contributions | B-19 | - | - | - | 29,900.00 |
| Increase in Investment Value | B-20 | - | - | - | 76,271.01 |
| Total Receipts | | <u>87,387.89</u> | <u>21,634.73</u> | <u>7,690,534.11</u> | <u>106,171.01</u> |
| | | 133,239.26 | 29,443.74 | 11,197,856.38 | 581,737.88 |
| Decreased by Disbursements: | | | | | |
| Loan Payable | B-9 | 44,793.28 | - | - | - |
| Due to State of New Jersey | B-12 | - | 1,276.80 | - | - |
| Reserve for Animal Control Expenditures | B-13 | - | 10,361.68 | - | - |
| Reserve for Encumbrances - Animal Control | B-14 | - | 8.40 | - | - |
| Interfund - Animal Control Trust | B-15 | - | - | 4,390.00 | - |
| Interfund - Current Fund | B-16 | - | - | 4,479.63 | - |
| Reserve for Encumbrances - Trust | B-17 | - | - | 30,237.92 | - |
| Other Trust Funds | B-18 | - | - | 7,404,831.88 | - |
| Withdrawals | B-20 | - | - | - | 17,435.35 |
| Accounting Charge | B-20 | - | - | - | 1,050.00 |
| Total Disbursements | | <u>44,793.28</u> | <u>11,646.88</u> | <u>7,443,939.43</u> | <u>18,485.35</u> |
| Balance - December 31, 2024 | B | <u>\$ 88,445.98</u> | <u>\$ 17,796.86</u> | <u>\$3,753,916.95</u> | <u>\$ 563,252.53</u> |

Township of Hardyston , N.J.

Analysis of Assessment Cash

Assessment Trust Fund

Year Ended December 31, 2024

| Ordinance Number | Balance Dec. 31, 2023 | Receipts | | Disbursements Payment of DEP Loan | Transfers | | Balance Dec. 31, 2024 |
|--------------------------------------|--------------------------|------------------|---------------------------|---|------------------|------------------|--------------------------|
| | | Assessments | Miscellaneous Receipts | | From | To | |
| 2013-09 Summit Lake Dam Improvements | \$ 42,630.19 | 27,463.05 | - | 44,793.28 | - | - | \$ 25,299.96 |
| 2020-01 Park Drive Improvements | (519,565.61) | 55,672.24 | - | - | - | 20,011.10 | (443,882.27) |
| Interfund - Current Fund | (4,536.51) | - | 4,252.60 | - | - | - | (283.91) |
| Interfund - General Capital | 527,323.30 | - | - | - | 20,011.10 | - | 507,312.20 |
| | <u>\$ 45,851.37</u> | <u>83,135.29</u> | <u>4,252.60</u> | <u>44,793.28</u> | <u>20,011.10</u> | <u>20,011.10</u> | <u>\$ 88,445.98</u> |
| | B | B-5 | B-8 | B-9 | | | B |

Township of Hardyston , N.J.

Schedule of Assessments Receivable

Assessment Trust Fund

Year Ended December 31, 2024

| Ordinance Number | Improvement Description | Date of Confir- mation | Balance Dec. 31, 2023 | Collected | Balance Dec. 31, 2024 | Balance Pledged to | | |
|---------------------|-----------------------------------|------------------------------|--------------------------|----------------------|--------------------------|-----------------------|------------------|------------------------------|
| | | | | | | NJ DEP Loan | Reserve | Interfund General Capital |
| 2013-09 | Summit Lake Dam Improvements | 4/22/2015 | \$ 150,027.21 | 27,463.05 | \$ 122,564.16 | 122,564.16 | - | - |
| 2020-01 | Park Drive Improvements | 12/22/2021 | 539,834.51 | 82,463.24 | 457,371.27 | - | 15,283.47 | 442,087.80 |
| | | | <u>\$ 689,861.72</u> | <u>109,926.29</u> | <u>\$ 579,935.43</u> | <u>122,564.16</u> | <u>15,283.47</u> | <u>442,087.80</u> |
| | | | B | | B | | | |
| | | Ref. | | | | | | |
| | Cash Receipts | B-3;B-4 | | 83,135.29 | | | | |
| | Interfund - General Capital | B-8 | | 20,011.10 | | | | |
| | Reserve for Assessments and Liens | B-10 | | <u>6,779.90</u> | | | | |
| | | | | <u>\$ 109,926.29</u> | | | | |

Township of Hardyston , N.J.

Schedule of Assessment Liens

Assessment Trust Fund

Year Ended December 31, 2024

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Balance Dec. 31, 2023</u> | <u>Balance Dec. 31, 2024</u> | <u>Balance Pledged to NJDEP Loan</u> |
|-----------------------------|--------------------------------|----------------------------------|----------------------------------|--|
| 2013-09 | Summit Lake Dam Improvements | <u>\$ 6,381.20</u> B | <u>\$ 6,381.20</u> B | <u>6,381.20</u> |

Township of Hardyston , N.J.

Schedule of Amount to Be Raised by Taxation for Property Acquired for Taxes

Assessment Trust Fund

Year Ended December 31, 2024

| <u>Ordinance</u> <u>Number</u> | <u>Improvement Description</u> | <u>Balance</u> <u>Dec. 31, 2023</u> | <u>Balance</u> <u>Dec. 31, 2024</u> |
|-----------------------------------|--------------------------------|--|--|
| 2013-09 | Summit Lake Dam Improvements | \$ 2,531.18 B | \$ 2,531.18 B |

Township of Hardyston , N.J.

Schedule of Interfunds

Assessment Trust Fund

Year Ended December 31, 2024

| | Due (to)/from Balance <u>Dec. 31, 2023</u> | <u>Increased</u> | <u>Decreased</u> | Due (to)/from Balance <u>Dec. 31, 2024</u> |
|-----------------|--|------------------|------------------|--|
| General Capital | \$ (527,323.30) | 20,011.10 | - | \$ (507,312.20) |
| Current Fund | <u>4,536.51</u> | <u>-</u> | <u>2,458.13</u> | <u>2,078.38</u> |
| | <u>\$ (522,786.79)</u> | <u>20,011.10</u> | <u>2,458.13</u> | <u>\$ (505,233.82)</u> |
| | B | B-5 | B-3 | B |

Township of Hardyston , N.J.

Schedule of NJ DEP Loan Payable - Gordon Lake

Assessment Trust Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | |
|-----------------------------|-------------|-----------------------------|
| Balance - December 31, 2023 | B | \$ 201,569.78 |
| Decreased by: | | |
| Cash Disbursement | B-3;B-4 | <u>44,793.28</u> |
| Balance - December 31, 2024 | B | <u><u>\$ 156,776.50</u></u> |

| <u>Payment Date</u> | <u>Interest</u> | <u>Principal</u> | <u>Balance</u> |
|---------------------|--------------------|----------------------|----------------|
| | | | 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 | <u>221.76</u> | <u>22,174.89</u> | 0.00 |
| | <u>\$ 6,087.54</u> | <u>\$ 150,688.96</u> | |

Township of Hardyston , N.J.

Schedule of Reserve for Assessments and Liens

Assessment Trust Fund

Year Ended December 31, 2024

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Balance Dec. 31, 2023</u> | <u>Raised in Current Budget</u> | <u>Municipal Share of Assessments</u> | <u>Balance Dec. 31, 2024</u> |
|-------------------------------|--------------------------------|----------------------------------|-------------------------------------|---|----------------------------------|
| <u>Assessments Receivable</u> | | | | | |
| 2020-01 | Park Drive Improvements | <u>\$ 20,268.90</u> | <u>1,794.47</u> | <u>6,779.90</u> | <u>\$ 15,283.47</u> |
| | | B | B-2 | B-5 | B B-5;B-6 |

Township of Hardyston , N.J.

Schedule of Interfunds

Animmal Control Trust Fund

Year Ended December 31, 2024

| | Due (to)/from Balance <u>Dec. 31, 2023</u> | <u>Decreased</u> | Due from/(to) Balance <u>Dec. 31, 2024</u> |
|--------------|--|------------------------|--|
| Other Trusts | \$ - | 4,390.00 | \$ (4,390.00) |
| Current Fund | <u>4,390.00</u> | <u>4,409.73</u> | <u>(19.73)</u> |
| | <u>\$ 4,390.00</u> B | <u>8,799.73</u> B-3 | <u>\$ (4,409.73)</u> B |

Township of Hardyston , N.J.

Schedule of Due To State of New Jersey

Animal Control Trust Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | | |
|------------------------------|-------------|-------------|--------------------|
| Increased by: | | | |
| State License Fees Collected | B-3 | | <u>\$ 1,278.00</u> |
| Decreased by: | | | |
| Payments to State of NJ | B-3 | \$ 1,276.80 | |
| Encumbrance Payable | B-14 | <u>1.20</u> | |
| | | | <u>\$ 1,278.00</u> |

Township of Hardyston , N.J.

Reserve for Animal Control Trust Expenditures

Animal Control Trust Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | | |
|------------------------------------|-------------|-----------------|----------------------------|
| Balance - December 31, 2023 | B | | \$ 12,190.61 |
| Increased by: | | | |
| Dog License Fees Collected in 2024 | B-3 | \$ 8,856.00 | |
| Late Charges and Fines | B-3 | 1,405.00 | |
| Miscellaneous | B-3 | 24.00 | |
| Current Fund Appropriation | B-3 | <u>1,272.00</u> | |
| | | | <u>11,557.00</u> |
| | | | 23,747.61 |
| Decreased by: | | | |
| Expenditures R.S. 4:19-1511 | B-3 | | <u>10,361.68</u> |
| Balance - December 31, 2024 | B | | <u><u>\$ 13,385.93</u></u> |

| | <u>License Fees Collected</u> |
|-------------|-------------------------------|
| <u>Year</u> | |
| 2023 | 8,780.40 |
| 2022 | <u>9,147.60</u> |
| | <u><u>\$ 17,928.00</u></u> |

B-14

Township of Hardyston , N.J.

Schedule of Reserve for Encumbrances

Animal Control Trust Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | |
|-----------------------------|-------------|-----------------------|
| Balance - December 31, 2023 | B | \$ 8.40 |
| Increased by: | | |
| Due State of New Jersey | B-12 | <u>1.20</u> |
| | | 9.60 |
| Decreased by: | | |
| Cash Disbursements | B-3 | <u>8.40</u> |
| Balance - December 31, 2024 | B | <u><u>\$ 1.20</u></u> |

B-15

Schedule of Interfund Animal Control Trust

Other Trust Funds

Year Ended December 31, 2024

| | <u>Ref.</u> | |
|-----------------------------|-------------|---------------------------|
| Increased by: | | |
| Cash Disbursements | B-3 | <u>\$ 4,390.00</u> |
| Balance - December 31, 2024 | B | <u><u>\$ 4,390.00</u></u> |

Township of Hardyston , N.J.

Schedule of Interfund Current Fund

Other Trust Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | | |
|-----------------------------|-------------|-----------------|--------------------|
| Balance - December 31, 2023 | B | | \$ (4,479.63) |
| Increased by: | | | |
| Cash Disbursements | B-3 | \$ 4,479.63 | |
| Other Trust Funds | B-18 | <u>2,459.70</u> | |
| | | | <u>6,939.33</u> |
| | | | 2,459.70 |
| Decreased by: | | | |
| Cash Receipts | B-3 | | <u>50.00</u> |
| Balance - December 31, 2024 | B | | <u>\$ 2,409.70</u> |

Schedule of Reserve for Encumbrances

Other Trust Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | | |
|-----------------------------|-------------|--|---------------------|
| Balance - December 31, 2023 | B | | \$ 30,237.92 |
| Increased by: | | | |
| Charges to Reserves | B-18 | | <u>21,921.08</u> |
| | | | 52,159.00 |
| Decreased by: | | | |
| Cash Disbursements | B-3 | | <u>30,237.92</u> |
| Balance - December 31, 2024 | B | | <u>\$ 21,921.08</u> |

Township of Hardyston , N.J.

Schedule of Other Trust Funds

Other Trust Fund

Year Ended December 31, 2024

| | Balance <u>Dec. 31, 2023</u> | <u>Increased</u> | <u>Decreased</u> | Balance <u>Dec. 31, 2024</u> |
|--------------------------------|---------------------------------|------------------------|------------------------|---------------------------------|
| Reserve for: | | | | |
| Escrow Deposits | \$ 82,567.95 | 64,337.50 | 54,440.08 | \$ 92,465.37 |
| Performance Bonds Escrow | 562,348.65 | 49,826.81 | 37,865.25 | 574,310.21 |
| Recreation | 25,914.26 | 8,204.70 | 4,041.66 | 30,077.30 |
| Small Cities | 67,907.52 | - | - | 67,907.52 |
| Accumulated Sick Leave | 733,645.74 | 86,807.54 | 24,236.24 | 796,217.04 |
| Municipal Court - P.O.A.A. | 448.00 | 18.00 | - | 466.00 |
| Public Defender | 4,210.86 | 1,704.50 | 3,000.00 | 2,915.36 |
| Premiums on Tax Sale | 167,700.00 | 82,300.00 | 68,900.00 | 181,100.00 |
| Police Outside Work | - | 39,900.00 | 39,900.00 | - |
| Redemption of Outside Liens | 17,632.71 | 111,618.28 | 129,250.99 | - |
| Snow Removal/Storm Recovery | 229,132.72 | 147,174.51 | 40,059.25 | 336,247.98 |
| Affordable Housing | 1,142,040.79 | 76,035.89 | 21,355.62 | 1,196,721.06 |
| Uniform Fire Safety Fines | 20,488.01 | 79,280.84 | 76,794.06 | 22,974.79 |
| Uniform Construction Code Fees | 414,670.00 | 75,000.00 | 56,522.26 | 433,147.74 |
| Lead Abatement | - | 570.00 | - | 570.00 |
| Payroll Agency | 3,897.51 | 3,626,056.36 | 3,626,278.67 | 3,675.20 |
| Net Payroll | - | 3,244,108.88 | 3,244,108.88 | - |
| | <u>\$ 3,472,604.72</u> | <u>7,692,943.81</u> | <u>7,426,752.96</u> | <u>\$ 3,738,795.57</u> |
| | B | | | B |
| | <u>Ref.</u> | | | |
| Cash Receipts | B-3 | 7,690,484.11 | - | |
| Cash Disbursements | B-3 | - | 7,404,831.88 | |
| Interfunds | B-16 | 2,459.70 | - | |
| Reserve for Encumbrances | B-17 | - | 21,921.08 | |
| | | <u>\$ 7,692,943.81</u> | <u>\$ 7,426,752.96</u> | |

Township of Hardyston , N.J.

Schedule of Contributions Receivable

Emergency Services Volunteer Length of Services Award Program

Year Ended December 31, 2024

| | <u>Ref.</u> | |
|-----------------------------|-------------|----------------------------|
| Balance - December 31, 2023 | B | \$ 29,900.00 |
| Increased by: | | |
| Township Contributions | B-20 | <u>29,900.00</u> |
| | | 59,800.00 |
| Decreased by: | | |
| Cash Receipts | B-3 | <u>29,900.00</u> |
| Balance - December 31, 2024 | B | <u><u>\$ 29,900.00</u></u> |

B-20

Schedule of Net Assets Available for Benefits

Emergency Services Volunteer Length of Services Award Program

Year Ended December 31, 2024

| | <u>Ref.</u> | | |
|------------------------------|-------------|------------------|-----------------------------|
| Balance - December 31, 2023 | B | | \$ 505,466.87 |
| Increased by: | | | |
| Increase in Investment Value | B-3 | \$ 76,271.01 | |
| Township Contributions | B-19 | <u>29,900.00</u> | |
| | | | <u>106,171.01</u> |
| | | | 611,637.88 |
| Decreased by: | | | |
| Withdrawals | B-3 | 17,435.35 | |
| Service Charges | B-3 | <u>1,050.00</u> | |
| | | | <u>18,485.35</u> |
| Balance - December 31, 2024 | B | | <u><u>\$ 593,152.53</u></u> |

Township of Hardyston , N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | | |
|--------------------------------------|-------------|-------------------|-------------------------------|
| Balance - December 31, 2023 | C | | \$ 3,176,432.66 |
| Increased by Receipts: | | | |
| Deferred Charges to Future Taxation: | | | |
| Unfunded | C-5 | \$ 24,250.00 | |
| Capital Improvement Fund | C-8 | 25,000.00 | |
| Down Payments on Improvements | C-9 | 352,192.00 | |
| Schedule of Interfunds | C-10 | <u>59,769.38</u> | |
| | | | <u>461,211.38</u> |
| | | | <u>3,637,644.04</u> |
| Decreased by Disbursements: | | | |
| Improvement Authorizations | C-7 | 621,854.28 | |
| Various Capital Reserves | C-11 | 1,200.00 | |
| Reserve for Encumbrances | C-12 | <u>190,379.66</u> | |
| | | | <u>813,433.94</u> |
| Balance - December 31, 2024 | C | | <u><u>\$ 2,824,210.10</u></u> |

Township of Hardyston, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2024

| | Balance or (Deficit) Dec. 31, 2023 | Receipts | | Disbursements | | | Transfers | | Balance or (Deficit) Dec. 31, 2024 |
|---|--|--------------------------|---------------|-------------------------------|---------------|---|--------------|--------------|--|
| | | Budget Appropriations | Miscellaneous | Improvement Authorizations | Miscellaneous | | From | To | |
| Fund Balance | \$ 114,232.26 | - | - | - | - | - | - | - | \$ 114,232.26 |
| Capital Improvement Fund | 113,820.45 | 25,000.00 | - | - | - | - | 100,000.00 | - | 38,820.45 |
| Down Payments on Improvements | - | 352,192.00 | - | - | - | - | 352,192.00 | - | - |
| Various Reserves | 1,091,811.13 | - | - | - | 1,200.00 | - | 103,153.65 | - | 987,457.48 |
| Reserve for Encumbrances | 175,579.66 | - | - | 190,379.66 | - | - | - | 2,296,934.91 | 2,282,134.91 |
| Interfund - Current Fund | - | - | 59,769.38 | - | - | - | - | - | 59,769.38 |
| Interfund - Assessment Trust | (527,323.30) | - | - | - | - | - | - | 20,011.10 | (507,312.20) |
| Improvement Authorizations: | | | | | | | | | |
| 13-01 Purchase of Street Sweeper | (58,500.00) | 19,500.00 | - | - | - | - | - | - | (39,000.00) |
| 13-08 Upgrade to "911" Equip | (14,250.00) | 4,750.00 | - | - | - | - | - | - | (9,500.00) |
| 18-08 Various Capital Improvements | 371.92 | - | - | - | - | - | - | - | 371.92 |
| 18-13 Various Capital Improvements | 1,606,471.89 | - | - | 270,327.83 | - | - | 1,456.79 | - | 1,334,687.27 |
| 19-05 Various Capital Improvements | 887.63 | - | - | - | - | - | - | - | 887.63 |
| 20-01 Supplemental Appropriation for the Improvements to the Fire Protection System at North Church Technical Center | 20,011.10 | - | - | - | - | - | 20,011.10 | - | - |
| 20-04 Various Capital Improvements | 3,202.74 | - | - | - | - | - | - | - | 3,202.74 |
| 21-05 Various Capital Improvements | 6,347.31 | - | - | 4,000.00 | - | - | - | - | 2,347.31 |
| 21-13 Acquisition of FF Turnout Gear | 141.00 | - | - | - | - | - | - | - | 141.00 |
| 22-06 Various Capital Improvements | 131,245.52 | - | - | 69,607.12 | - | - | 6,075.84 | - | 55,562.56 |
| 23-05 Various Capital Improvements | 512,383.35 | - | - | 115,424.08 | - | - | 101,778.00 | - | 295,181.27 |
| 24-05 Various Capital Improvements | - | - | - | 162,495.25 | - | - | 151,176.20 | 352,192.00 | 38,520.55 |
| 24-13 Acquisition of Fire Truck | - | - | - | - | - | - | 1,933,294.43 | 100,000.00 | (1,833,294.43) |
| | \$ 3,176,432.66 | 401,442.00 | 59,769.38 | 812,233.94 | 1,200.00 | | 2,769,138.01 | 2,769,138.01 | \$ 2,824,210.10 |
| | C | | | | | | | | C |

Township of Hardyston , N.J.

**Schedule of Deferred Charges to Future
Taxation - Funded**

General Capital Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | |
|-----------------------------------|-------------|-------------------------------|
| Balance - December 31, 2023 | C | \$ 7,415,000.00 |
| Decreased by: | | |
| Serial Bonds Paid by Current Year | | |
| Budget Appropriations | C-6 | <u>890,000.00</u> |
| Balance - December 31, 2024 | C | <u><u>\$ 6,525,000.00</u></u> |

Township of Hardyston , N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2024

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Balance, Dec. 31, 2023</u> | <u>2024 Authorizations</u> | <u>Funded by Budget Appropriation</u> | <u>Balance, Dec. 31, 2024</u> | <u>Analysis of Balance Dec. 31, 2024</u> | |
|-----------------------------|--------------------------------|-----------------------------------|--------------------------------|---|-----------------------------------|--|---|
| | | | | | | <u>Expended</u> | <u>Unexpended Improvement Authorization</u> |
| 13-01 | Street Sweeper | \$ 58,500.00 | - | 19,500.00 | \$ 39,000.00 | 39,000.00 | - |
| 13-08 | Upgrades to 911 Equipment | 14,250.00 | - | 4,750.00 | 9,500.00 | 9,500.00 | - |
| 24-13 | Acquisition of Fire Truck | - | 2,000,000.00 | - | 2,000,000.00 | 1,833,294.43 | 166,705.57 |
| | | <u>\$ 72,750.00</u> | <u>2,000,000.00</u> | <u>24,250.00</u> | <u>\$ 2,048,500.00</u> | <u>1,881,794.43</u> | <u>166,705.57</u> |
| | | C | C-7 | C-2; C-13 | C | | C-7 |

Township of Hardyston , N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2024

| Purpose | Date of Issue | Original Issue | Maturities of Bonds Outstanding, December 31, 2024 | | Interest Rate | Balance | Decreased | Balance |
|------------------------------------|---------------|----------------|--|------------|---------------|------------------------|-------------------|------------------------|
| | | | Date | Amount | | Dec. 31, 2023 | | Dec. 31, 2024 |
| General Improvement Bonds of 2011A | 12/1/2011 | 1,425,000.00 | | | 3.75% | \$ 200,000.00 | 200,000.00 | \$ - |
| General Improvement Bonds of 2015 | 4/1/2015 | 1,700,000.00 | 04/01/25 | 150,000.00 | 2.250% | | | |
| | | | 04/01/26-28 | 150,000.00 | 2.750% | | | |
| | | | 04/01/29 | 145,000.00 | 2.750% | 895,000.00 | 150,000.00 | 745,000.00 |
| General Refunding Bonds of 2015 | 4/1/2015 | 3,555,000.00 | 02/01/25-27 | 290,000.00 | 4.00% | | | |
| | | | 02/01/28-29 | 285,000.00 | 4.00% | | | |
| | | | 02/01/30 | 140,000.00 | 3.00% | 1,820,000.00 | 240,000.00 | 1,580,000.00 |
| General Improvement Bonds of 2023 | 8/1/2023 | 4,500,000.00 | 08/01/25 | 325,000.00 | 1.00% | | | |
| | | | 08/01/26 | 425,000.00 | 1.00% | | | |
| | | | 08/01/27 | 450,000.00 | 3.00% | | | |
| | | | 08/01/28 | 465,000.00 | 4.00% | | | |
| | | | 08/01/29 | 475,000.00 | 4.00% | | | |
| | | | 08/01/30 | 495,000.00 | 4.00% | | | |
| | | | 08/01/31 | 500,000.00 | 4.00% | | | |
| | | | 08/01/32 | 525,000.00 | 3.125% | | | |
| | | | 08/01/33 | 540,000.00 | 3.25% | | | |
| | | | | | | 4,500,000.00 | 300,000.00 | 4,200,000.00 |
| | | | | | | <u>\$ 7,415,000.00</u> | <u>890,000.00</u> | <u>\$ 6,525,000.00</u> |
| | | | | | | C | C-4 | C |

Township of Hardyston , N.J.
Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2024

| Ordinance Number | Improvement Description | Ordinance | | Balance, Dec. 31, 2023 | | Paid or Charged | Balance, Dec. 31, 2024 | |
|-----------------------|--------------------------------|-----------|--------------|------------------------|----------|-----------------|------------------------|------------|
| | | Date | Amount | Funded | Unfunded | | Funded | Unfunded |
| General Improvements: | | | | | | | | |
| 18-08 | Various Capital Improvements | 06/27/18 | 550,000.00 | \$ 371.92 | \$ - | - | \$ 371.92 | \$ - |
| 18-13 | Various Capital Improvements | 11/28/18 | 4,825,000.00 | 1,606,471.89 | - | 271,784.62 | 1,334,687.27 | - |
| 19-05 | Various Capital Improvements | 05/22/19 | 375,900.00 | 887.63 | - | - | 887.63 | - |
| 20-04 | Various Capital Improvements | 05/27/20 | 345,200.00 | 3,202.74 | - | - | 3,202.74 | - |
| 21-05 | Various Capital Improvements | 05/26/21 | 382,500.00 | 6,347.31 | - | 4,000.00 | 2,347.31 | - |
| 21-13 | Acquisition of FF Turnout Gear | 12/08/21 | 25,000.00 | 141.00 | - | - | 141.00 | - |
| 22-06 | Various Capital Improvements | 05/25/22 | 531,792.00 | 131,245.52 | - | 75,682.96 | 55,562.56 | - |
| 23-05 | Various Capital Improvements | 05/24/23 | 623,674.00 | 512,383.35 | - | 217,202.08 | 295,181.27 | - |
| 24-05 | Various Capital Improvements | 05/22/24 | 352,192.00 | - | - | 313,671.45 | 38,520.55 | - |
| 24-13 | Acquisition of Fire Truck | 11/13/24 | 2,100,000.00 | - | - | 1,933,294.43 | - | 166,705.57 |

General and Local Improvements:
 Supplemental Appropriation for the
 Improvements to the Fire Protection
 System at North Church Technical
 Center

| | | | | | | | |
|----------|---|------------------------|-------------|------------------------|------------------------|------------------------|----------------------|
| 02/26/20 | 218,000.00 | 20,011.10 | - | - | 20,011.10 | - | - |
| | | <u>\$ 2,281,062.46</u> | <u>\$</u> | <u>-</u> | <u>2,835,646.64</u> | <u>\$ 1,730,902.25</u> | <u>\$ 166,705.57</u> |
| | | <u>C</u> | <u>C</u> | | | <u>C</u> | <u>C</u> |
| | | | <u>Ref.</u> | | | | |
| | Bonds and Notes Authorized but Not Issued | | C-5; C-13 | 2,000,000.00 | | | |
| | Capital Improvement Fund | | C-8 | 100,000.00 | | | |
| | Down Payments on Improvements | | C-9 | 352,192.00 | | | |
| | | | | <u>\$ 2,452,192.00</u> | | | |
| | | | | | 621,854.28 | | |
| | Cash Disbursements | | C-2 | | 20,011.10 | | |
| | Interfund Assessment Trust | | C-10 | | 2,193,781.26 | | |
| | Encumbrances Payable | | C-12 | | <u>\$ 2,835,646.64</u> | | |

Township of Hardyston , N.J.
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2024

| | <u>Ref.</u> | |
|-----------------------------|-------------|----------------------------|
| Balance - December 31, 2023 | C | \$ 113,820.45 |
| Increased by: | | |
| Budget Appropriation | C-2 | 25,000.00 |
| | | <u>138,820.45</u> |
| Decreased by: | | |
| Appropriated to Finance | | |
| Improvement Authorizations | C-7 | 100,000.00 |
| | | <u>100,000.00</u> |
| Balance - December 31, 2024 | C | <u><u>\$ 38,820.45</u></u> |

Schedule of Down Payments on Improvements
General Capital Fund
Year Ended December 31, 2024

| | <u>Ref.</u> | |
|----------------------------|-------------|--------------------------|
| Increased by: | | |
| Budget Appropriation | C-2 | \$ 352,192.00 |
| | | <u><u>352,192.00</u></u> |
| Decreased by: | | |
| Appropriated to Finance | | |
| Improvement Authorizations | C-7 | \$ 352,192.00 |
| | | <u><u>352,192.00</u></u> |

Township of Hardyston , N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2024

| <u>Fund</u> | Due From/(To) Balance, <u>Dec. 31, 2023</u> | <u>Decreased</u> | Due From/(To) Balance, <u>Dec. 31, 2024</u> |
|-----------------------|---|------------------|---|
| Current Fund | \$ - | 59,769.38 | \$ (59,769.38) |
| Assessment Trust Fund | <u>527,323.30</u> | <u>20,011.10</u> | <u>507,312.20</u> |
| | <u>\$ 527,323.30</u> | <u>79,780.48</u> | <u>\$ 447,542.82</u> |
| | C | | C |

| | | |
|----------------------------|-------------|---------------------|
| | <u>Ref.</u> | |
| Cash Receipts | C-2 | 59,769.38 |
| Improvement Authorizations | C-7 | <u>20,011.10</u> |
| | | <u>\$ 79,780.48</u> |

Township of Hardyston , N.J.

Schedule of Various Reserves

General Capital Fund

Year Ended December 31, 2024

| | Balance, <u>Dec. 31, 2023</u> | <u>Decreased</u> | Balance, <u>Dec. 31, 2024</u> |
|--------------------------------------|----------------------------------|-------------------|----------------------------------|
| 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 | 40,428.00 | - | 40,428.00 |
| Imp. Shotland Bauer High Grove | 74,041.20 | - | 74,041.20 |
| Ridgefield Commons | 124,278.11 | - | 124,278.11 |
| Imp. Shotland Bauer Ferndown Phase I | 157,772.66 | - | 157,772.66 |
| Brecia Farms | 328,746.32 | 1,200.00 | 327,546.32 |
| ARP Capital Improvements | 233,582.68 | 103,153.65 | 130,429.03 |
| | <u>\$ 1,091,811.13</u> | <u>104,353.65</u> | <u>\$ 987,457.48</u> |
| | C | | C |

| | <u>Ref.</u> | |
|----------------------|-------------|----------------------|
| Cash Disbursements | C-2 | 1,200.00 |
| Encumbrances Payable | C-12 | 103,153.65 |
| | | <u>\$ 104,353.65</u> |

Township of Hardyston , N.J.

Schedule of Reserve for Encumbrances

General Capital Fund

Year Ended December 31, 2024

| | <u>Ref.</u> | | |
|-----------------------------|-------------|-------------------|-------------------------------|
| Balance - December 31, 2023 | C | | \$ 175,579.66 |
| Increased by: | | | |
| Charges to: | | | |
| Improvement Authorizations | C-7 | \$ 2,193,781.26 | |
| Various Reserves | C-11 | <u>103,153.65</u> | |
| | | | <u>2,296,934.91</u> |
| | | | 2,472,514.57 |
| Decreased by: | | | |
| Cash Disbursements | C-2 | | <u>190,379.66</u> |
| Balance - December 31, 2024 | C | | <u><u>\$ 2,282,134.91</u></u> |

Township of Hardyston , N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2024

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Balance, Dec. 31, 2023</u> | <u>2024 Authorizations</u> | <u>Funded by Budget Appropriation</u> | <u>Balance, Dec. 31, 2024</u> |
|-----------------------------|--------------------------------|-----------------------------------|--------------------------------|---|-----------------------------------|
| 13-01 | Street Sweeper | \$ 58,500.00 | - | 19,500.00 | \$ 39,000.00 |
| 13-08 | Upgrades to 911 Equipment | 14,250.00 | - | 4,750.00 | 9,500.00 |
| 24-13 | Acquisition of FireTruck | <u>-</u> | <u>2,000,000.00</u> | <u>-</u> | <u>2,000,000.00</u> |
| | | <u>\$ 72,750.00</u> | <u>2,000,000.00</u> | <u>24,250.00</u> | <u>\$2,048,500.00</u> |
| | | Footnote C | C-7 | C-5 | Footnote C |

TOWNSHIP OF HARDYSTON

PART II

LETTER ON COMPLIANCE AND ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2024



WIELKOTZ & COMPANY ⁹

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, 2024 and the related notes to the financial statements, and have issued our report thereon dated June 18, 2025, 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.


Steven D. Wielkottz, C.P.A.
Registered Municipal Accountant
No. 413


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

June 18, 2025



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 (the "Township") 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, 2024 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:

| <u>Year</u> | <u>Number of Liens</u> |
|-------------|------------------------|
| 2024 | 21 |
| 2023 | 21 |
| 2022 | 30 |

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, 2024, 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. In some instances, purchases are being made without appropriate approvals.

Management Response:

The approved purchasing policy was in the process of being implemented in the year being audited.

2. The Current Fund budget was overexpended.

RECOMMENDATIONS

1. That appropriate approvals be obtained before all purchases.
2. That controls be reviewed to ensure no budget appropriations are overexpended.

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior years' recommendations and corrective action was taken on all findings.

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,



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. 413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants

Pompton Lakes, New Jersey