

*Report of Audit*

*on the*

*Financial Statements*

*of the*

***Township of Harding***

*in the*

*County of Morris*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2023*

*Report of Audit*

*on the*

*Financial Statements*

*of the*

***Township of Harding***

*in the*

*County of Morris*

*New Jersey*

*for the*

*Year Ended*

*December 31, 2023*

TOWNSHIP OF HARDING

INDEX

	<u>PAGES</u>
<u>PART I</u>	
Independent Auditor's Report	1-4
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	5-6
	<u>EXHIBITS</u>
<u>Financial Statements - Regulatory Basis</u>	
<u>Current Fund:</u>	
Balance Sheets - Regulatory Basis	"A"
Statements of Operations and Changes in Fund Balance - Regulatory Basis	"A-1"
Statement of Revenues - Regulatory Basis - Year Ended December 31, 2023	"A-2"
Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2023	"A-3"
<u>Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"B"
<u>General Capital Fund:</u>	
Balance Sheets - Regulatory Basis	"C"
Statement of Capital Fund Balance - Regulatory Basis	"C-1"
<u>Sewer Utility Fund:</u>	
Balance Sheets - Regulatory Basis	"D"
Statements of Operations and Changes in Fund Balance - Regulatory Basis	"D-1"
Statement of Revenues - Regulatory Basis - Year Ended December 31, 2023	"D-2"
Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2023	"D-3"
<u>General Fixed Assets Account Group:</u>	
Balance Sheets - Regulatory Basis	"F"
	<u>PAGES</u>
Notes to Financial Statements	7-43

TOWNSHIP OF HARDING

INDEX (CONTINUED)

EXHIBITS

Supplementary Schedules – All Funds

Current Fund:

Schedule of Cash - Treasurer	"A-4"
Schedule of Petty Cash	"A-5"
Schedule of Reserve for State of New Jersey - Marriage Licenses	"A-6"
Schedule of Due State of New Jersey for Senior Citizens and Veterans Deductions	"A-7"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-8"
Schedule of Reserve for Garden State Trust	"A-9"
Schedule of Reserve for Accounts Payable - Grant Fund	"A-10"
Schedule of Reserve for Accounts Payable	"A-11"
Schedule of Interfunds	"A-12"
Schedule of Revenue Accounts Receivable	"A-13"
Schedule of 2022 Appropriation Reserves	"A-14"
Schedule of Tax Overpayments	"A-15"
Schedule of Prepaid Taxes	"A-16"
Schedule of Reserve for Unappropriated	"A-17"
Schedule of Grants Receivable - Grant Fund	"A-18"
Schedule of Reserve for Construction Code DCA - Due State of New Jersey	"A-19"
Schedule of Reserve for Tax Appeals	"A-20"
Schedule of Grants Appropriated - Grant Fund	"A-21"
Schedule of Grants Unappropriated - Grant Fund	"A-22"
Schedule of Reserve for FEMA	"A-23"
Schedule of County Taxes Payable	"A-24"
Schedule of Local District School Taxes Payable	"A-25"
Schedule of Municipal Open Space Taxes Payable	"A-26"
Schedule of Outside Lien Redemptions	"A-27"

Trust Fund:

Schedule of Cash - Treasurer	"B-1"
Schedule of Due Current Fund - Animal Control Trust Fund	"B-2"
Schedule of Reserve for Various Deposits	"B-3"
Schedule of Reserve for Animal Control Fund Expenditures	"B-4"
Schedule of Due State of New Jersey - Animal Control Trust Fund	"B-5"
Schedule of Reserve for Tree Preservation Escrow	"B-6"
Schedule of Developers' Deposits	"B-7"
Schedule of Unemployment Insurance Compensation	"B-8"
Schedule of Reserve for Open Space Deposits	"B-9"
Schedule of Due Current Fund	"B-10"
Schedule of Reserve for Law Enforcement Trust Fund	"B-11"
Schedule of Reserve for Affordable Housing Contribution	"B-12"
Schedule of Reserve for the Farm at Harding	"B-13"
Schedule of Reserve for Payroll Trust	"B-14"
Schedule of Reserve for Flexible Spending	"B-15"
Schedule of Reserve for Health Savings	"B-16"
Schedule of Reserve for Health Reimbursement	"B-17"

TOWNSHIP OF HARDING

INDEX (CONTINUED)

EXHIBITS

General Capital Fund:

Schedule of Cash - Treasurer	"C-2"
Analysis of Capital Cash and Investments	"C-3"
Schedule of Reserve for Grants Receivable	"C-4"
Schedule of Deferred Charges to Future Taxation - Funded	"C-5"
Schedule of Accounts Receivable	"C-6"
Schedule of Deferred Charges to Future Taxation - Unfunded	"C-7"
Schedule of Capital Improvement Fund	"C-8"
Schedule of Improvement Authorizations	"C-9"
Schedule of Bond Anticipation Notes Payable	"C-10"
Schedule of Serial Bonds	"C-11"
Schedule of Reserve for Contracts Payable	"C-12"
Schedule of Reserve for Open Space	"C-13"
Schedule of Interfunds	"C-14"
Schedule of Reserve to Pay Notes	"C-15"

Sewer Utility Fund:

Schedule of Cash - Collector - Treasurer	"D-4"
Analysis of Sewer Utility Capital Cash - Capital Fund	"D-5"
Schedule of Reserve for Contribution in Aid of Construction - Capital Fund	"D-6"
Schedule of Fixed Capital - Capital Fund	"D-7"
Schedule of 2022 Appropriation Reserves	"D-8"
Schedule of Sewer Use Charges Receivable	"D-9"
Schedule of Fixed Capital Authorized and Uncompleted	"D-10"
Schedule of Reserve for Prepaid Sewer Rents	"D-11"
Schedule of Capital Improvement Fund	"D-12"
Schedule of Deferred Reserve for Amortization - Capital Fund	"D-13"
Schedule of Reserve for Amortization - Capital Fund	"D-14"
Schedule of Improvement Authorizations - Capital Fund	"D-15"
Schedule of Reserve for Contracts Payable - Capital Fund	"D-16"
Schedule of Reserve for Accounts Payable	"D-17"
Schedule of Sewer Overpayments	"D-18"

PAGES

PART II

Statistical Data	44-47
Officials in Office and Surety Bonds	48
Comments and Recommendations	49-52

TOWNSHIP OF HARDING

PART I

INDEPENDENT AUDITOR'S REPORT ON  
AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES AND DATA

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

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2023 AND 2022



**SUPLEE, CLOONEY & COMPANY LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Township Committee  
Township of Harding  
County of Morris  
New Vernon, New Jersey 07976

**Report on the Audit of the Financial Statements**

***Adverse and Unmodified Opinions***

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Harding (the "Township"), as of and for the years ended December 31, 2023 and 2022, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township as of December 31, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2023.

**Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2023 and 2022, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2023 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

# SUPLEE, CLOONEY & COMPANY LLC

## ***Basis for Adverse and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township 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 and unmodified audit opinions.

### ***Matter Giving Rise to Adverse Opinion***

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township on the basis of the financial reporting provisions prescribed by the Division, 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.

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

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether 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 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 regulatory 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, *Government Auditing Standards* and audit requirements prescribed by the Division 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



## SUPLEE, CLOONEY & COMPANY LLC

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control 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 judgment, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's regulatory financial statements. The supplementary information, and data listed in the table of contents as required by the Division are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**SUPLEE, CLOONEY & COMPANY LLC**

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

In accordance with *Government Auditing Standards*, we have also issued our report dated \_\_\_\_\_, 2024 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township's internal control over financial reporting and compliance.

\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

\_\_\_\_\_, 2024



**SUPLEE, CLOONEY & COMPANY LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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

The Honorable Mayor and Members  
of the Township Committee  
Township of Harding  
County of Morris  
New Vernon, New Jersey 07976

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements 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 regulatory financial statements of the various individual funds and the account group of the Township of Harding, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated \_\_\_\_\_, 2024. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Harding prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Internal Control Over Financial Reporting***

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

# SUPLEE, CLOONEY & COMPANY LLC

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township of Harding'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's regulatory financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

---

CERTIFIED PUBLIC ACCOUNTANTS

---

REGISTERED MUNICIPAL ACCOUNTANT NO. 439

\_\_\_\_\_, 2024

CURRENT FUND

TOWNSHIP OF HARDING

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE DECEMBER 31, 2022</u>
Cash	A-4	\$ 5,895,259.26	\$ 5,899,546.07
Due State of New Jersey - Senior Citizens and Veterans	A-7		699.10
		<u>\$ 5,895,259.26</u>	<u>\$ 5,900,245.17</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 188,724.15	\$ 230,430.82
Interfunds Receivable	A-12		32.50
	A	<u>\$ 188,724.15</u>	<u>\$ 230,463.32</u>
Deferred Charges - Emergency Authorizations	A-28	<u>\$ 80,000.00</u>	<u>\$</u>
		<u>\$ 6,163,983.41</u>	<u>\$ 6,130,708.49</u>
Grant Fund:			
Cash	A-4	\$ 239,419.25	\$ 75,446.74
Grants Receivable	A-18	<u>613,349.73</u>	<u>699,797.72</u>
		<u>\$ 852,768.98</u>	<u>\$ 775,244.46</u>
		<u>\$ 7,016,752.39</u>	<u>\$ 6,905,952.95</u>

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

TOWNSHIP OF HARDING

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE DECEMBER 31, 2022</u>
Appropriation Reserves	A-3:A-14	\$ 891,920.50	\$ 798,754.67
Prepaid Taxes	A-16	480,807.56	467,711.67
Tax Overpayments	A-15	7,297.75	8,396.27
Accounts Payable	A-11	714,288.05	608,257.76
Interfunds Payable	A-12	136.56	
Reserve for:			
FEMA	A-23	120,688.71	120,688.71
Construction Code DCA - Due State of NJ	A-19	7,588.00	2,951.00
Tax Appeals	A-20	127,631.45	45,059.69
Garden State Trust	A-9	8,481.00	10,606.00
Due State of New Jersey - Senior Citizens and Veterans	A-7	2,550.90	
Redemption of Outside Liens	A-27		853.41
Unappropriated	A-17	69,986.03	220,108.81
Due State of NJ - Marriage	A-6	201.00	
		<u>\$ 2,431,577.51</u>	<u>\$ 2,283,387.99</u>
Reserve for Receivables and Other Assets	A	188,724.15	230,463.32
Fund Balance	A-1	<u>3,543,681.75</u>	<u>3,616,857.18</u>
		<u>\$ 6,163,983.41</u>	<u>\$ 6,130,708.49</u>
Grant Fund:			
Reserve for Grants - Unappropriated	A-22	\$ 34,015.87	\$ 35,687.31
Reserve for Grants - Appropriated	A-21	622,030.96	569,419.48
Reserve for Accounts Payable	A-10	<u>196,722.15</u>	<u>170,137.67</u>
		<u>\$ 852,768.98</u>	<u>\$ 775,244.46</u>
		<u>\$ 7,016,752.39</u>	<u>\$ 6,905,952.95</u>

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

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2023	YEAR ENDED DECEMBER 31, 2022
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 2,342,617.11	\$ 2,750,000.00
Miscellaneous Revenue Anticipated	A-2	2,131,668.80	1,677,717.03
Receipts from Delinquent Taxes	A-2	223,726.91	167,144.27
Receipts from Current Taxes	A-2	24,245,894.87	23,618,422.94
Non-Budget Revenue	A-2	225,362.56	225,469.77
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	959,679.57	1,045,195.09
Cancel Accounts Payable		35,709.19	
Interfunds Returned	A-11	32.50	
<u>TOTAL REVENUE AND OTHER INCOME</u>		<u>\$ 30,164,691.51</u>	<u>\$ 29,483,949.10</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations within "CAPS"	A-3	\$ 7,128,643.65	\$ 6,950,283.00
Deferred Charges and Statutory Expenditures - Municipal	A-3	1,097,629.35	943,100.00
Other Operations Excluded from "CAPS"	A-3	471,057.31	495,847.14
Municipal Debt Service	A-3	415,703.84	379,006.41
Capital Improvements	A-3	450,000.00	773,600.00
Open Space Tax	A-26	843,356.00	840,606.00
Added Open Space Tax	A-26	2,947.27	4,215.76
County Tax	A-24	5,956,387.07	5,675,016.68
County Share of Added Taxes	A-24	20,795.77	28,597.34
Local District School Tax	A-25	11,440,619.00	11,191,897.00
Reserve for Tax Appeals	A-2:A-20	110,000.00	25,000.00
Interfunds Advanced			3.79
Refund of Prior Year Revenue		38,110.57	
<u>TOTAL EXPENDITURES</u>		<u>\$ 27,975,249.83</u>	<u>\$ 27,307,173.12</u>
Excess in Revenue		\$ 2,189,441.68	\$ 2,176,775.98
Adjustments to Income Before Fund Balance:			
Expenditures Included above which are by Statute			
Deferred Charges to Budget of Succeeding Year		80,000.00	
Regulatory Excess to Fund Balance		<u>\$ 2,269,441.68</u>	<u>\$ 2,176,775.98</u>
Fund Balance, January 1	A	<u>\$ 3,616,857.18</u>	<u>\$ 4,190,081.20</u>
		\$ 5,886,298.86	\$ 6,366,857.18
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>2,342,617.11</u>	<u>2,750,000.00</u>
Fund Balance, December 31	A	<u>\$ 3,543,681.75</u>	<u>\$ 3,616,857.18</u>

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



TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2023

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	NJS 40A: 4-87		
Fund Balance Anticipated	A-1	\$ 2,342,617.11		\$ 2,342,617.11	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-13	\$ 5,000.00		\$ 5,150.00	\$ 150.00
Fees and Permits:					
Construction Code Official	A-13	400,000.00		509,056.00	109,056.00
Other	A-2	120,000.00		113,081.50	(6,918.50)
Municipal Court:					
Fines and Costs	A-13	35,000.00		24,537.14	(10,462.86)
Interest and Costs on Taxes	A-13	35,000.00		76,046.24	41,046.24
Interest on Investments and Deposits	A-13	55,000.00		179,897.96	124,897.96
Energy Receipts Tax	A-13	450,373.00		450,372.76	(0.24)
Garden State Trust Fund	A-13	17,493.00		17,493.00	
American Rescue Plan	A-13	196,776.89		196,776.89	
Redeveloper Fee	A-13	91,500.00		91,500.00	
The Farm at Harding	A-13	245,300.00		245,300.00	
Revenue Police Shared	A-13		20,000.00	34,000.00	14,000.00
Grants:					
Sand Spring Road SEC2 Resurfacing	A-18		112,770.00	112,770.00	
Community Foundation Ann Kirby Fund	A-18	16,096.59		16,096.59	
Clean Communities	A-18	11,637.72		11,637.72	
Body Armor	A-18	2,314.14		2,314.14	
Recycling Tonnage	A-18	2,491.22		2,491.22	
Marget Field Grant	A-18	3,147.64		3,147.64	
Highlands Water Protection & Planning	A-18	15,000.00		15,000.00	
Storm Water Management Grant	A-18		25,000.00	25,000.00	
<u>Total Miscellaneous Revenues</u>	A-1	\$ 1,702,130.20	\$ 157,770.00	\$ 2,131,668.80	\$ 271,768.60
Receipts From Delinquent Taxes	A-1	\$ 90,000.00		\$ 223,726.91	\$ 133,726.91
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-8	\$ 6,130,913.00		\$ 6,811,789.76	\$ 680,876.76
<u>BUDGET TOTALS</u>		\$ 10,265,660.31	\$ 157,770.00	\$ 11,509,802.58	\$ 1,086,372.27
Non-Budget Revenues	A-2			\$ 225,362.56	\$ 225,362.56
		\$ 10,265,660.31	\$ 157,770.00	\$ 11,735,165.14	\$ 1,311,734.83
REF.	A-3		A-3		

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

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2023

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A:8	\$ <u>24,245,894.87</u>
Allocated To:		
County Taxes	A-8	\$ 5,977,182.84
Local District School Taxes	A-8	11,440,619.00
Municipal Open Space	A-8	846,303.27
Reserve for Tax Appeals	A-20	<u>110,000.00</u>
Balance for Support of Municipal Budget Appropriations		\$ 5,871,789.76
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>940,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 6,811,789.76</u>
Other - Fees and Permits:		
Planning Board Fees	A-13	\$ 22,077.00
Board of Adjustments	A-13	15,828.00
Zoning	A-13	25,215.50
Tree Removal	A-13	236.00
Board of Health	A-13	<u>49,725.00</u>
	A-2	<u>\$ 113,081.50</u>

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Wildlife Refuge Revenue Sharing		\$ 67,185.00
Lease Payment-COAH		51,365.20
Other Miscellaneous		32,723.81
Clerk Miscellaneous		22,015.95
Franchise Fees		21,618.65
Construction Grading & Fines/Other		18,733.00
Sale of Recycling		6,115.95
Police Reports & Fees		2,870.00
Tax Collector/Assessor Miscellaneous		1,255.00
Use of Fields		1,125.00
Senior Citizen/Veterans Deduction Administrative Fee		<u>355.00</u>
<u>Total Non-Budget Revenue</u>	A-1:A-2:A-4	<u>\$ 225,362.56</u>

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

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 406,100.00	\$ 412,600.00	\$ 409,779.04	\$ 2,820.96	\$
Other Expenses	139,300.00	189,300.00	189,020.75	279.25	
Management Information:					
Other Expenses	87,150.00	87,150.00	68,997.48	18,152.52	
Human Resources:					
Other Expenses	4,150.00	4,150.00	2,800.00	1,350.00	
Township Committee:					
Salaries and Wages	3,600.00	3,600.00		3,600.00	
Other Expenses	26,600.00	26,600.00	16,046.50	10,553.50	
Municipal Clerk:					
Salaries and Wages	33,000.00	33,000.00	31,146.96	1,853.04	
Other Expenses	48,300.00	48,300.00	31,946.46	16,353.54	
Election:					
Other Expenses	6,500.00	6,500.00	4,068.52	2,431.48	
Financial Administration:					
Salaries and Wages	206,300.00	206,300.00	156,237.53	50,062.47	
Other Expenses	27,250.00	27,250.00	19,975.29	7,274.71	
Audit	31,900.00	31,000.00	31,000.00		
Collection of Taxes:					
Salaries and Wages	59,600.00	59,600.00	55,351.00	4,249.00	
Other Expenses	5,900.00	5,900.00	4,253.37	1,646.63	
Assessment of Taxes:					
Salaries and Wages	54,100.00	54,100.00	54,100.00		
Other Expenses	4,650.00	4,650.00	4,650.00		
Cost of Tax Appeal:					
Other Expenses	30,000.00	30,000.00	30,000.00		
Tax Map Revision:					
Other Expenses	3,500.00	3,500.00		3,500.00	
<u>LEGAL SERVICES AND COSTS</u>					
Legal Services and Costs:					
Other Expenses	130,000.00	160,000.00	159,986.25	13.75	
Engineering Services and Costs:					
Other Expenses	32,500.00	32,500.00	32,500.00		
Planning Board:					
Salaries and Wages	12,800.00	12,800.00	11,882.88	917.12	
Other Expenses	40,700.00	40,700.00	20,452.70	20,247.30	
Board of Adjustment:					
Salaries and Wages	48,300.00	48,300.00	40,926.00	7,374.00	
Other Expenses	57,700.00	57,700.00	57,520.99	179.01	
<u>DEPARTMENT OF PUBLIC SAFETY</u>					
Police:					
Salaries and Wages	1,864,100.00	1,864,100.00	1,808,367.17	55,732.83	
Other Expenses	150,692.00	150,692.00	148,959.78	1,732.22	
Emergency Management:					
Salaries and Wages	4,000.00	4,000.00	299.16	3,700.84	
Other Expenses	1,500.00	1,500.00	454.45	1,045.55	
Fire:					
Fire Hydrant Service	7,500.00	7,500.00	7,500.00		
<u>DEPARTMENT OF PUBLIC WORKS</u>					
Road Repairs and Maintenance:					
Salaries and Wages	700,900.00	700,900.00	637,013.81	63,886.19	
Other Expenses	55,500.00	55,500.00	54,437.99	1,062.01	
Solid Waste Collection:					
Salaries and Wages	2,000.00	2,000.00		2,000.00	
Other Expenses	96,000.00	96,000.00	89,000.00	7,000.00	
Recycling Program:					
Salaries and Wages	9,000.00	9,000.00	8,865.42	134.58	
Other Expenses	23,400.00	23,400.00	18,503.14	4,896.86	
Public Buildings and Grounds:					
Other Expenses	112,500.00	112,500.00	97,687.87	14,812.13	
Vehicle Maintenance:					
Other Expenses	78,500.00	78,500.00	76,772.07	1,727.93	
Snow Removal:					
Salaries and Wages	34,000.00	34,000.00	5,162.16	28,837.84	
Other Expenses	90,500.00	59,477.65	28,250.00	31,227.65	

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>HEALTH AND HUMAN SERVICES</u>					
Board of Health:					
Salaries and Wages	\$ 88,500.00	\$ 88,500.00	\$ 86,217.56	\$ 2,282.44	\$
Other Expenses	17,700.00	17,700.00	6,970.00	10,730.00	
<del>Condominium Reimbursement</del>					
Other Expenses					
Dog Regulation:					
Other Expenses	1,200.00	1,200.00	375.00	825.00	
Environmental Commission:					
Salaries and Wages	2,275.00	2,275.00	1,750.00	525.00	
Other Expenses	8,400.00	8,400.00	4,023.67	4,376.33	
Historic Preservation Commission:					
Salaries and Wages	1,000.00	1,000.00		1,000.00	
Other Expenses	18,900.00	18,900.00	16,625.00	2,275.00	
Open Space Commission:					
Salaries and Wages	2,275.00	2,275.00	875.00	1,400.00	
<u>PARKS AND RECREATION</u>					
Department of Recreation:					
Other Expenses - Senior Citizens Program	4,500.00	4,500.00	4,500.00		
Park Maintenance:					
Other Expenses	48,000.00	48,000.00	34,726.00	13,274.00	
Aid to Library:					
Other Expenses	50,000.00	50,000.00	40,000.00	10,000.00	
<u>UNIFORM CONSTRUCTION CODE</u>					
Construction Code Official:					
Salaries and Wages	281,000.00	281,000.00	275,829.09	5,170.91	
Other Expenses	25,025.00	25,025.00	21,455.02	3,569.98	
<u>UNCLASSIFIED</u>					
Municipal Services Act	50,000.00	50,000.00	11,065.33	38,934.67	
<del>Municipal Alliance</del>					
Accumulated Absences	13,695.00	13,695.00	13,695.00		
Insurance:					
Other Insurance Premiums	150,000.00	150,000.00	123,455.00	26,545.00	
Group Insurance Plan for Employees	1,351,104.00	1,351,104.00	1,068,572.66	282,531.34	
Health Benefit Waiver	35,000.00	35,000.00	31,274.49	3,725.51	
Motor Fuels	100,000.00	100,000.00	76,466.00	23,534.00	
Electricity	45,000.00	45,000.00	40,000.00	5,000.00	
Telephone	30,000.00	30,000.00	27,630.46	2,369.54	
Water and Sewerage	1,000.00	1,000.00		1,000.00	
Natural Gas	13,000.00	13,000.00	10,000.00	3,000.00	
Street Lighting	4,000.00	4,000.00	1,300.00	2,700.00	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 7,070,666.00</u>	<u>\$ 7,126,143.65</u>	<u>\$ 6,310,720.02</u>	<u>\$ 815,423.63</u>	<u>\$</u>
Contingent	\$ 2,500.00	\$ 2,500.00	\$	\$ 2,500.00	\$
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN CAPS</u>	<u>\$ 7,073,166.00</u>	<u>\$ 7,128,643.65</u>	<u>\$ 6,310,720.02</u>	<u>\$ 817,923.63</u>	<u>\$</u>
Detail:					
Salaries and Wages	\$ 3,811,850.00	\$ 3,818,350.00	\$ 3,583,802.78	\$ 234,547.22	\$
Other Expenses	3,261,316.00	3,310,293.65	2,726,917.24	583,376.41	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>					
Statutory Expenditures:					
Public Employee's Retirement System	\$ 230,719.00	\$ 230,719.00	\$ 230,719.00	\$	\$
Police and Firemen's Retirement System	527,888.00	552,410.35	552,410.35		
Defined Contribution Retirement Program	4,000.00	4,000.00	2,191.88	1,808.12	
Judgments	100.00				
Social Security System (O.A.S.I.)	310,500.00	310,500.00	269,321.91	41,178.09	
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	<u>\$ 1,073,207.00</u>	<u>\$ 1,097,629.35</u>	<u>\$ 1,054,643.14</u>	<u>\$ 42,986.21</u>	<u>\$</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	<u>\$ 8,146,373.00</u>	<u>\$ 8,226,273.00</u>	<u>\$ 7,365,363.16</u>	<u>\$ 860,909.84</u>	<u>\$</u>

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<b>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</b>					
Police Dispatch - Interlocal	\$ 92,000.00	\$ 92,000.00	\$ 91,989.34	\$ 10.66	\$
Hanover Township Board of Health	78,000.00	78,000.00	78,000.00		
Police Support Shared Service (NJSA 40A:87 + \$20,000.00)		20,000.00		20,000.00	
Morris Township Partnership - Board of Health	1,000.00	1,000.00		1,000.00	
	81,600.00	81,600.00	81,600.00		
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>					
Community Foundation Grant - The Ann Kirby Fund	\$ 16,096.59	\$ 16,096.59	\$ 16,096.59	\$	\$
DOT Grant (NJSA 40A:87 + \$112,770.00)		112,770.00	112,770.00		
Clean Community Program	11,637.72	11,637.72	11,637.72		
Body Armor Grant	2,314.14	2,314.14	2,314.14		
Highlands Water Protection & Planning	15,000.00	15,000.00	15,000.00		
Recycling Tonnage	2,491.22	2,491.22	2,491.22		
Margetts Field	3,147.64	3,147.64	3,147.64		
Storm Water Assistance Grant (NJSA 40A:87 + \$25,000.00)		25,000.00	25,000.00		
Matching Funds for Grants	10,000.00	10,000.00		10,000.00	
<b>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</b>	<b>\$ 313,287.31</b>	<b>\$ 471,057.31</b>	<b>\$ 440,046.65</b>	<b>\$ 31,010.66</b>	<b>\$</b>
<b>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	\$ 450,000.00	\$ 450,000.00	\$ 450,000.00	\$	\$
<b>TOTAL CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</b>	<b>\$ 450,000.00</b>	<b>\$ 450,000.00</b>	<b>\$ 450,000.00</b>	<b>\$</b>	<b>\$</b>
<b>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</b>					
Payment of Bond Principal	\$ 270,000.00	\$ 270,000.00	\$ 269,743.50	\$	\$ 256.50
Interest on Bonds	79,500.00	79,500.00	79,496.83		3.17
Interest on Notes	45,200.00	45,300.00	45,163.51		136.49
Notes-Principal	21,300.00	21,300.00	21,300.00		
<b>TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</b>	<b>\$ 416,000.00</b>	<b>\$ 416,100.00</b>	<b>\$ 415,703.84</b>	<b>\$</b>	<b>\$ 396.16</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</b>	<b>\$ 1,179,287.31</b>	<b>\$ 1,337,157.31</b>	<b>\$ 1,305,750.49</b>	<b>\$ 31,010.66</b>	<b>\$ 396.16</b>
<b>SUB-TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 9,325,660.31</b>	<b>\$ 9,563,430.31</b>	<b>\$ 8,671,113.65</b>	<b>\$ 891,920.50</b>	<b>\$ 396.16</b>
<b>RESERVE FOR UNCOLLECTED TAXES</b>	<b>940,000.00</b>	<b>940,000.00</b>	<b>940,000.00</b>		
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 10,265,660.31</b>	<b>\$ 10,503,430.31</b>	<b>\$ 9,611,113.65</b>	<b>\$ 891,920.50</b>	<b>\$ 396.16</b>
<b>Budget</b>		<b>\$ 10,265,660.31</b>			
<b>Deferred Charges</b>		<b>80,000.00</b>			
<b>Amendment - NJSA 40A: 4-87</b>		<b>157,770.00</b>			
		<b>\$ 10,503,430.31</b>			
<b>Reserve for Uncollected Taxes</b>			<b>\$ 940,000.00</b>		
<b>Accounts Payable</b>			<b>526,640.14</b>		
<b>Reserve for Grants Appropriated</b>			<b>188,457.31</b>		
<b>Disbursements</b>			<b>7,956,016.20</b>		
			<b>\$ 9,611,113.65</b>		

REF.

A-2:A-3

A-1

A:A-1

Budget  
Deferred Charges  
Amendment - NJSA 40A: 4-87

A-3  
A-28  
A-2

W

Reserve for Uncollected Taxes  
Accounts Payable  
Reserve for Grants Appropriated  
Disbursements

A-2  
A-11  
A-21  
A-4

TRUST FUND

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF CASH - TREASURER

<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2022	\$ 11,976.87	\$ 4,862,672.62
Increased by Receipts:		
Due State of New Jersey - Animal Control Reserve for:	\$ 600.00	\$
Animal Control Fund Expenditures	7,509.00	
Developers' Deposits		350,067.16
Unemployment Insurance Compensation		12,619.45
Various Trust Deposits		340,668.85
Open Space Deposits		858,551.48
Law Enforcement Trust Fund		58.83
Affordable Housing Contributions		131,250.23
The Farm at Harding		6,458.26
Payroll Trust		3,561.18
Flexible Spending		66,758.65
Health Savings		42,303.45
Health Reimbursement		10,115.37
Tree Preservation Escrow		5,926,545.43
	<u>8,109.00</u>	<u>\$ 10,789,218.05</u>
Decreased by Disbursements:		
Due State of New Jersey - Animal Control Reserve For:	\$ 600.00	\$
Animal Control Fund Expenditures	10,902.89	
Affordable Housing Contributions		73,899.44
Unemployment Insurance Compensation		314.36
The Farm at Harding		248,529.13
Payroll Trust		4,111,962.25
Flexible Spending		3,010.69
Health Savings		65,756.90
Health Reimbursement		46,358.78
Tree Preservation Escrow		13,914.16
Various Trust Deposits		191,343.87
Developers' Deposits		386,869.93
Open Space Deposits		296,568.85
Due Current Fund	<u>32.50</u>	<u>136.56</u>
	<u>11,535.39</u>	<u>5,438,664.92</u>
Balance, December 31, 2023	\$ 8,550.48	\$ 5,350,553.13

GENERAL CAPITAL FUND



TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE DECEMBER 31, 2022</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 2,903,289.45	\$ 3,427,903.95
Deferred Charges to Future Taxation:			
Funded	C-5	2,480,000.00	2,915,000.00
Unfunded	C-7	1,619,617.00	1,640,917.00
Accounts Receivable	C-6	256,743.83	256,743.83
		<u>\$ 7,259,650.28</u>	<u>\$ 8,240,564.78</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-11	\$ 2,480,000.00	\$ 2,915,000.00
Bond Anticipation Notes Payable	C-10	1,619,617.00	1,640,917.00
Capital Improvement Fund	C-8	100,159.51	214,159.51
Reserve to Pay Notes	C-14	28,241.20	28,241.20
Improvement Authorizations:			
Funded	C-9	1,521,826.40	1,869,787.09
Reserve for:			
Open Space	C-13	154,500.00	154,500.00
Contracts Payable	C-12	706,350.68	559,859.23
Grants Receivable	C-4	223,000.00	223,000.00
Fund Balance	C-1	425,955.49	635,100.75
		<u>\$ 7,259,650.28</u>	<u>\$ 8,240,564.78</u>

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

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER 31, <u>2023</u>	YEAR ENDED DECEMBER 31, <u>2022</u>
Balance, January 1	C	\$ 635,100.75	\$ 25,936.94
Increased by:			
Receipts	C-2	5,344.74	
Improvement Authorizations Canceled			609,163.81
		<u>\$ 640,445.49</u>	<u>\$ 635,100.75</u>
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-9	<u>214,490.00</u>	
Balance, December 31	C	<u>\$ 425,955.49</u>	<u>\$ 635,100.75</u>

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

SEWER UTILITY FUND

TOWNSHIP OF HARDING

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE DECEMBER 31, 2022</u>
Operating Fund:			
Cash	D-4	\$ 476,211.49	\$ 471,766.93
		<u>\$ 476,211.49</u>	<u>\$ 471,766.93</u>
Receivables with Full Reserves:			
Sewer Use Charges Receivable	D:D-9	\$ 5,919.30	\$ 3,430.56
		<u>\$ 5,919.30</u>	<u>\$ 3,430.56</u>
<u>Total Operating Fund</u>	D	<u>\$ 482,130.79</u>	<u>\$ 475,197.49</u>
Capital Fund:			
Cash	D-4:D-5	\$ 215,309.72	\$ 195,309.72
Fixed Capital	D-7	155,565.74	155,565.74
Fixed Capital Authorized and Uncompleted	D-10	<u>161,500.00</u>	<u>161,500.00</u>
<u>Total Capital Fund</u>	D	<u>\$ 532,375.46</u>	<u>\$ 512,375.46</u>
		<u>\$ 1,014,506.25</u>	<u>\$ 987,572.95</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Reserve for Prepaid Sewer Rents	D-11	\$ 4,615.76	\$ 2,058.84
Reserve for Accounts Payable	D-17	3,655.33	4,648.50
Reserve for Sewer Rent Overpayments	D-18		608.56
Appropriation Reserves	D-3:D-8	<u>22,850.00</u>	<u>29,970.71</u>
		\$ 31,121.09	\$ 37,286.61
Reserve for Receivables	D	5,919.30	3,430.56
Fund Balance	D-1	<u>445,090.40</u>	<u>434,480.32</u>
<u>Total Operating Fund</u>	D	<u>\$ 482,130.79</u>	<u>\$ 475,197.49</u>
Capital Fund:			
Improvement Authorizations-Funded	D-15	\$ 104,434.72	\$ 100,178.73
Reserve for Contracts Payable	D-16	4,375.00	8,630.99
Reserve for Contribution in Aid of Construction	D-6	3,000.00	3,000.00
Reserve for Amortization	D-14	155,565.74	155,565.74
Capital Improvement Fund	D-12	103,500.00	83,500.00
Deferred Reserve for Amortization	D-13	<u>161,500.00</u>	<u>161,500.00</u>
<u>Total Capital Fund</u>	D	<u>\$ 532,375.46</u>	<u>\$ 512,375.46</u>
		<u>\$ 1,014,506.25</u>	<u>\$ 987,572.95</u>

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

TOWNSHIP OF HARDING

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER 31, <u>2023</u>	YEAR ENDED DECEMBER 31, <u>2022</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-1:D-2	\$ 56,900.00	\$ 56,000.00
Sewer Use Charges	D-2	222,511.26	226,280.98
Miscellaneous Revenue Not Anticipated	D-2	10,935.89	3,714.07
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-8	<u>34,062.93</u>	<u>30,789.30</u>
<u>Total Income</u>		<u>\$ 324,410.08</u>	<u>\$ 316,784.35</u>
<u>EXPENDITURES</u>			
Operating	D-3	\$ 234,900.00	\$ 234,000.00
Capital Outlay	D-3	20,000.00	20,000.00
Statutory Expenditures	D-3	<u>2,000.00</u>	<u>2,000.00</u>
<u>Total Expenditures</u>		<u>\$ 256,900.00</u>	<u>\$ 256,000.00</u>
Excess in Revenue		\$ 67,510.08	\$ 60,784.35
Fund Balance, January 1	D	<u>434,480.35</u>	<u>429,695.97</u>
		\$ 501,990.43	\$ 490,480.32
Decreased by:			
Utilization as Anticipated Revenue	D-1:D-2	<u>56,900.00</u>	<u>56,000.00</u>
Fund Balance, December 31	D	<u>\$ 445,090.43</u>	<u>\$ 434,480.32</u>

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

TOWNSHIP OF HARDING

SEWER UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2023

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Utilized	D-1	\$ 56,900.00	\$ 56,000.00	\$
Sewer Use Charges	D-1	<u>200,000.00</u>	<u>222,511.26</u>	<u>22,511.26</u>
<u>Budget Totals</u>		\$ 256,900.00	\$ 278,511.26	\$ 22,511.26
Non-Budget Revenue	D-1:D-4	<u>                    </u>	<u>10,935.89</u>	<u>10,935.89</u>
<u>Budget Totals</u>	D-3	\$ <u>256,900.00</u>	\$ <u>289,447.15</u>	\$ <u>33,447.15</u>

ANALYSIS OF REALIZED REVENUE:

Non-Budget Revenue:

Interest on Investments		\$ 10,364.16
Other Miscellaneous		29.10
Interest on Sewer Charges		<u>542.63</u>
	D-1:D-4	\$ <u>10,935.89</u>

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

TOWNSHIP OF HARDING

SEWER UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2023

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
Operating:				
Salaries and Wages	\$ 32,900.00	\$ 32,900.00	\$ 32,900.00	\$
Other Expenses	<u>202,000.00</u>	<u>202,000.00</u>	<u>181,150.00</u>	<u>20,850.00</u>
<u>Total Operating</u>	<u>\$ 234,900.00</u>	<u>\$ 234,900.00</u>	<u>\$ 214,050.00</u>	<u>\$ 20,850.00</u>
Capital Improvements:				
Capital Outlay	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$
Statutory Expenditures:				
Contribution to Social Security System	\$ 2,000.00	\$ 2,000.00	\$	\$ 2,000.00
	<u>\$ 256,900.00</u>	<u>\$ 256,900.00</u>	<u>\$ 234,050.00</u>	<u>\$ 22,850.00</u>
	<u>REF.</u>	<u>D-2</u>	<u>D-1</u>	<u>D</u>
Disbursements	D-4		\$ 230,394.67	
Accounts Payable	D-17		<u>3,655.33</u>	
			<u>\$ 234,050.00</u>	

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

GENERAL FIXED ASSETS ACCOUNT GROUP



TOWNSHIP OF HARDING  
STATEMENT OF GENERAL FIXED ASSETS  
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2023</u>	BALANCE DECEMBER <u>31, 2022</u>
Fixed Assets:		
Land and Land Improvements	\$ 48,054,511.00	\$ 48,054,511.00
Buildings	3,194,746.00	3,194,746.00
Machinery and Equipment	<u>2,664,153.00</u>	<u>2,569,802.00</u>
<u>Total Fixed Assets</u>	<u>\$ 53,913,410.00</u>	<u>\$ 53,819,059.00</u>
 Reserve:		
Investments in General Fixed Assets	<u>\$ 53,913,410.00</u>	<u>\$ 53,819,059.00</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HARDING

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023 AND 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Harding is an instrumentality of the State of New Jersey, established to function as a municipality. The Township Committee consists of elected officials and is responsible for the fiscal control of the Township.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Except as noted below, the financial statements of the Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of the school board, library, first aid squad, or volunteer fire organizations, inasmuch as their activities are administered by a separate board.

B. Description of Funds

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

The accounting policies of the Township of Harding conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 financial transactions and accounts of the Township of Harding are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services the Township accounts for its financial transactions through the following individual funds and account groups:

Current Fund - resources and expenditures for governmental operations of a general nature, including grant funds

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created

General Capital Fund - receipts and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund

Sewer Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally-owned sewer utility

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows: A modified accrual basis of accounting is followed with minor exceptions.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and State grants are realized as revenue when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. General expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31<sup>st</sup> are reported as a cash liability in the financial statements and constitute part of the Township's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31<sup>st</sup> of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders at December 31<sup>st</sup> are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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.

Accounting and Financial Reporting for Pensions

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions.

It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions & Benefits' reporting on GASB 75. As of the date of this report the information for the Township's Special Funding Situation for the period ended June 30, 2023 was not available, therefore the information dated June 30, 2022 is disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6 Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. 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 system are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund.

The Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm and updated by the Township. Per N.J.A.C. 5:30-5.6 fixed assets acquired after December 31, 1985 shall be valued on the basis of actual cost. Assets acquired prior to that date, may be valued at cost or estimated historical cost.

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

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Inventories of Supplies - 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. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Fixed Capital - Sewer Utility - Accounting for utility fund "fixed capital" is done in compliance with N.J.A.C. 5:30-5.6. Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized.

The balance in the Reserve for Amortization account in the utility capital fund represents changes to operations for the cost of acquisitions of property, equipment, and improvements. The utility does not record depreciation on fixed assets.



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Leases

Under GAAP, lease receivables are measured at the present value of the lease payments expected to be received during the lease term. Payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right -to-use assets on the statements of net position.

New Jersey's municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording lease receivables, deferred outflows, lease liabilities or deferred inflows on their balance sheets.

D. 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 of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, and cash in banks as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Under GUDPA, if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Township of Harding had the following cash and cash equivalents at December 31, 2023:

<u>Fund</u>	<u>Cash In Bank</u>	<u>Reconciling Items</u>	<u>Total</u>
Current Fund	\$ 5,888,475.15	\$ 6,784.11	\$ 5,895,259.26
Grant Fund	239,822.43	(403.18)	239,419.25
Animal Control Trust Fund	8,550.48	0.00	8,550.48
Trust Other Fund	5,362,523.13	(11,970.00)	5,350,553.13
General Capital Fund	2,906,049.04	(2,759.59)	2,903,289.45
Sewer Utility Operating Fund	476,696.86	(485.37)	476,211.49
Sewer Utility Capital Fund	215,717.35	(407.63)	215,309.72
<u>Total</u>	\$ <u>15,097,834.44</u>	\$ <u>(9,241.66)</u>	\$ <u>15,088,592.78</u>

NOTE 2: CASH AND CASH EQUIVALENT (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2023, based upon the coverage provided by FDIC and NJGUDPA, there were no accounts exposed to custodial credit risk. Of the cash balance in the bank, \$500,021.28 was covered by Federal Depository Insurance and \$14,597,813.16 was covered by NJGUDPA.

B. Investments

The purchase of investments by the Township is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;

NOTE 2: CASH AND CASH EQUIVALENT (CONTINUED)

B. Investments (Continued)

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Township of Harding's investment activities during the year were in accordance with the above New Jersey Statute.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
Issued:			
General:			
Bonds and Notes	\$ 4,099,617.00	\$ 4,555,917.00	\$ 5,002,217.00
Debt Issued	\$ 4,099,617.00	\$ 4,555,917.00	\$ 5,002,217.00
 TOTAL BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	 \$ 4,099,617.00	 \$ 4,555,917.00	 \$ 5,002,217.00

SUMMARY OF STATUTORY DEBT CONDITION ANNUAL DEBT STATEMENT

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 0.175%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 4,099,617.00	\$ 28,241.20	\$ 4,071,375.80
	<u>\$ 4,099,617.00</u>	<u>\$ 28,241.20</u>	<u>\$ 4,071,375.80</u>

Net debt \$4,099,617.00 divided by equalized valuation basis per N.J.S.A. 40A:2-2, \$2,336,418,445.67 equals 0.175%.

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

Equalized Valuation Basis - December 31, 2023	\$ 2,336,418,445.67
3 1/2% of Equalized Valuation Basis	\$ 81,774,645.60
Net Debt	<u>4,071,375.80</u>
Remaining Borrowing Power	<u>\$ 77,703,269.80</u>

Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements and the assessed valuation of Class II railroad property of the Township of Harding for the last three (3) preceding years.

NOTE 3: LONG-TERM DEBT (CONTINUED)

LONG-TERM DEBT

General Serial Bonds:

\$4,535,000.00 Refunding Bonds of 2017 due in annual installments of \$390,000 to \$545,000 at a variable interest rate	\$ <u>2,480,000.00</u>
	\$ <u>2,480,000.00</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2023, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund	\$ <u>- 0 -</u>
Sewer Utility Capital Fund	\$ <u>- 0 -</u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER UTILITY UNDER  
N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents, or Other Charges for Year and Anticipated Surplus	\$ 290,347.15
Deductions:	
Operations and Maintenance	<u>236,900.00</u>
Excess in Revenues - Self-Liquidating	\$ <u>53,447.15</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

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

<u>Year</u>	<u>General</u>		<u>Open Space</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 279,000.00	\$ 68,510.00	\$ 171,000.00	\$ 41,990.00	\$ 560,500.00
2025	291,400.00	55,645.00	178,600.00	34,105.00	559,750.00
2026	306,900.00	40,687.50	188,100.00	24,937.50	560,625.00
2027	322,400.00	24,955.00	197,600.00	15,295.00	560,250.00
2028	337,900.00	8,447.50	207,100.00	5,177.50	558,625.00
	<u>\$ 1,537,600.00</u>	<u>\$ 198,245.00</u>	<u>\$ 942,400.00</u>	<u>\$ 121,505.00</u>	<u>\$ 2,799,750.00</u>

NOTE 4: SHORT-TERM DEBT

In accordance with N.J.S.A. 40A:2-8.1, a local unit may, in anticipation of the issuance of bonds, borrow money and issue notes if the bond ordinance or subsequent resolution so provides. Any such note shall be designated as a "bond anticipation note" and shall be subject to the following provisions:

- (1) every note shall contain a recital that it is issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year;
- (2) all such notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes; and
- (3) no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations.

The Township had the following outstanding bond anticipation note(s) at year end:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital	4.5%	8/16/24	\$1,619,617.00

In accordance with N.J.S.A. 40A:4 sections 64 through 73, in any fiscal year, in anticipation of the collection of taxes for such year, whether levied in such year, or in anticipation of other revenue for such year, the Township may, by resolution, borrow money and issue its negotiable notes, each of which shall be designated by the fiscal year to which it pertains. The proceeds may be used to pay outstanding previous notes of same purpose, or for purposes provided for in the budget or for which taxes are levied or to be levied for in such year. The amount outstanding shall not exceed an amount certified as the gross borrowing power, and no such notes shall be authorized in excess of an amount certified as the net borrowing power. Tax anticipation notes may be renewed from time to time, but any note shall mature within 120 days after the beginning of the succeeding fiscal year, and bear an interest rate that does not exceed 6%. The Township did not have any tax anticipation notes in 2023.

NOTE 5: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2023 which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2024 was \$2,380,013.97 for the Current Fund and \$57,900.00 for the Sewer Utility Operating Fund.



NOTE 6: PROPERTY TAXES

Property Taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also the taxes for the County and the Local High School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

<u>Balance</u> <u>December 31, 2023</u>	<u>Balance</u> <u>December 31, 2022</u>
\$ <u>480,807.56</u>	\$ <u>467,711.67</u>

NOTE 7: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Firemen's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at [www.nj.gov/treasury/pensions/annrpts.shtml](http://www.nj.gov/treasury/pensions/annrpts.shtml).

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

NOTE 7: PENSION PLANS

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2023, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2023, PERS provides for employee contributions of 7.50% of employees' base salary.

NOTE 7: PENSION PLANS (CONTINUED)

Funding Policy (Continued)

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2023, the State contributed an amount less than the actuarially determined amount. During 2023, PFRS provides for employee contributions of 10.00% of employees' base salary. Certain Township employees are also covered by the Federal Insurance Contribution Act. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$785,321.23 for 2023, \$632,981.92 for 2022, and \$587,573.54 for 2021. Certain Township employees are also covered by the Federal Insurance Contribution Act.

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2023. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2023

Public Employees Retirement System (PERS)

At June 30, 2023, the State reported a net pension liability of \$2,769,228.00 for the Township's proportionate share of the total net pension liability. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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 employers, actuarially determined. At June 30, 2023, the Township's proportion was 0.0191187272 percent, which was an increase of 0.0008229132 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the State recognized an actuarially determined pension expense of \$62,307 for the Township's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statements based on the April 1, 2023 billing was \$230,719.00.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 26,477.00	\$ 11,320.00
Changes of assumptions	6,083.00	167,827.00
Net difference between projected and actual earnings on pension plan investments	12,753.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>408,298.00</u>	<u>11,666.00</u>
	<u>\$ 453,611.00</u>	<u>\$ 190,813.00</u>

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2024	(\$66,878.60)
2025	(2,279.60)
2026	193,365.40
2027	58,918.40
2028	<u>79,672.40</u>
	<u>\$262,798.00</u>

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. These actuarial valuations used the following assumptions:

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

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

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

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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 in determining the total pension liability.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the Township's proportionate share of net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2023 respectively, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of 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, 2023		
	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	\$3,604,946.00	\$2,769,228.00	\$2,057,922.00

Special Funding Situation

In accordance with 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. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2023, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

The amounts contributed by the State on behalf of the Township 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 Township does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Township related to this legislation.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation (Continued)

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Township as of June 30, 2023 was 0.0191913153% which was an increase of 0.0008224067 percent from its proportion measured as of June 30, 2022. The non-employer contributing entities' contribution and employer pension expense and related revenue for the years ended June 30, 2023 and June 30, 2022 was \$8,636.00 and \$5,809.00, respectively.

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 report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

Police and Firemen's Retirement System (PFRS)

At June 30, 2023, the State reported a net pension liability of \$4,895,141.00 for the Township's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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 employers, actuarially determined.

At June 30, 2023, the Township's proportion was 0.04430480000 percent, which was an increase of 0.0037153100 percent from its proportion measured as of June 30, 2022.



NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

For the year ended June 30, 2023, the State recognized an actuarially determined pension expense of \$421,511.00. The pension expense recognized in the Township's financial statements based on the April 1, 2023, billing was \$527,888.00.

At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 209,600.00	\$ 233,455.00
Changes of assumptions	10,565.00	330,539.00
Net difference between projected and actual earnings on pension plan investments	249,300.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>1,118,303.00</u>	<u>234,559.00</u>
	<u>\$ 1,587,768.00</u>	<u>\$ 798,553.00</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended		<u>Amount</u>
<u>June 30</u>		
2024	\$	(13,753.20)
2025		(6,071.20)
2026		470,887.80
2027		151,450.80
2028		185,777.80
Thereafter		<u>923.00</u>
	\$	<u>789,215.00</u>

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions:

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

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

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

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Rate of Return

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

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

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

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

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the 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, 2023		
	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 PFRS pension liability	\$6,820,522.00	\$4,895,140.00	\$3,291,759.00

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation

In accordance with 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.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Township 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 Township does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Township related to this legislation.

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of December 31, 2023 and 2022 is 0.0443050000% and 0.0405893300% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2023 and 2022 was \$103,153.00 and \$102,939.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2023 and 2022 was \$102,599.00 and \$95,397.00, respectively.

At June 30, 2023 and 2022, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$901,987.00 and \$826,855.00, respectively.

At June 30, 2023, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$4,895,141.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>901,987.00</u>
	<u>\$5,797,128.00</u>

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 Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 8: COMPENSATED ABSENCES

Under the terms of various contracts, employees are compensated for unused sick and vacation time. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements. The Township appropriates annually the amount required to be paid in that year's budget, if applicable, and no liability is accrued at December 31, 2023. The Township has \$88,383.11 in reserve for this purpose at December 31, 2023.

NOTE 9: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the Plan are held by an independent administrator, the Equitable Life Assurance Society of the United States (the "Equitable").

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities. The Township's Deferred Compensation Plan is fully contributory and the Township has no liabilities in conjunction with the plan.

NOTE 10: LITIGATION

The Township Attorney's letters did not indicate any litigation, claims or contingent liabilities which would materially affect the financial statements of the Township.

NOTE 11: TAX APPEALS

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2023. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from current tax revenues, through the establishment of a reserve, or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. At December 31, 2023, the Township had a reserve for tax appeals of \$127,631.45.

NOTE 12: CONTINGENT LIABILITIES

The Township participated in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II, Report Section of the 2023 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2023, the Township does not believe that any material liabilities will result from such audits.

NOTE 13: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. Below is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Township's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Interest on Deposits</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 1,294.04	\$ 11,188.85	\$ 177.80	\$ 89,467.29
2022	380.20	5,270.79	220.70	77,162.20
2021	101.14	4,398.75	147.94	71,731.91

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances consisted of the following at December 31, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$	\$ 136.56
Trust Other Fund	136.56	
	<u>136.56</u>	<u>136.56</u>
	\$ <u>136.56</u>	\$ <u>136.56</u>

All interfund balances resulted from the time lag between the dates that payments between funds are made.

NOTE 15: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" which is effective for fiscal years beginning after June 15, 2017. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Single Employer Plan

Plan Description

The Township's defined benefit OPEB plan, Township of Harding Retiree Medical Plan (the Plan), provides OPEB for all eligible employees of the Township in accordance with the terms of their labor agreements. The Plan is a single-employer defined benefit OPEB plan administered by the Township. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.



NOTE 15: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Single Employer Plan (Continued)

Summary of Benefits

The Plan provides retirees and their eligible dependents medical, dental and prescription benefits provided that they have meet the eligibility requirement contained in the Township' various labor agreements.

Employees Covered by Benefits Terms

Inactive employees or beneficiaries currently receiving benefits payments	15
Inactive employees entitled to but not currently receiving benefits payments	-0-
Active employees	<u>28</u>
	<u>43</u>

Contributions

The contribution requirements of the Township and Plan members are established and maybe be amended by the Township's governing body.

Retirees and their dependents are required to contribute toward the cost of the postretirement medical, prescription drug, dental and vision coverage in accordance with the provisions set forth under Chapter 78. An employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS service as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retirement contributions are based on a percentage of the postretirement healthcare cost and vary based on coverage tier and amount of PERS or PFRS pension amounts based on tables presented in the Township's plan document, ranging from 3.5% to 35%.

OPEB Liability

The Township's total OPEB liability of \$7,933,377 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

NOTE 15: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Single Employer Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary Increases	2.5%

Healthcare cost trend rates 5.1 percent decreasing to an ultimate rate of 4.5 percent in 2026. Prescription cost trend rates 6.0 percent decreasing to an ultimate rate of 4.5 percent in 2026.

RP 2000 combined healthy male mortality rates set forward one year and adjusted for generational improvement.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2023–December 31, 2023.

Discount Rate

The discount rate under GASB 75 should be the single rate that reflects (a) the long-term expected rate of return on plan investments that are expected to be used to finance the benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the assets are expected to be invested using a strategy to achieve that return and (b) a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale) to the extent that the conditions in (a) are not met. The discount rate used for determining the Total OPEB liabilities at December 31, 2022, was based on the average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of December 31, 2023, was 3.26%

NOTE 15: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Single Employer Plan (Continued)

Changes in the Total OPEB Liability

	<u>OPEB Liability</u>
Balance at 12/31/22	\$7,327,522
Changes for the Year:	
Service Cost	72,102
Interest on Total OPEB Liability	267,693
Difference between expected and actual experience	673,220
Change in Assumptions	
Benefit Payments	<u>(407,160)</u>
Net Change in OPEB Liability	<u>\$605,855</u>
Balance at 12/31/23	<u>\$7,933,377</u>

Sensitivity of the Total OPEB liability to changes in the discount rates

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	December 31, 2023		
	<u>1.00% Decrease (2.26%)</u>	<u>At Discount Rate (3.26%)</u>	<u>1.00% Increase (4.26%)</u>
OPEB Liability	\$8,895,229	\$7,933,377	\$7,143,579

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	December 31, 2023		
	<u>1.00% Decrease</u>	<u>Current Trend Rate</u>	<u>1.00% Increase</u>
OPEB Liability	\$7,213,236	\$7,933,377	\$8,800,836

NOTE 15: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Single Employer Plan (Continued)

For the year ended December 31, 2023, the actuarially determined OPEB expense reflected in the Plan was \$477,393. The OPEB expense recognized in the Township's financial statement based on actual billing was \$594,773.10.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2023, the Plan reported a deferred outflow of resources related to OPEB as follows:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences Between Expected and Actual Experience	\$811,052	
Changes of Assumptions	<u>1,313,755</u>	<u>(508,851)</u>
	<u>\$2,124,807</u>	<u>(508,851)</u>

Other amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended December 31,</u>	
2024	\$137,598.00
2025	137,598.00
2026	137,598.00
2027	137,598.00
2028	137,598.00
Total Thereafter	<u>927,966.00</u> <u>\$1,615,956.00</u>

NOTE 15: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

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

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Special Funding Situation

The Township, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

NOTE 15: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Cost-sharing multiple-employer defined benefit other postemployment benefit  
(OPEB) plan with a special funding situation (Continued)

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 Net OPEB Liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of December 31, 2022 and 2021 is 0.091241% and 0.083797% respectively, and the employer pension expense and related revenue for the year ended June 30, 2022 and 2021 was a benefit \$504,905.00 and \$441,524.00, respectively.

At June 30, 2022 and 2021, the State's proportionate share of the net OPEB liability attributable to the Township for the special funding situation is \$3,078,298.00 and \$3,235,702.00 respectively.

At June 30, 2022, the Township's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

Township's proportionate share of the Net OPEB Liability	\$0.00
State of New Jersey's proportionate share of Net OPEB Liability associated with the Township	<u>3,078,298.00</u>
	<u><u>\$3,078,298.00</u></u>

NOTE 15: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation (Continued)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 16: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through \_\_\_\_\_, 2024 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that there are no subsequent events that need to be disclosed.

NOTE 17: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2023:

	Balance December 31, <u>2022</u>	<u>Additions</u>	Balance December 31, <u>2022</u>
Land	\$48,054,511.00		\$48,054,511.00
Buildings	3,194,746.00		3,194,746.00
Machinery and Equipment	<u>2,569,802.00</u>	<u>\$94,351.00</u>	<u>2,664,153.00</u>
	<u>\$53,819,059.00</u>	<u>\$94,351.00</u>	<u>\$53,913,410.00</u>

NOTE 18: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, the following deferred charges are shown:

	Balance December 31, <u>2023</u>	To Be Raised 2024 <u>Budget</u>
Current Fund	\$80,000.00	\$80,000.00

TOWNSHIP OF HARDING  
SUPPLEMENTARY SCHEDULES – ALL FUNDS  
YEAR ENDED DECEMBER 31, 2023



TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2022	A	\$ 5,899,546.07	\$ 75,446.74
Increased by Receipts:			
Taxes Receivable	A-8	\$ 23,986,410.11	\$
Petty Cash	A-5	300.00	
State of New Jersey-Senior Citizens and Veterans Deductions	A-7	18,750.00	
Interfunds	A-12	169.06	
Revenue Accounts Receivable	A-13	1,943,211.49	
Miscellaneous Revenue Not Anticipated	A-2	225,362.56	
Tax Overpayments	A-15	27,428.24	
Prepaid Taxes	A-16	480,807.56	
Grants Receivable	A-18		239,217.99
Reserve for Grants-Unappropriated	A-22		34,015.87
Reserve for Garden State Trust	A-9	8,481.00	
Reserve for Unappropriated	A-17	46,654.11	
Construction Code DCA - Due State of NJ	A-19	18,226.00	
Outside Lien Redemptions	A-27	225,951.66	
Reserve for Due State of NJ - Marriage	A-6	326.00	
		<u>26,982,077.79</u>	<u>273,233.86</u>
		\$ 32,881,623.86	\$ 348,680.60
Decreased by Disbursements:			
Appropriations	A-3	\$ 7,956,016.20	\$
Appropriation Reserves	A-14	394,957.73	
Petty Cash	A-5	300.00	
Local District School Taxes Payable	A-25	11,440,619.00	
County Taxes Payable	A-24	5,977,182.84	
Municipal Open Space Taxes Payable	A-26	846,303.27	
Tax Appeals	A-20	27,428.24	
Construction Code DCA - Due State of NJ	A-19	13,589.00	
Reserve for Due State of NJ - Marriage	A-6	125.00	
Tax Overpayments	A-15	28,526.76	
Outside Lien Redemptions	A-27	55,841.07	
Reserve for Grants-Appropriated	A-21		109,261.35
Reserve for Garden State Trust	A-9	10,606.00	
Reserve for ARP-LFRF Unappropriated	A-17	196,776.89	
Other Charges to Operations	A-1	37,804.60	
Accounts Payable	A-11	288.00	
		<u>26,986,364.60</u>	<u>109,261.35</u>
Balance, December 31, 2023	A	\$ <u>5,895,259.26</u>	\$ <u>239,419.25</u>

"A-5"

TOWNSHIP OF HARDING  
CURRENT FUND  
SCHEDULE OF PETTY CASH

<u>OFFICE</u>	<u>INCREASE</u>	<u>DECREASE</u>
Finance Department	\$ <u>300.00</u>	\$ <u>300.00</u>
	<u>REF.</u>	
	A-4	A-4

"A-6"

SCHEDULE OF RESERVE FOR STATE OF NEW JERSEY - MARRIAGE LICENSES

Increased by:		
Receipts	A-4	\$ 326.00
Decreased by:		
Disbursements	A-4	<u>125.00</u>
Balance, December 31, 2022	A	\$ <u>201.00</u>

"A-9"

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF RESERVE FOR GARDEN STATE TRUST

	<u>REF.</u>	
Balance, December 31, 2022	A	\$ 10,606.00
Increased by:		
Receipts	A-4	8,481.00
		\$ <u>19,087.00</u>
Decreased by:		
Miscellaneous Revenue Anticipated	A-4	<u>10,606.00</u>
Balance, December 31, 2023	A	\$ <u><u>8,481.00</u></u>

"A-10"

GRANT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2022	A	\$ 170,137.67
Increased by:		
Current Year Accounts Payable	A-21	196,722.15
		\$ <u>366,859.82</u>
Decreased by:		
Transferred to Grants Appropriated	A-21	<u>170,137.67</u>
Balance, December 31, 2023	A	\$ <u><u>196,722.15</u></u>

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2022	A		\$ 608,257.76
Increased by:			
2023 Budget Appropriations	A-3	\$ 526,640.14	
Reserve for Outside Liens	A-27	170,964.00	
Other Charges		<u>305.97</u>	
			<u>697,910.11</u>
			\$ <u>1,306,167.87</u>
Decreased by:			
Transfer to Appropriation Reserves	A-14	\$ 555,882.63	
Disbursements	A-4	288.00	
Cancel	A-1	<u>35,709.19</u>	
			<u>591,879.82</u>
Balance, December 31, 2023	A		\$ <u><u>714,288.05</u></u>

TOWNSHIP OF HARDING  
CURRENT FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>ANIMAL CONTROL FUND</u>	<u>TRUST OTHER UNEMPLOYMENT</u>
Balance, December 31, 2022 Due From	A	\$ 32.50	\$ 32.50	
Receipts	A-4	\$ <u>169.06</u>	\$ <u>32.50</u>	\$ <u>136.56</u>
Balance, December 31, 2023 Due To	A	\$ <u><u>136.56</u></u>		\$ <u><u>136.56</u></u>

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>ACCOUNTS</u>	<u>REF.</u>	<u>ACCRUED IN 2023</u>	<u>COLLECTED</u>
Clerk:			
Licenses:			
Alcoholic Beverages	A-2	\$ 5,150.00	\$ 5,150.00
Interest and Costs on Taxes	A-2	76,046.24	76,046.24
Interest on Investments and Deposits	A-2	179,897.96	179,897.96
Construction Code Official	A-2	509,056.00	509,056.00
Board of Adjustment:			
Fees and Permits	A-2	15,828.00	15,828.00
Planning Board:			
Fees and Permits	A-2	22,077.00	22,077.00
Zoning:			
Fees and Permits	A-2	25,215.50	25,215.50
Board of Health:			
Fees and Permits	A-2	49,725.00	49,725.00
Tree Removal:			
Fees and Permits	A-2	236.00	236.00
Municipal Court:			
Fines and Costs	A-2	24,537.14	24,537.14
Garden State Trust Fund	A-2	17,493.00	17,493.00
Energy Receipts Tax	A-2	450,372.76	450,372.76
Redeveloper Fee	A-2	91,500.00	91,500.00
American Rescue Plan	A-2	196,776.89	196,776.89
Revenue Police Shared		34,000.00	34,000.00
The Farm at Harding	A-2	245,300.00	245,300.00
		<u>\$ 1,943,211.49</u>	<u>\$ 1,943,211.49</u>

REF.

A-4

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2022	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES:</u>				
Administrative and Executive	\$ 2,791.47	\$ 2,791.47	\$	2,791.47
Township Committee	3,600.00	3,600.00		3,600.00
Municipal Clerk	981.94	981.94		981.94
Financial Administration	7,324.16	7,324.16		7,324.16
Collection of Taxes	10,046.79	10,046.79		10,046.79
Planning Board	1,823.98	1,823.98		1,823.98
Board of Adjustment	1,857.31	1,857.31		1,857.31
Police	10,608.76	10,608.76		10,608.76
Emergency Management	4,000.00	4,000.00		4,000.00
Road Repair and Maintenance	25,990.75	25,990.75		25,990.75
Solid Waste Collection	2,000.00	2,000.00		2,000.00
Recycling Program	12.66	12.66		12.66
Snow Removal	22,390.55	22,390.55		22,390.55
Board of Health	1,150.25	1,150.25		1,150.25
Environmental Commission	425.00	425.00		425.00
Open Space Commission	600.00	600.00		600.00
Construction Code	6,747.28	6,747.28		6,747.28
Historical Preservation	1,000.00	1,000.00		1,000.00
Accumulated Leave Comp	19,267.81	19,267.81	15,665.87	3,601.94
<u>OTHER EXPENSES:</u>				
Administrative and Executive	59,669.99	59,669.99	17,410.10	42,259.89
Management Information	16,893.48	16,893.48	13,625.32	3,268.16
Human Resources	1,333.40	1,333.40		1,333.40
Township Committee	14,054.13	14,054.13		14,054.13
Municipal Clerk	19,956.51	19,956.51	3,187.30	16,769.21
Election	2,023.34	2,023.34		2,023.34
Financial Administration	9,025.10	9,025.10	2,153.34	6,871.76
Financial Administration - Audit	700.00	700.00		700.00
Collection of Taxes	3,743.70	3,743.70	3,399.00	344.70
Assessment of Taxes	887.09	887.09		887.09
Cost of Tax Appeal	5,285.00	5,285.00	3,615.00	1,670.00
Tax Map Revision	3,167.00	3,167.00		3,167.00
Legal Services and Costs	24,860.32	24,860.32		24,860.32
Engineering Services and Costs	22,046.40	22,046.40	4,843.84	17,202.56
Planning Board	33,208.64	33,208.64	2,285.39	30,923.25
Board of Adjustments	75,099.46	75,099.46	23,717.44	51,382.02
Police	37,050.21	37,050.21	26,457.78	10,592.43
Emergency Management	1,453.95	1,453.95		1,453.95
Public Fire Prevention-Fire Hydrant	94.58	94.58	89.00	5.58
Road Repair and Maintenance	19,836.16	19,836.16	11,383.27	8,452.89
Solid Waste Collection	84,000.00	84,000.00	73,103.37	10,896.63
Recycling Program	14,524.92	14,524.92	1,231.89	13,293.03
Buildings and Grounds	41,099.08	41,099.08	13,881.20	27,217.88
Vehicle Maintenance	16,586.88	16,586.88	5,432.48	11,154.40
Condominium Reimbursement	39,308.02	39,308.02	10,848.34	28,459.68
Snow Removal	8,053.36	8,053.36	3,347.27	4,706.09
Board of Health	9,668.96	9,668.96	296.03	9,372.93
Dog Regulation	1,400.00	1,400.00		1,400.00
Environmental Commission	12,341.91	12,341.91	469.88	11,872.03
Historical Preservation Commission	2,175.00	2,175.00		2,175.00

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2022	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED):</u>				
Park Maintenance	\$ 17,666.36	\$ 17,666.36	\$ 700.00	\$ 16,966.36
Construction Code Official	14,166.69	14,166.69	5,307.55	8,859.14
Other Insurance Premiums	38,103.00	38,103.00	36,931.25	1,171.75
Group Insurance for Employees	372,976.75	372,976.75	12,149.20	360,827.55
Health Benefit Waiver	9,892.41	9,892.41		9,892.41
Motor Fuels	7,363.60	7,363.60	2,468.43	4,895.17
Electricity	14,180.10	14,180.10	5,181.32	8,998.78
Telephone	3,636.64	3,636.64	2,245.99	1,390.65
Water and Sewerage	1,000.00	1,000.00		1,000.00
Natural Gas	4,030.32	4,030.32	2,039.09	1,991.23
Street Lighting	2,875.56	2,875.56	102.45	2,773.11
Contingent	2,500.00	2,500.00		2,500.00
Social Security System (O.A.S.I.)	37,374.34	37,374.34		37,374.34
Public Employees Retirement Fund	62.00	62.00		62.00
Police & Firemen's Retirement System	365.00	365.00		365.00
Defined Contribution Retirement Program	1,591.08	1,591.08		1,591.08
Police Dispatch - Interlocal	92,000.00	92,000.00	91,389.34	610.66
Hanover Township Board of Health	1,688.15	1,688.15		1,688.15
Morris County Partnership	1,000.00	1,000.00		1,000.00
Joint Municipal Court	20,000.00	20,000.00		20,000.00
Matching Funds For Grants	10,000.00	10,000.00		10,000.00
<b>TOTAL</b>	<b>\$ 1,354,637.30</b>	<b>\$ 1,354,637.30</b>	<b>\$ 394,957.73</b>	<b>\$ 959,679.57</b>
			A-4	A-1
Reserved	A \$ 798,754.67			
Prior Year Accounts Payable	A-11 555,882.63			
	<b>\$ 1,354,637.30</b>			



"A-15"

TOWNSHIP OF HARDING  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>	
Balance, December 31, 2022	A	\$ 8,396.27
Increased by:		
Overpayments in 2023	A-4	<u>27,428.24</u>
		\$ 35,824.51
Decreased by:		
Disbursements	A-4	<u>28,526.76</u>
Balance, December 31, 2023	A	<u><u>7,297.75</u></u>

"A-16"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2022	A	\$ 467,711.67
Increased by:		
Collection of 2024 Taxes	A-4	<u>480,807.56</u>
		\$ 948,519.23
Decreased by:		
Applied to 2023 Taxes	A-8	<u>467,711.67</u>
Balance, December 31, 2023	A	<u><u>480,807.56</u></u>

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF RESERVE FOR UNAPPROPRIATED

	<u>REF.</u>	
Balance, December 31, 2022	A	\$ 220,108.81
Increased by:		
Receipts	A-4	<u>46,654.11</u>
		\$ 266,762.92
Decreased by:		
Disbursements	A-4	<u>196,776.89</u>
Balance, December 31, 2023	A	\$ <u><u>69,986.03</u></u>
<u>Analysis of Balance</u>		
Municipal Relief Fund		\$ <u>69,986.03</u>
		\$ <u><u>69,986.03</u></u>

TOWNSHIP OF HARDING

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2022	BUDGET APPROPRIATIONS	RECEIPTS	UNAPPROPRIATED APPLIED	BALANCE DECEMBER 31, 2023
DOT Municipal Aid Grant	\$ 177,950.19	\$			177,950.19
O.E.S. Grant	2,969.86				2,969.86
Drive Sober Get Pulled Over	343.75				343.75
Sand Spring Road SEC1 Resurfacing	61,724.92	112,770.00	68,613.71		61,724.92
Sand Spring Road SEC2 Resurfacing	29,176.00		28,006.00		44,156.29
Tunis-Ellick Preservation	313,721.00		117,598.28		1,170.00
Pleasantville Road	65,000.00				196,122.72
Municipal Alliance Grant	48,912.00				65,000.00
Body Camera Grant					48,912.00
Community Foundation Ann Kirby Fund		16,096.59		16,096.59	
Clean Communities		11,637.72		11,637.72	
Body Armor		2,314.14		2,314.14	
Recycling Tonnage		2,491.22		2,491.22	
Marget Field Grant		3,147.64		3,147.64	
Highlands Water Protection & Planning		15,000.00			
Storm Water Management Grant		25,000.00	25,000.00		15,000.00
	<u>\$ 699,797.72</u>	<u>\$ 188,457.31</u>	<u>\$ 239,217.99</u>	<u>\$ 35,687.31</u>	<u>\$ 613,349.73</u>

REF.

A

A-2:A-21

A-4

A-22

A

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF RESERVE FOR CONSTRUCTION CODE DCA - DUE STATE OF NEW JERSEY

	<u>REF.</u>	
Balance, December 31, 2022	A	\$ 2,951.00
Increased by:		
Receipts	A-4	<u>18,226.00</u>
		\$ <u>21,177.00</u>
Decreased by:		
Disbursements	A-4	<u>13,589.00</u>
Balance, December 31, 2023	A	\$ <u><u>7,588.00</u></u>

SCHEDULE OF RESERVE FOR TAX APPEALS

Balance, December 31, 2022	A	\$ 45,059.69
Increased by:		
Allocated from Current Taxes	A-2	<u>110,000.00</u>
		\$ <u>155,059.69</u>
Decreased by:		
Disbursements	A-4	<u>27,428.24</u>
Balance, December 31, 2023	A	\$ <u><u>127,631.45</u></u>

TOWNSHIP OF HARDING

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2022	BUDGET APPROPRIATION	EXPENDED	ACCOUNTS PAYABLE	BALANCE DECEMBER 31, 2023
Various DOT Grant (Including Pleasantville Rd)	\$ 114,759.91	\$	\$	\$ (20,153.98)	\$ 134,913.89
Drunk Driving Reinforcement	13.70		13.70		
Community Foundation NJ Ann Kirby Fund	33,064.79	16,096.59	27,340.08	2,876.75	18,944.55
Clean Community Program	97,337.66	11,637.72	12,129.72	(2,378.90)	99,224.56
ANJEC Grant	3,260.40				3,260.40
Alcohol ED Rehab Prog.	2,606.31				2,606.31
Body Armor Grant	989.82	2,314.14	2,917.60	386.36	
Recycling Tonnage Grant	3,508.32	2,491.22		(470.45)	6,469.99
Storm Water Management	5,148.50	25,000.00			30,148.50
Sand Spring Road SEC2 Resurfacing DOT		112,770.00		91,484.95	21,285.05
Environmental Services	20,940.51				20,940.51
Great Swamp Project	4,748.41				4,748.41
Whip Grant 2005	1,194.75				1,194.75
Glenn Alpin ACQ Grant	50,165.56				50,165.56
Distracted Driving Crackdown	343.75				343.75
Body Camera Grant			48,912.00	(48,912.00)	
ARP Funding	196,776.88				196,776.88
Community Foundation Margetts Field	15,970.87	3,147.64			19,118.51
Water Use & Conservation Management Plan	6,700.00		5,177.00	1,523.00	
DOT Grant -08	11,889.34				11,889.34
Highlands Water Protection & Planning		15,000.00	12,771.25	2,228.75	
	<u>\$ 569,419.48</u>	<u>\$ 188,457.31</u>	<u>\$ 109,261.35</u>	<u>\$ 26,584.48</u>	<u>\$ 622,030.96</u>

REF.

A

A-3:A-18

A-4

A

Accounts Payable A-10 \$ 196,722.15  
 Transferred From Accounts Payable A-10 (170,137.67)

\$ 26,584.48

"A-22"

TOWNSHIP OF HARDING

GRANT FUND

SCHEDULE OF GRANTS UNAPPROPRIATED

	BALANCE DECEMBER 31, 2022	RECEIPTS	APPLIED TO REVENUE	BALANCE DECEMBER 31, 2023
Body Armor Grant	\$ 2,314.14	\$ 1,459.82	\$ 2,314.14	\$ 1,459.82
Clean Community Grant	11,637.72	13,052.99	11,637.72	13,052.99
Community Foundation Grant - Ann Kirby	16,096.59	13,872.87	16,096.59	13,872.87
Margett's Field	3,147.64	2,657.35	3,147.64	2,657.35
Recycling Tonnage Grant	2,491.22	2,972.84	2,491.22	2,972.84
	<u>\$ 35,687.31</u>	<u>\$ 34,015.87</u>	<u>\$ 35,687.31</u>	<u>\$ 34,015.87</u>

REF.

A

A-4

A-18

A

"A-23"

TOWNSHIP OF HARDING  
CURRENT FUND  
SCHEDULE OF RESERVE FOR FEMA

	<u>REF.</u>	
Balance, December 31, 2022 and December 31, 2023	A	\$ <u>120,688.71</u>

"A-24"

SCHEDULE OF COUNTY TAXES PAYABLE

Increased by:			
2023 Levy	A-1:A-8	\$ 5,956,387.07	
Added and Omitted	A-1:A-8	<u>20,795.77</u>	\$ <u>5,977,182.84</u>
Decreased by:			
Disbursements	A-4		\$ <u>5,977,182.84</u>

"A-25"

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

	<u>REF.</u>	
Increased by:		
School Levy	A-1:A-8	\$ <u>11,440,619.00</u>
Decreased by:		
Disbursements	A-4	\$ <u>11,440,691.00</u>

"A-26"

SCHEDULE OF MUNICIPAL OPEN SPACE TAXES PAYABLE

Increased by:			
2023 Tax Levy	A-1:A-8	\$ 843,356.00	
Added Taxes	A-1:A-8	<u>2,947.27</u>	
			\$ <u>846,303.27</u>
Decreased by:			
Disbursements	A-4		\$ <u><u>846,303.27</u></u>

"A-27"

SCHEDULE OF OUTSIDE LIEN REDEMPTIONS

Balance, December 31, 2022	A		\$ 853.41
Increased by:			
Receipts	A-4		<u>225,951.66</u>
			\$ <u>226,805.07</u>
Decreased by:			
Disbursements	A-4	\$ 55,841.07	
Accounts Payable	A-11	<u>170,964.00</u>	
			<u>226,805.07</u>
Balance, December 31, 2023	A		\$ <u><u>0.00</u></u>



TOWNSHIP OF HARDING  
CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES

	<u>REF.</u>	
Increased by:		
Deferred Charges	A-3	\$ 80,000.00
Balance, December 31, 2023	A	<u>80,000.00</u>

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF DUE CURRENT FUND - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>		
Balance, December 31, 2022 (Due To)	B	\$	32.50
Decreased by:			
Disbursements	B-1		<u>32.50</u>

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE DECEMBER 31, 2023</u>
Credit Card Fees	\$ 3,644.22	\$ 7,423.85	\$ 7,249.90	\$ 3,818.17
Recycling	13,521.25			13,521.25
Police Outside Overtime	26,068.21	116,205.00	116,205.00	26,068.21
Police Outside Overtime Admin	31,755.00	13,590.00		45,345.00
Tax Sale Premiums	523,400.00	192,700.00	66,000.00	650,100.00
Other Deposits	19,008.20			19,008.20
POAA	4.00			4.00
Snow Removal	25,000.00			25,000.00
Accumulated Leave	88,383.11			88,383.11
Municipal Alliance Program	526.76			526.76
Fire Safety	1,500.00	10,000.00	1,888.97	9,611.03
Police Donation	90,621.99	750.00		91,371.99
	<u>\$ 823,432.74</u>	<u>\$ 340,668.85</u>	<u>\$ 191,343.87</u>	<u>\$ 972,757.72</u>

REF.

B

B-1

B-1

B

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>	
Balance, December 31, 2022	B	\$ 11,944.37
Increased by:		
Receipts	B-1	<u>7,509.00</u>
		\$ <u>19,453.37</u>
Decreased by:		
Disbursements	B-1	<u>10,902.89</u>
Balance, December 31, 2023	B	\$ <u><u>8,550.48</u></u>

DOG LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2022	\$ 8,955.82
2021	<u>8,888.20</u>
	\$ <u><u>17,844.02</u></u>

"B-5"

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY - ANIMAL CONTROL TRUST FUND

REF.

Increased by:		
State Registration Fees Collected	B-1	\$ <u>600.00</u>
Decreased by:		
Paid to State Department of Health	B-1	<u>600.00</u>

"B-6"

SCHEDULE OF RESERVE FOR TREE PRESERVATION ESCROW

Balance, December 31, 2022	B	\$ 160,199.88
Increased by:		
Receipts	B-1	<u>10,115.37</u>
		\$ <u>170,315.25</u>
Decreased by:		
Disbursements	B-1	<u>13,914.16</u>
Balance, December 31, 2023	B	\$ <u><u>156,401.09</u></u>

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF DEVELOPERS' DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2022	B	\$ 979,230.15
Increased by:		
Receipts	B-1	<u>350,067.16</u>
		\$ 1,329,297.31
Decreased by:		
Disbursements	B-1	<u>386,869.93</u>
Balance, December 31, 2023	B	<u><u>\$ 942,427.38</u></u>

ANALYSIS OF BALANCE:

Technical Review Escrow	\$ 96,185.06
Engineering Escrow	147,007.96
Performance Bond Escrow	506,889.84
Grading Permit Escrow	<u>192,344.52</u>
	<u><u>\$ 942,427.38</u></u>

"B-8"

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF UNEMPLOYMENT INSURANCE COMPENSATION

	<u>REF.</u>		
Balance, December 31, 2022	B	\$	77,162.20
Increased by:			
Receipts	B-1		12,619.45
		\$	<u>89,781.65</u>
Decreased by:			
Disbursements	B-1		314.36
Balance, December 31, 2023	B	\$	<u><u>89,467.29</u></u>

"B-9"

SCHEDULE OF RESERVE FOR OPEN SPACE DEPOSITS

Balance, December 31, 2022	B	\$	712,773.87
Increased by:			
Tax Levy		\$	843,356.00
Tax Levy-Added & Omitted			2,947.27
Interest & Other Deposits			<u>12,248.21</u>
	B-1		858,551.48
		\$	<u>1,571,325.35</u>
Decreased by:			
Disbursements	B-1		<u>296,568.85</u>
Balance, December 31, 2023	B	\$	<u><u>1,274,756.50</u></u>

"B-10"

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Increased by:		
Disbursements	B-1	\$ <u>136.56</u>
Balance, December 31, 2023 (Due From)	B	\$ <u><u>136.56</u></u>
<u>Analysis of Balance:</u>		
Unemployment Trust		\$ <u>136.56</u>
		\$ <u><u>136.56</u></u>

"B-11"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND

Balance, December 31, 2022	B	\$ 3,610.36
Increased by:		
Receipts	B-1	<u>58.83</u>
Balance, December 31, 2023	B	\$ <u><u>3,669.19</u></u>



"B-12"

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING CONTRIBUTION

	<u>REF.</u>	
Balance, December 31, 2022	B	\$ 802,183.45
Increased by:		
Receipts	B-1	<u>131,250.23</u>
		\$ 933,433.68
Decreased by:		
Disbursements	B-1	<u>73,899.44</u>
Balance, December 31, 2023	B	<u>\$ 859,534.24</u>

"B-13"

SCHEDULE OF RESERVE FOR THE FARM AT HARDING

Balance, December 31, 2022	B	\$ 1,240,130.43
Increased by:		
Receipts	B-1	<u>6,458.26</u>
		\$ 1,246,588.69
Decreased by:		
Disbursements	B-1	<u>248,529.13</u>
Balance, December 31, 2023	B	<u>\$ 998,059.56</u>

"B-14"

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL TRUST

	<u>REF.</u>	
Balance, December 31, 2022	B	\$ 32,913.97
Increased by:		
Receipts	B-1	<u>4,105,132.52</u>
		\$ 4,138,046.49
Decreased by:		
Disbursements	B-1	<u>4,111,962.25</u>
Balance, December 31, 2023	B	<u>\$ 26,084.24</u>

"B-15"

SCHEDULE OF RESERVE FOR FLEXIBLE SPENDING

Balance, December 31, 2022	B	\$ 18,200.87
Increased by:		
Receipts	B-1	<u>3,561.18</u>
		\$ 21,762.05
Decreased by:		
Disbursements	B-1	<u>3,010.69</u>
Balance, December 31, 2023	B	<u>\$ 18,751.36</u>

"B-16"

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF RESERVE FOR HEALTH SAVINGS

	<u>REF.</u>		
Balance, December 31, 2022	B	\$	5.92
Increased by:			
Receipts	B-1		<u>65,758.65</u>
		\$	<u>65,764.57</u>
Decreased by:			
Disbursements	B-1		<u>65,756.90</u>
Balance, December 31, 2023	B	\$	<u><u>7.67</u></u>

"B-17"

SCHEDULE OF RESERVE FOR HEALTH REIMBURSEMENT

Balance, December 31, 2022	B	\$	12,828.78
Increased by:			
Receipts	B-1		<u>42,303.45</u>
		\$	<u>55,132.23</u>
Decreased by:			
Disbursements	B-1		<u>46,358.78</u>
Balance, December 31, 2023	B	\$	<u><u>8,773.45</u></u>

TOWNSHIP OF HARDING  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2022	C		\$ 3,427,903.95
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-8	\$ 450,000.00	
Bond Anticipation Notes Payable	C-10	1,619,617.00	
Fund Balance	C-1	5,344.74	
Deferred Charges to Future Taxation Unfunded	C-7	<u>21,300.00</u>	
			<u>2,096,261.74</u>
			\$ 5,524,165.69
Decreased by Disbursements:			
Contracts Payable	C-12	\$ 979,959.24	
Bond Anticipation Notes Payable	C-10	<u>1,640,917.00</u>	
			<u>2,620,876.24</u>
Balance, December 31, 2023	C		<u>\$ 2,903,289.45</u>

"C-3"

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	<u>BALANCE DECEMBER 31, 2023</u>
Capital Improvement Fund	\$ 100,159.51
Reserve for Grants Receivable	223,000.00
Reserve for Open Space	154,500.00
Grants Receivable	(256,743.83)
Reserve for Contracts Payable	706,350.68
Reserve to Pay Notes	28,241.20
Fund Balance	425,955.49
Improvement Authorizations Funded	<u>1,521,826.40</u>
	<u>\$ 2,903,289.45</u>

REF.

C

"C-4"

SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE

Balance, December 31, 2022 and December 31, 2023	C	\$ <u>223,000.00</u>
---	---	----------------------

"C-5"

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES  
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance, December 31, 2022	C	\$ 2,915,000.00
Decreased by:		
Bonds Paid	C-11	<u>435,000.00</u>
Balance, December 31, 2023	C	<u>\$ 2,480,000.00</u>

"C-6"

SCHEDULE OF ACCOUNTS RECEIVABLE

Balance, December 31, 2022 and December 31, 2023	C	\$ <u>256,743.83</u>
<u>ANALYSIS OF BALANCE:</u>		
Morris County Open Space Grant		\$ 223,000.00
Transportation Trust Fund Receivable		<u>33,743.83</u>
		<u>\$ 256,743.83</u>

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE		BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2023	ANALYSIS OF BALANCE, DECEMBER 31, 2023		
		DECEMBER 31, 2022				BOND ANTICIPATION NOTES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS	
2018-05	Acquisition of Real Property	\$ 1,203,667.00	\$	15,600.00	\$ 1,188,067.00	\$	1,188,067.00	\$
2018-22	Acquisition of Real Property	437,250.00		5,700.00	431,550.00		431,550.00	
		<u>\$ 1,640,917.00</u>	<u>\$</u>	<u>21,300.00</u>	<u>\$ 1,619,617.00</u>	<u>\$</u>	<u>1,619,617.00</u>	<u>\$ - 0 -</u>
REF.		C		C-2	C		C-10	

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2022	C		\$ 214,159.51
Increased by:			
2023 Budget Appropriation	C-2	\$ 450,000.00	
Improvements Canceled	C-9	<u>169,800.00</u>	
			<u>619,800.00</u>
			\$ 833,959.51
Decreased by:			
Appropriated to Finance:			
Improvement Authorizations	C-9		<u>733,800.00</u>
Balance, December 31, 2023	C		\$ <u>100,159.51</u>



TOWNSHIP OF HARDING  
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	GENERAL IMPROVEMENTS	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2022		2023 AUTHORIZATIONS	CONTRACTS PAYABLE CANCELLED	CONTRACTS PAYABLE	IMPROVEMENT AUTHORIZATIONS CANCELLED	BALANCE DECEMBER 31, 2023	
				FUNDED	UNFUNDED					FUNDED	UNFUNDED
2005-8	2005-16	05/18/05-09/06/05	1,000,000.00	\$ 22,681.01	\$	\$	\$	\$	\$	\$ 22,681.01	\$
2005-14	Restoration/Rehabilitation-Glen Alpin	07/13/05	284,500.00	37,500.00						37,500.00	
2006-02	Restoration/Rehabilitation-Glen Alpin	03/01/06	850,000.00	43,366.91						43,366.91	
2006-10	Various Public Improvements	09/03/06	107,500.00	37,500.00						37,500.00	
2011-07	Various Public Improvements/Acquisitions	05/18/11	336,500.00	14,000.00						14,000.00	
2013-03	Various Public Improvements/Acquisitions	06/10/13	436,500.00	50,000.00						50,000.00	
2014-04	Various Public Improvements/Acquisitions	05/12/14	750,000.00	215,000.00						215,000.00	
2015-03	Various Public Improvements/Acquisitions	04/13/15	810,000.00	220,882.77	676.76					221,559.53	
2016-02	Various Public Improvements/Acquisitions	03/14/16	651,000.00	34,782.32						2,466.29	
2017-02	Various Public Improvements/Acquisitions	03/22/17	1,020,750.00	206,795.64						121,755.30	
2018-03	Various Public Improvements/Acquisitions	04/09/18	750,000.00	56,642.45				24,800.00		7,040.00	
2018-17	Various Public Improvements/Acquisitions	09/10/18	42,902.00	3,822.11							
2019-08	Various Public Improvements/Acquisitions	04/15/19	616,000.00	187,201.62				125,000.00		41,348.92	
2020-02	Various Public Improvements/Acquisitions	04/13/20	574,350.00	82,601.25				56,750.40		25,850.85	
2021-07	Various Public Improvements	6/14/2021	557,100.00	237,185.80				20,000.00		182,003.91	
2022-04	Various Improvements	4/11/2022	773,600.00	396,735.04				123,352.61		273,382.43	
2022-05	Various Improvements	5/9/2022	92,000.00	7,339.65						7,339.65	
2022-13	Various Improvements	7/11/2022	70,000.00	15,750.52						15,750.52	
2023-04	Various Public Improvements/Acquisitions	05/15/23	578,600.00	578,600.00	578,600.00			407,748.40		170,851.60	
2023-08	Various Public Improvements/Acquisitions	07/10/23	126,000.00	126,000.00	126,000.00			93,562.88		32,437.12	
2023-09	Various Public Improvements/Acquisitions	08/14/23	8,000.00	8,000.00	8,000.00			5,856.69		2,143.31	
2023-10	Various Public Improvements/Acquisitions	09/11/23	149,800.00	149,800.00	149,800.00			131,950.95		17,849.05	
2023-13	Various Public Improvements/Acquisitions	12/11/2023	85,890.00	85,890.00	85,890.00			85,890.00			
				\$ 1,869,787.09	\$	\$ 948,290.00	\$ 676.76	\$ 1,127,127.45	\$ 169,800.00	\$ 1,521,826.40	\$ - 0 -
				C	C	C	C-12	C-12	C-8	C-C-3	C-C-7

Capital Improvement Fund  
Fund Balance

\$ 733,800.00  
214,490.00  
\$ 948,290.00

REF.  
C-8  
C-1

TOWNSHIP OF HARDING  
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE</u>	<u>ORIGINAL DATE OF ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2023</u>
Ordinance #2018-05	8/22/18	8/19/22	8/18/23	0.276%	\$ 1,203,667.00	\$	\$ 1,203,667.00	\$
Ordinance #2018-05	8/22/18	8/17/23	8/16/24	4.500%		1,188,067.00		1,188,067.00
Ordinance #2018-22	8/22/19	8/19/22	8/18/23	0.276%	437,250.00		437,250.00	
Ordinance #2018-22	8/22/19	8/17/23	8/16/24	4.500%		431,550.00		431,550.00
					<u>\$ 1,640,917.00</u>	<u>\$ 1,619,617.00</u>	<u>\$ 1,640,917.00</u>	<u>\$ 1,619,617.00</u>
				<u>REF.</u>	<u>C</u>	<u>C-2</u>	<u>C-2</u>	<u>C:C-7</u>

TOWNSHIP OF HARDING  
 GENERAL CAPITAL FUND  
 SCHEDULE OF SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	PRINCIPAL REQUIREMENTS OF BOND OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2022	DECREASED	BALANCE DECEMBER 31, 2023
			DATE	AMOUNT				
General Improvement Refunding Bonds of 2017	June 8, 2017	\$ 4,535,000.00	2/15/24	\$ 450,000.00	4.00%			
			2/15/25	470,000.00	5.00%			
			2/15/26	495,000.00	5.00%			
			2/15/27	520,000.00	5.00%			
			2/15/28	545,000.00	5.00%	\$ 2,915,000.00	\$ 435,000.00	\$ 2,480,000.00
						\$ 2,915,000.00	\$ 435,000.00	\$ 2,480,000.00
					REF.	C	C-5	C

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2022	C		\$ 559,859.23
Increased by:			
Improvement Authorizations	C-9		<u>1,127,127.45</u>
			\$ <u>1,686,986.68</u>
Decreased by:			
Disbursements	C-2	\$ 979,959.24	
Canceled	C-9	<u>676.76</u>	
			<u>980,636.00</u>
Balance, December 31, 2023	C		\$ <u><u>706,350.68</u></u>

"C-13"

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR OPEN SPACE

REF.

Balance, December 31, 2022  
and December 31, 2023

C

\$ 154,500.00

"C-14"

SCHEDULE OF RESERVE TO PAY NOTES

Balance, December 31, 2022  
and Balance, December 31, 2023

C

\$ 28,241.20

TOWNSHIP OF HARDING

SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2022	D	\$ <u>471,766.93</u>	\$ <u>195,309.72</u>
Increased by Receipts:			
Sewer Use Charges Receivable	D-9	\$ 219,843.86	\$
Miscellaneous Revenue Not Anticipated	D-2	10,935.89	
Prepaid Sewer Rents	D-11	4,615.76	
Capital Improvement Fund	D-12		20,000.00
		\$ <u>235,395.51</u>	\$ <u>20,000.00</u>
		\$ <u>707,162.44</u>	\$ <u>215,309.72</u>
Decreased by Disbursements:			
2023 Budget Appropriations	D-3	\$ 230,394.67	\$
2022 Appropriation Reserves	D-8	556.28	
		\$ <u>230,950.95</u>	\$
Balance, December 31, 2023	D	\$ <u><u>476,211.49</u></u>	\$ <u><u>215,309.72</u></u>

"D-5"

TOWNSHIP OF HARDING

SEWER UTILITY CAPITAL FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH

	BALANCE DECEMBER 31, 2023
Contribution in Aid of Construction	\$ 3,000.00
Capital Improvement Fund	103,500.00
Reserve for Contracts Payable	4,375.00
Interfunds Payable	
Improvement Authorizations - Funded	<u>104,434.72</u>
	<u>\$ 215,309.72</u>
<u>REF.</u>	D

"D-6"

SCHEDULE OF RESERVE FOR CONTRIBUTION IN AID OF CONSTRUCTION

Balance, December 31, 2022 and December 31, 2023	D	\$ <u>3,000.00</u>
---	---	--------------------

TOWNSHIP OF HARDING

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2022 AND 2023</u>
Air Blower	\$ 525.00
Gas Detector	3,016.46
Two-Way Recovery System	1,692.72
Sewer Pump Station	4,201.72
Super Shredder	15,976.00
Franklin Miller Grinder	4,120.00
Suction Piping	2,290.00
Fence	1,825.00
Motor	1,851.50
Emergency Generator	13,100.00
Equipment - Pump Station	1,772.93
Pump Repair	24,547.57
Pump Station Improvements	57,000.00
Various Improvements & Acquisitions	<u>23,646.84</u>
	<u>\$ 155,565.74</u>

REF.

D



TOWNSHIP OF HARDING

SEWER UTILITY FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2022	ACCOUNTS PAYABLE	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operating:					
Salaries & Wages	\$ 27.53	\$	27.53	\$	27.53
Other Expenses	27,943.18	4,648.50	32,591.68	556.28	32,035.40
Statutory Expenditures:					
Contribution to Social Security	2,000.00		2,000.00		2,000.00
	<u>\$ 29,970.71</u>	<u>\$ 4,648.50</u>	<u>\$ 34,619.21</u>	<u>\$ 556.28</u>	<u>\$ 34,062.93</u>

REF.

D

D-17

D-4

D-1

"D-9"

TOWNSHIP OF HARDING

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2022	D		\$ 3,430.56
Increased by:			
Sewer Charges Levied (Net)			<u>225,000.00</u>
			\$ 228,430.56
Decreased By:			
Receipts	D-4	\$ 219,843.83	
Overpaid Applied	D-18	608.56	
Prepaid Applied	D-11	<u>2,058.84</u>	
			<u>222,511.23</u>
Balance, December 31, 2023	D		<u>\$ 5,919.33</u>

"D-10"

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE NUMBER</u>	<u>ORDINANCE DATE</u>	<u>BALANCE DECEMBER 31, 2022 &amp; 2023</u>
Various Improvements and Acquisitions	2008-10	5/18/10	\$ 30,000.00
Improvements to Sewer Pumping Station	2014-07	6/9/14	35,000.00
Various Improvements and Acquisitions	2018-04	4/9/18	45,000.00
Various Improvements and Acquisitions	2019-09	4/15/19	31,500.00
Various Improvements and Acquisitions	2020-03	4/13/20	<u>20,000.00</u>
			<u>\$ 161,500.00</u>
	<u>REF.</u>		D

"D-11"

TOWNSHIP OF HARDING

SEWER UTILITY FUND

SCHEDULE OF RESERVE FOR PREPAID SEWER RENTS

	<u>REF.</u>	
Balance, December 31, 2022	D	\$ 2,058.84
Increased by:		
Receipts	D-4	<u>4,615.76</u>
		\$ <u>6,674.60</u>
Decreased by:		
Applied to Revenue	D-9	<u>2,058.84</u>
Balance, December 31, 2023	D	\$ <u><u>4,615.76</u></u>

"D-12"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2022	D	\$ 83,500.00
Increase by:		
Receipts	D-4	<u>20,000.00</u>
Balance, December 31, 2023	D	\$ <u><u>103,500.00</u></u>

"D-13"

TOWNSHIP OF HARDING

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

	<u>REF.</u>	
Balance, December 31, 2022 and December 31, 2023	D	\$ <u>161,500.00</u>
<u>Analysis of Balance:</u>		
2008-10 Various Improvements		\$ 30,000.00
2014-07 Improvements to Sewer Pumping Station		35,000.00
2018-04 Various Improvements & Acquisitions		45,000.00
2019-09 Various Improvements & Acquisitions		31,500.00
2020-03 Various Improvements & Acquisitions		<u>20,000.00</u>
		\$ <u>161,500.00</u>

"D-14"

SCHEDULE OF RESERVE FOR AMORTIZATION

<u>ACCOUNT</u>		<u>BALANCE DECEMBER 31, 2022 AND 2023</u>
Air Blower		\$ 525.00
Gas Detector		3,016.46
Two-Way Recovery System		1,692.72
Sewer Pump Station		4,201.72
Super Shredder		15,976.00
Franklin Miller Grinder		4,120.00
Suction Piping		2,290.00
Fence		1,825.00
Motor		1,851.50
Emergency Generator		13,100.00
Equipment - Pump Station		1,772.93
Pump Repair		24,547.57
Other Improvements		<u>80,646.84</u>
		\$ <u>155,565.74</u>

REF. D

TOWNSHIP OF HARDING  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE</u>		<u>BALANCE</u>		<u>CONTRACTS PAYABLE CANCELED</u>	<u>BALANCE DECEMBER 31, 2023 FUNDED</u>
		<u>DATE</u>	<u>AMOUNT</u>	<u>DECEMBER 31, 2022 FUNDED</u>	<u>DECEMBER 31, 2022 FUNDED</u>		
10-08	Various Improvements	6/4/08	\$ 30,000.00	\$ 57.50	\$	\$	57.50
07-14	Various Improvements	6/9/14	35,000.00	3,621.23	4,255.99	7,877.22	7,877.22
04-18	Various Improvements	4/9/18	45,000.00	45,000.00		45,000.00	45,000.00
09-19	Various Improvements	4/15/19	31,500.00	31,500.00		31,500.00	31,500.00
03-20	Various Improvements	4/13/20	20,000.00	20,000.00		20,000.00	20,000.00
				\$ 100,178.73	\$ 4,255.99	\$ 104,434.72	

REF.

D

D-16

D

"D-16"

TOWNSHIP OF HARDING

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2022	D	\$ 8,630.99
Decreased by:		
Canceled	D-15	<u>4,255.99</u>
Balance, December 31, 2023	D	<u>\$ 4,375.00</u>

"D-17"

SEWER UTILITY FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2022	D	\$ 4,648.50
Increased by:		
2023 Appropriations	D-3	<u>3,655.33</u>
		\$ 8,303.83
Decreased by:		
Transferred to Appropriation Reserves	D-8	<u>4,648.50</u>
Balance, December 31, 2023	D	<u>\$ 3,655.33</u>

TOWNSHIP OF HARDING

SEWER UTILITY FUND

SCHEDULE OF SEWER OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2022	D	\$	608.56
Decreased by:			
Applied to Receivable	D-9		<u>608.56</u>

TOWNSHIP OF HARDING

PART II

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023



TOWNSHIP OF HARDING

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE  
CURRENT FUND

	YEAR ENDED DECEMBER <u>31, 2023</u>	YEAR ENDED DECEMBER <u>31, 2022</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 2,342,617.11	\$ 2,750,000.00
Miscellaneous - From Other Than Local		
Property Tax Levies	3,352,452.62	2,948,381.89
Collection of Delinquent Taxes and Tax Title Liens	223,726.91	167,144.27
Collection of Current Tax Levy	<u>24,245,894.87</u>	<u>23,618,422.94</u>
<u>TOTAL INCOME</u>	<u>\$ 30,164,691.51</u>	<u>\$ 29,483,949.10</u>
<u>EXPENDITURES</u>		
Budget Expenditures	\$ 9,563,034.15	\$ 9,541,836.55
County Taxes	5,977,182.84	5,703,614.02
Local District School Taxes	11,440,619.00	11,191,897.00
Municipal Open Space Taxes	846,303.27	844,821.76
Other Expenditures	<u>148,110.57</u>	<u>25,003.79</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 27,975,249.83</u>	<u>\$ 27,307,173.12</u>
Excess in Revenue	\$ 2,189,441.68	\$ 2,176,775.98
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	<u>80,000.00</u>	<u>                    </u>
Regulatory Excess to Fund Balance	\$ 2,269,441.68	\$ 2,176,775.98
Fund Balance, January 1	<u>3,616,857.18</u>	<u>4,190,081.20</u>
	<u>\$ 5,886,298.86</u>	<u>\$ 6,366,857.18</u>
Less: Utilized as Anticipated Revenue	<u>2,342,617.11</u>	<u>2,750,000.00</u>
Fund Balance, December 31	<u>\$ 3,543,681.75</u>	<u>\$ 3,616,857.18</u>

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - SEWER UTILITY OPERATING FUND

	<u>YEAR 2023</u>		<u>YEAR 2022</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 56,900.00	17.54%	\$ 56,000.00	17.68%
Collection of Sewer Use Charges	222,511.26	68.59%	226,280.98	71.43%
Miscellaneous	<u>44,998.82</u>	<u>13.87%</u>	<u>34,503.37</u>	<u>10.89%</u>
<u>Total Revenue</u>	<u>\$ 324,410.08</u>	<u>100.00%</u>	<u>\$ 316,784.35</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 234,900.00	91.44%	\$ 234,000.00	91.41%
Capital Improvements	20,000.00	7.79%	20,000.00	7.81%
Statutory Expenditures	<u>2,000.00</u>	<u>0.78%</u>	<u>2,000.00</u>	<u>0.78%</u>
<u>Total Expenditures</u>	<u>\$ 256,900.00</u>	<u>100.00%</u>	<u>\$ 256,000.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 67,510.08		\$ 60,784.35	
Fund Balance - January 1	<u>434,480.32</u>		<u>429,695.97</u>	
	\$ 501,990.40		\$ 490,480.32	
Less: Utilization as Anticipated Revenue	<u>56,900.00</u>		<u>56,000.00</u>	
Fund Balance, December 31	<u>\$ 445,090.40</u>		<u>\$ 434,480.32</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	\$ <u>1.156</u>	\$ <u>1.130</u>	\$ <u>1.110</u>
Municipal (Including Open Space)	\$ 0.283	\$ 0.326	\$ 0.321
County (Including Open Space)	0.330	0.271	0.269
Local School	<u>0.543</u>	<u>0.533</u>	<u>0.520</u>

Assessed Valuations:

2023	<u>\$2,108,391,707.00</u>		
2022		<u>\$2,101,514,828.00</u>	
2021			<u>\$2,106,945,939.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of the tabulation will 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>Cash Collections</u>	<u>Percentage of Collection</u>
2023	\$24,458,062.47	\$24,245,894.87	99.13%
2022	23,865,367.93	23,618,422.94	98.96%
2021	23,463,106.81	23,239,716.56	99.04%

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>
2023	\$0.00	\$188,724.15	\$188,724.15	100.00%
2022	0.00	230,430.82	230,430.82	100.00%
2021	0.00	167,144.27	167,144.27	100.00%

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2023	\$225,000.00	\$222,511.26
2022	225,000.00	226,280.98
2021	225,000.00	225,659.93

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance Current Fund</u>	<u>Utilized in Budget of Succeeding Year</u>
2023	\$3,543,681.75	\$2,380,013.97
2022	3,616,857.18	2,342,617.11
2021	4,190,081.20	2,750,000.00
2020	4,300,010.56	2,400,000.00
2019	4,135,850.40	2,100,000.00

<u>Year</u>	<u>Balance Sewer Operating Fund</u>	<u>Utilized in Budget of Succeeding Year</u>
2023	\$445,090.40	\$57,900.00
2022	434,480.32	56,900.00
2021	429,695.97	56,000.00
2020	401,375.48	49,000.00
2019	403,081.59	39,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Timothy Jones	Mayor - Committee Chair	*
Christopher Yates	Committee Member	*
Nicholas Platt	Committee Member	*
Rita Chipperson	Deputy Mayor – Committee Vice-Chair	*
Nicole Lacz	Committee Member	*
Robert Falzarano	Administrator	*
Vincent DeNave	Assistant Administrator	*
Himanshu Shah	Chief Financial Officer (through 9/1/23)	*
Andrew Fiore	Chief Financial Officer (from 9/1/23)	*
Lisa Sharp	Clerk, Registrar	*
Rachel Leber	Tax Collector	*
Mark Fornaciari	Construction Official	*
Michael Gromek	Police Chief	*
Lori Taglairino	Planning Board & Board of Adjustment Administrator	*
George Byrnes	Zoning Officer	*
Tracy Toribio	Superintendent of Public Works, Principal Public Works Manager	*

\* Officials and employees handling and collecting Township funds are covered by the Township's employee dishonesty blanket coverage up to \$1,000,000.00. The policy was examined and was properly executed.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c. 198 (C.40A:11-3), except by contract or agreement.

Effective with the approval of Township resolution 20-113 on September 14, 2020, the bid threshold was raised to \$44,000.00 which is in compliance with N.J.A.C. 40A:11-3.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$44,000.00 within the fiscal year. 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.

The minutes indicated bids were requested by public advertising in 2023 for the following:

Lawn Care Services

The minutes indicate that resolutions were adopted and advertised 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 an accumulation of payments for categories for the performance of any work or the furnishing or hiring or any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Our audit of expenditures did not reveal any instances where an individual payment, contract or agreement in excess of \$44,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies occurred without public advertisement for bidding and a resolution had not been previously adopted under the provisions of N.J.S.A. 40A:11-6.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 for the following services:

Township Attorney	Bond Counsel
Township Engineer	Special Tax Counsel
Township Auditor	Other Legal Services
Township Planner	Other Consulting Services

## 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 5, 2023 adopted the following resolutions authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Mayor and Committee of the Township of Harding, as follows:

1. Taxes shall be collected quarterly on February 1, May 1, August 1 and November 1.
2. Payment of taxes shall be remitted to the Tax Collector of the Township of Harding.
3. Interest shall be charged and calculated at the rate of 8% per annum on first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00, to be calculated from the date the tax was payable until the date of actual payment received.
4. There shall be a 10 day grace period, after which unpaid taxes will be charged interest from the due date.
5. Redemption fee for Tax Sale Certificates to the Municipality as follows:  
  
2% on Certificates \$200.00 to \$4,999.99  
4% on Certificates \$5,000.00 to \$9,999.99  
6% on Certificates over \$10,000.00
6. Redemption amounts shall be obtained from the Tax Collector. A \$25.00 fee will be charged for each additional request for a redemption calculation.
  - 6a. Duplicate Tax Sale Certificate - \$100.00 fee
  - 6b. In lieu of publication, notice of tax sale to be mailed - \$25.00 fee
7. Bad check fee of \$20.00 shall be charged on all returned checks.
8. The Township Clerk is hereby directed to publish a copy of this resolution.



## DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 21, 2023 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2023	0
2022	0
2021	0

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

## 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, including the mailing of verification notices as follows:

<u>Type</u>	
Information Tax Positive Confirmation	25
Delinquent Tax Positive Confirmation	10
Information Utility Positive Confirmation	10
Delinquent Utility Positive Confirmation	4

## OTHER COMMENTS

Reference to the various balance sheets show interfund balances remaining at year end. Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. As a general rule all interfund balances should be closed out as of the end of year. It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

NONE