

Report of Audit

on the

Financial Statements

of the

Borough of Hawthorne

in the

County of Passaic
New Jersey

for the

Year Ended
December 31, 2023

BOROUGH OF HAWTHORNE

I N D E X

	<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 and 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 Change in Fund Balance - Regulatory Basis	"A-1"
Statement of Revenues - Regulatory Basis for the Year Ended December 31, 2023	"A-2"
Statement of Expenditures - Regulatory Basis for the Year Ended December 31, 2023	"A-3"
<u>Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"B"
Statements of Change in Fund Balance - Regulatory Basis - Assessment Trust Fund	"B-1"
<u>General Capital Fund:</u>	
Balance Sheets - Regulatory Basis	"C"
Statements of Change in Fund Balance - Regulatory Basis	"C-1"
<u>Water Utility Fund:</u>	
Balance Sheets - Regulatory Basis	"D"
Statements of Operations and Change in Fund Balance - Regulatory Basis - Operating Fund	"D-1"
Statements of Change in Fund Balance - Regulatory Basis - Capital Fund	"D-2"
Statement of Revenues - Regulatory Basis for the Year Ended December 31, 2023 - Operating Fund	"D-3"
Statement of Expenditures - Regulatory Basis for the Year Ended December 31, 2023 - Operating Fund	"D-4"
<u>Public Assistance Fund:</u>	
Balance Sheets - Regulatory Basis	"E"
<u>General Fixed Assets Account Group:</u>	
Balance Sheets - Regulatory Basis	"F"
	<u>PAGES</u>
Notes to Financial Statements	7-49

BOROUGH OF HAWTHORNE

INDEX (CONTINUED)

EXHIBITS

Supplementary Schedules - All Funds

Current Fund:

Schedule of Cash-Treasurer	"A-4"
Schedule of Change Funds	"A-5"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-6"
Schedule of Due State of New Jersey per Chapter 20, P.L. 1971	"A-7"
Schedule of Revenue Accounts Receivable	"A-8"
Schedule of Tax Title Liens	"A-9"
Schedule of Foreclosed Property	"A-10"
Schedule of Grants Receivable - Grant Fund	"A-11"
Schedule of County Taxes Payable	"A-12"
Schedule of Local School District Tax Payable	"A-13"
Schedule of 2022 Appropriation Reserves	"A-14"
Schedule of Prepaid Taxes	"A-15"
Schedule of Reserve for Tax Overpayments	"A-16"
Schedule of Reserve for Encumbrances Payable	"A-17"
Schedule of Accounts Payable	"A-18"
Schedule of Fees Payable	"A-19"
Schedule of Reserve for Grants - Appropriated - Grant Fund	"A-20"
Schedule of Reserve for Grants - Unappropriated - Grant Fund	"A-21"
Schedule of Interfunds	"A-22"
Schedule of Interfunds - Grant Fund	"A-23"
Schedule of Encumbrances Payable - Grant Fund	"A-24"
Schedule of Reserve for Tax Appeals	"A-25"
Schedule of Reserve for Municipal Relief Funds	"A-26"
Schedule of Deferred Charges	"A-27"

Trust Fund:

Schedule of Cash-Treasurer	"B-2"
Analysis of Cash - Assessment Trust Fund	"B-3"
Schedule of Assessments Receivable – Assessment Trust Fund	"B-4"
Schedule of Assessments Liens - Assessment Trust Fund	"B-5"
Schedule of Assessments Lien Interest and Costs - Assessment Trust Fund	"B-6"
Schedule of Due Current Fund - Assessment Trust Fund	"B-7"
Schedule of Reserve for Payment of Debt - Assessment Trust Fund	"B-8"
Schedule of Prospective Assessments Funded - Assessment Trust Fund	"B-9"
Schedule of Amount to be Raised by Taxation for Canceled Assessments - Assessment Trust Fund	"B-10"
Schedule of Various Reserves and Deposits	"B-11"
Schedule of Reserve for Animal Control Fund Expenditures	"B-12"
Schedule of Due State of New Jersey - Animal Control Fund	"B-13"
Schedule of Reserve for Unemployment Compensation Insurance	"B-14"
Schedule of Assessment Serial Bonds - Assessment Trust Fund	"B-15"
Schedule of Due Current Fund – Other Trust Fund	"B-16"
Schedule of Reserve for Assessments and Liens - Assessment Trust Fund	"B-17"
Schedule of Due General Capital Fund – Assessment Trust Fund	"B-18"
Schedule of Assessment Overpayments – Assessment Trust Fund	"B-19"
Schedule of Amount to be Raised by Taxation - Funded by Assessment Bonds - Assessment Trust Fund	"B-20"

BOROUGH OF HAWTHORNE

INDEX (CONTINUED)

EXHIBITS

General Capital Fund:

Schedule of Cash-Treasurer	"C-2"
Analysis of Cash	"C-3"
Schedule of Deferred Charges to Future Taxation - Funded	"C-4"
Schedule of Deferred Charges to Future Taxation - Unfunded	"C-5"
Schedule of New Jersey Environmental Infrastructure Loan Proceeds Receivable	"C-6"
Schedule of Due Assessment Trust Fund	"C-7"
Schedule of Grants Receivable	"C-8"
Schedule of Prospective Assessments Raised by Taxation	"C-9"
Schedule of General Serial Bonds	"C-10"
Schedule of Department of Environmental Protection - New Jersey Environmental Infrastructure Loan Payable	"C-11"
Schedule of Grants Receivable - Unfunded	"C-12"
Schedule of Various Reserves and Deposits	"C-13"
Schedule of Bond Anticipation Notes	"C-14"
Schedule of Improvement Authorizations	"C-15"
Schedule of Capital Improvement Fund	"C-16"
Schedule of Encumbrances Payable	"C-17"
Schedule of Due Water Utility Capital Fund	"C-18"
Schedule of Due Current Fund	"C-19"
Schedule of Bonds and Notes Authorized But Not Issued	"C-20"

Water Utility Fund:

Schedule of Cash-Treasurer	"D-5"
Analysis of Cash - Capital Fund	"D-6"
Schedule of Consumer Accounts Receivable - Operating Fund	"D-7"
Schedule of Interfunds - Operating Fund	"D-8"
Schedule of 2022 Appropriation Reserves - Operating Fund	"D-9"
Schedule of Encumbrances Payable - Operating Fund	"D-10"
Schedule of Water Loans Payable - Capital Fund	"D-11"
Schedule of Bonds and Notes Authorized But Not Issued	"D-12"
Schedule of Liens Receivable - Operating Fund	"D-13"
Schedule of Accrued Interest on Bonds, Notes and Loans - Operating Fund	"D-14"
Schedule of Loan Proceeds Receivable - Capital Fund	"D-15"
Schedule of Fixed Capital - Capital Fund	"D-16"
Schedule of Fixed Capital Authorized and Uncompleted - Capital Fund	"D-17"
Schedule of Improvement Authorizations - Capital Fund	"D-18"
Schedule of Reserve for Amortization - Capital Fund	"D-19"
Schedule of Reserve for Payment of Debt - Capital Fund	"D-20"
Schedule of Reserve for Deferred Amortization - Capital Fund	"D-21"
Schedule of Capital Improvement Fund - Capital Fund	"D-22"
Schedule of Serial Bonds Payable - Capital Fund	"D-23"
Schedule of Bond Anticipation Notes - Capital Fund	"D-24"
Schedule of Encumbrances Payable - Capital Fund	"D-25"
Schedule of Miscellaneous Receivables - Capital Fund	"D-26"
Schedule of Water Utility Rent Overpayments - Operating Fund	"D-27"
Schedule of Interfunds - Capital Fund	"D-28"
Schedule of Deferred Charges - Operating Fund	"D-29"
Schedule of Temporary I-Bank Note Payable - Capital Fund	"D-30"

BOROUGH OF HAWTHORNE

INDEX (CONTINUED)

EXHIBITS

Public Assistance Fund:

Schedule of Cash - Treasurer	"E-1"
Schedule of Reserve for Expenditures	"E-2"
Schedule of Cash and Reconciliation as of May 31, 2024	"E-3"

PAGES

PART II

Statistical Data	59-53
Officials in Office and Surety Bonds	54
General Comments and Recommendations	55-58

BOROUGH OF HAWTHORNE

PART I

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

REPORTS 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

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Hawthorne
County of Passaic
Hawthorne, New Jersey 07506

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 Borough of Hawthorne (the "Borough"), 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 Borough's regulatory financial statements as listed in the table of contents.

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.

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 Borough 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.

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 Borough 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 Borough 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 Borough'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 the 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 Borough's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough'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 July 11, 2024 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough'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 Borough's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 11, 2024



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

The Honorable Mayor and Members
of the Borough Council
Borough of Hawthorne
County of Passaic
Hawthorne, New Jersey 07056

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 Borough of Hawthorne, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated July 11, 2024. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Hawthorne 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 Borough'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 Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough'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 Borough of Hawthorne'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.

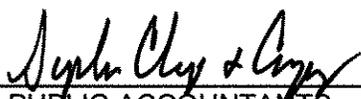
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

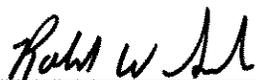
As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 Borough of Hawthorne'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 Borough of Hawthorne's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 11, 2024

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CURRENT FUND

BOROUGH OF HAWTHORNE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER 31, 2023	BALANCE DECEMBER 31, 2022
<u>ASSETS</u>			
Current Fund:			
Cash	A-4	\$ 25,588,108.86	\$ 25,669,097.36
Change Fund	A-5	1,055.00	1,055.00
		<u>25,589,163.86</u>	<u>25,670,152.36</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	534,442.64	489,951.64
Tax Title Liens Receivable	A-9	2,103,688.93	1,973,376.25
Foreclosed Property	A-10	34,980.00	34,980.00
Revenue Accounts Receivable	A-8	12,861.64	9,777.36
Interfunds Receivable	A-22	204.55	
		<u>2,686,177.76</u>	<u>2,508,085.25</u>
Deferred Charges:			
Emergency Appropriations 40A:4-46	A-27	50,000.00	
		<u>50,000.00</u>	
		\$ <u>28,325,341.62</u>	\$ <u>28,178,237.61</u>
Grant Fund:			
Cash	A-4	\$ 226,792.94	\$ 407,567.87
Grants Receivable	A-11	1,382,573.80	1,357,276.61
Interfunds Receivable	A-23	165,950.33	
		<u>1,775,317.07</u>	<u>1,764,844.48</u>
		\$ <u>30,100,658.69</u>	\$ <u>29,943,082.09</u>

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

BOROUGH OF HAWTHORNE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE DECEMBER 31, 2022</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-14	\$ 987,203.12	\$ 1,287,751.79
Encumbrances Payable	A-17	1,463,530.65	2,127,241.37
Prepaid Taxes	A-15	526,760.03	547,047.37
County Taxes Payable	A-12	8.77	8.80
Local District School Taxes Payable	A-13	13,412,341.44	12,632,337.42
Accounts Payable	A-18	682,091.17	632,135.52
Reserve for Tax Appeals	A-25	137,384.54	157,104.24
Reserve for Municipal Relief Funds	A-26	153,149.53	76,591.07
Fees Payable	A-19	10,435.00	10,924.00
Due State of New Jersey-Chapter 20, PL 1971	A-7	89,801.33	89,839.68
Interfunds Payable	A-22	165,950.33	60,988.74
		<u>\$ 17,628,655.91</u>	<u>\$ 17,621,970.00</u>
Reserve for Receivables and Other Assets	A	2,686,177.76	2,508,085.25
Fund Balance	A-1	<u>8,010,507.95</u>	<u>8,048,182.36</u>
		<u>\$ 28,325,341.62</u>	<u>\$ 28,178,237.61</u>
Grant Fund:			
Reserve for Grants - Appropriated	A-20	\$ 1,646,390.56	\$ 1,598,023.10
Reserve for Grants - Unappropriated	A-21	71,746.20	61,628.86
Encumbrances Payable	A-24	<u>57,180.31</u>	<u>105,192.52</u>
		<u>\$ 1,775,317.07</u>	<u>\$ 1,764,844.48</u>
		<u>\$ 30,100,658.69</u>	<u>\$ 29,943,082.09</u>

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

BOROUGH OF HAWTHORNE

CURRENT FUND

STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR 2023</u>	<u>YEAR 2022</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 3,131,201.65	\$ 3,349,551.00
Miscellaneous Revenue Anticipated	A-2	5,072,796.62	6,151,270.55
Receipts From Delinquent Taxes	A-2	617,522.96	357,640.54
Receipts From Current Taxes	A-2	78,984,154.85	77,175,446.34
Non-Budget Revenue	A-2	294,361.19	400,726.81
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	719,272.40	977,772.28
<u>Total Income</u>		<u>88,819,309.67</u>	<u>88,412,407.52</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	16,130,115.00	15,609,181.00
Deferred Charges and Statutory Expenditures	A-3	1,994,921.00	1,890,826.00
Operations Excluded From "CAPS":			
Operating	A-3	3,618,398.44	3,245,153.71
Capital Improvements	A-3	715,000.00	2,405,000.00
Municipal Debt Service	A-3	1,826,769.51	1,846,261.49
Deferred Charges	A-3	139,333.00	0.00
County Taxes	A-12	17,237,031.93	18,084,034.02
Local District School Tax	A-13	44,113,255.00	42,493,160.00
Interfunds Advanced		204.55	
Refund of Prior Year Revenue	A-4	754.00	330.00
<u>Total Expenditures</u>		<u>85,775,782.43</u>	<u>85,573,946.22</u>
Excess in Revenue		3,043,527.24	2,838,461.30
Adjustments to Income Before Fund Balance			
Expenditures Included Above Which are by Statute			
Deferred Charges to the Budget of the Succeeding Year	A-3	50,000.00	
Regulatory Excess to Fund Balance		3,093,527.24	2,838,461.30
<u>Fund Balance</u>			
Balance, January 1	A	8,048,182.36	8,559,272.06
		11,141,709.60	11,397,733.36
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	3,131,201.65	3,349,551.00
Balance, December 31	A	\$ <u>8,010,507.95</u>	\$ <u>8,048,182.36</u>

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

BOROUGH OF HAWTHORNE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	BUDGET	SPECIAL N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$ 3,131,201.65	\$ 3,131,201.65	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-8	37,000.00	40,450.00	3,450.00
Other	A-2	13,000.00	11,403.00	(1,597.00)
Fees and Permits	A-2	124,000.00	162,729.65	38,729.65
Fines and Costs:				
Municipal Court	A-8	159,000.00	194,304.54	35,304.54
Interest and Costs on Taxes	A-8	100,000.00	148,181.69	48,181.69
Interest on Investments and Deposits	A-8	95,000.00	406,144.89	311,144.89
Swimming Pool Admission Fees	A-8	135,000.00	128,972.50	(6,027.50)
Energy Receipts Taxes	A-8	1,478,427.00	1,478,427.26	0.26
Rentals - Board of Education	A-8	15,000.00	20,000.00	5,000.00
Rentals - Cellular Phone	A-8	753,000.00	1,070,662.77	317,662.77
Sewer Charges	A-8	70,000.00	175,207.08	105,207.08
Cable Television Franchise Fees	A-8	239,000.00	239,869.66	869.66
Commuter Parking	A-8	12,000.00	19,610.00	7,610.00
Uniform Construction Code Fees	A-8	396,068.00	295,905.00	(100,163.00)
State and Federal Revenues Offset With Appropriations:				
Municipal Alliance Program	A-11		6,207.38	6,207.38
Clean Communities Program	A-11		41,211.94	41,211.94
Mayors Wellness Grant	A-11	1,000.00		1,000.00
Alcohol Education and Rehabilitation Fund	A-11		1,168.15	1,168.15
NJDEP - Stormwater Assistance	A-11		25,000.00	25,000.00
DCA Neighborhood Preservation Grant	A-11		125,000.00	125,000.00
ARPA - Firefighters Grant	A-11		26,000.00	26,000.00
Drunk Driving Enforcement Fund	A-11		11,299.69	11,299.69
Drive Sober or Get Pulled Over	A-11		7,000.00	7,000.00
Recycling Tonnage Grant	A-11	34,299.28		34,299.28
Distracted Driving Crackdown Program	A-11	7,000.00		7,000.00
Municipal Relief Funds	A-26	76,591.07		76,591.07
Interlocal Agreement - Glen Rock Fire Training Center	A-8	2,000.00		2,000.00
Interlocal Agreement - BOE Recycling Pick Up	A-8	20,000.00		20,000.00
Uniform Fire Safety Act - Life Hazard	A-8	37,000.00		38,651.07
Utility Operating Surplus	A-8	120,000.00		120,000.00
Reserve for Payment of Debt Service	A-8	138,500.00		138,500.00
Total Miscellaneous Revenues	A-1	4,062,885.35	5,072,796.62	767,024.11
Receipts From Delinquent Taxes	A-1	390,000.00	617,522.96	227,522.96
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2	16,981,942.09	18,068,246.73	1,086,304.64
Minimum Library Tax	A-2	1,015,621.19	1,015,621.19	
		17,997,563.28	19,083,867.92	1,086,304.64
Budget Totals		\$ 25,581,650.28	\$ 27,905,389.15	\$ 2,080,851.71
Non-Budget Revenue	A-1:A-2		294,361.19	
			\$ 28,199,750.34	
REF.	A-3		A-3	

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

BOROUGH OF HAWTHORNE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>REF.</u>		
Allocation of Current Tax Collections:			
Revenue From Collections	A-6	\$	78,984,154.85
Allocated to:			
School and County Taxes			<u>61,350,286.93</u>
Balance for Support of Municipal Budget Appropriations			17,633,867.92
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3		<u>1,450,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>19,083,867.92</u></u>
Licenses - Other:			
Borough Clerk	A-8	\$	11,235.00
Board of Health	A-8		<u>168.00</u>
	A-2	\$	<u><u>11,403.00</u></u>
Fees and Permits			
Police Department	A-8	\$	27,840.65
Board of Health/Registrar of Vital Statistics	A-8		33,677.00
Public Works Department	A-8		4,200.00
Planning Board	A-8		500.00
Zoning Board of Adjustment	A-8		2,310.00
Fire Prevention	A-8		42,537.00
Other	A-8		12,405.00
Building Department	A-8		<u>39,260.00</u>
	A-2	\$	<u><u>162,729.65</u></u>

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

BOROUGH OF HAWTHORNE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

REF.

Non Budget Revenues		
Duplicate Tax Bills	\$	1,905.00
Copies, Maps and List		2,219.90
Unclaimed Funds		793.00
Tax Searches		10.00
Police Off-Duty Administrative Fees		64,164.96
Miscellaneous Reimbursements		57,870.94
Vacant Property		6,375.00
Rental of Property		10,800.00
Prospect Park Library Cards		4,750.00
Firearms Range		14,000.00
Leadership Camp		9,025.00
NSF Fees		90.00
Senior/Vets Administrative Fee		1,529.74
Insurance Dividends		8,478.38
GovDeals Auctions		21,130.09
Police Towing/Miscellaneous Fee		2,100.00
Interest on Assessments		204.55
Miscellaneous Recreation		35,095.00
Other Miscellaneous		<u>53,819.63</u>
	A-4	\$ <u>294,361.19</u>

BOROUGH OF HAWTHORNE

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administrative and Executive:					
Salaries and Wages	\$ 235,696.00	\$ 235,696.00	\$ 235,696.00	\$ 1,014.48	
Other Expenses	22,840.00	22,840.00	21,825.52	5,580.12	
Other Expenses - Postage	36,000.00	36,000.00	30,419.88		
Mayor and Council:					
Salaries and Wages	36,500.00	36,500.00	36,499.96	0.04	
Other Expenses	4,460.00	4,460.00	4,074.00	386.00	
Municipal Clerk:					
Salaries and Wages	149,695.00	149,695.00	148,510.16	1,184.84	
Other Expenses	56,188.00	56,188.00	50,926.14	5,261.86	
Financial Administration:					
Salaries and Wages	161,165.00	161,165.00	146,996.84	14,168.16	
Other Expenses	48,807.00	43,807.00	41,059.66	2,747.34	
Audit Services:					
Other Expenses	30,900.00	30,900.00	30,900.00		
Revenue Administration (Tax Collection):					
Salaries and Wages	30,225.00	30,225.00	27,795.10	2,429.90	
Other Expenses	13,823.00	13,823.00	13,755.86	67.14	
Tax Assessment Administration:					
Salaries and Wages	53,634.00	53,634.00	53,542.68	91.32	
Other Expenses	15,700.00	16,200.00	16,036.17	163.83	
Legal Services:					
Salaries and Wages					
Other Expenses	114,408.00	122,608.00	120,039.02	2,568.98	
Property Revaluation Outside Services					
Engineering Services:					
Other Expenses	165,885.00	165,885.00	132,671.79	33,213.21	
Future of Hawthorne:					
Other Expenses	1,000.00	7,500.00	7,500.00		
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	7,000.00	7,000.00	6,999.98	0.02	
Other Expenses	21,050.00	21,050.00	11,866.28	9,183.72	

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

BOROUGH OF HAWTHORNE
CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
OPERATIONS WITHIN "CAPS" (CONTINUED)					
LAND USE ADMINISTRATION (CONTINUED)					
Zoning Board of Adjustments:					
Salaries and Wages	\$ 22,393.00	\$ 22,393.00	\$ 20,412.45	\$ 1,980.55	
Other Expenses	7,782.00	7,782.00	3,651.18	4,130.82	
Computerized Data Processing	172,465.00	172,465.00	132,315.91	40,149.09	
PUBLIC SAFETY					
Police:					
Salaries and Wages	4,793,722.00	4,908,722.00	4,899,483.97	9,238.03	
Other Expenses	418,901.00	418,901.00	411,152.31	7,748.69	
Police Dispatchers:					
Salaries and Wages	210,925.00	210,925.00	206,940.43	3,984.57	
Emergency Management Services:					
Salaries and Wages	2,000.00	2,000.00		2,000.00	
Other Expenses	17,100.00	17,100.00	4,801.21	12,298.79	
Ambulance Corps:					
Other Expenses	15,750.00	13,350.00	13,300.00	50.00	
Prosecutor:					
Salaries and Wages	35,535.00	37,035.00	35,991.23	1,043.77	
Fire:					
Salaries and Wages	21,500.00	21,500.00	20,288.86	1,211.14	
Other Expenses	277,613.00	277,613.00	276,446.06	1,166.94	
Other Expenses - Fire Hydrant Service	89,100.00	89,100.00	89,100.00		
Uniform Fire Safety Act:					
Salaries and Wages	137,194.00	145,194.00	144,493.32	700.68	
Other Expenses	13,940.00	13,940.00	13,930.13	9.87	
Municipal Court:					
Salaries and Wages	168,962.00	171,482.00	170,869.47	612.53	
Other Expenses	18,935.00	18,935.00	12,849.90	6,085.10	

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

BOROUGH OF HAWTHORNE

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
PUBLIC WORKS					
Road Repair and Maintenance:					
Salaries and Wages	\$ 802,349.00	\$ 802,349.00	\$ 794,366.82	\$ 7,982.18	
Other Expenses	426,644.00	426,644.00	396,811.96	29,832.04	
Sewer System Maintenance:					
Salaries and Wages	191,199.00	191,199.00	188,852.03	2,346.97	
Other Expenses	127,317.00	177,317.00	165,266.37	12,050.63	
Shade Tree Commission:					
Salaries and Wages	3,100.00	4,100.00	3,484.50	615.50	
Other Expenses	241,400.00	241,400.00	239,752.88	1,647.12	
Solid Waste Collection:					
Salaries and Wages - Recycling	79,050.00	79,050.00	76,764.41	2,285.59	
Other Expenses - Recycling	531,632.00	557,132.00	542,318.77	14,813.23	
Other Expenses - Garbage Removal - Contractual	650,112.00	650,112.00	648,112.00	2,000.00	
Buildings and Grounds:					
Salaries and Wages	138,181.00	138,181.00	131,124.15	7,056.85	
Other Expenses	160,798.00	229,798.00	227,297.65	2,500.35	
Maintenance of Parks:					
Other Expenses	85,853.00	85,853.00	79,024.22	6,828.78	
Vehicle Maintenance:					
Other Expenses	270,110.00	275,610.00	260,707.47	14,902.53	
Community Services Act:					
Other Expenses	24,800.00	24,800.00	2,542.30	22,257.70	
HEALTH AND HUMAN SERVICES					
Board of Health:					
Salaries and Wages	122,234.00	122,234.00	119,451.88	2,782.12	
Other Expenses	27,031.00	27,031.00	26,175.12	855.88	
Environmental Commission:					
Other Expenses	10,100.00	10,100.00	7,215.05	2,884.95	
Animal Control Services:					
Other Expenses	10,000.00	10,000.00	10,000.00		
Board of Recreation:					
Salaries and Wages	121,507.00	121,507.00	90,977.51	30,529.49	
Other Expenses	91,001.00	91,001.00	85,103.10	25,897.90	
Swimming Pool:					
Salaries and Wages	140,000.00	140,000.00	133,622.65	6,377.35	
Other Expenses	60,600.00	55,800.00	55,536.14	263.86	

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

BOROUGH OF HAWTHORNE

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events:					
Other Expenses	\$ 39,008.00	\$ 39,008.00	\$ 38,734.04	\$ 273.96	
Bond Fees:					
Other Expenses	3,800.00	3,800.00	3,200.00	600.00	
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement Functions:					
Building Inspector:					
Salaries and Wages	339,529.00	339,529.00	326,152.71	13,376.29	
Other Expenses	310,640.00	310,640.00	149,359.40	161,280.60	
Property Code Enforcement:					
Salaries and Wages	92,996.00	92,996.00	90,949.00	2,047.00	
Other Expenses	25,686.00	25,686.00	10,473.56	15,212.44	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	236,000.00	236,000.00	178,154.00	57,846.00	
Street Lighting	182,000.00	182,000.00	152,694.42	29,305.58	
Telephone	97,434.00	98,434.00	97,372.36	1,061.64	
Gasoline	199,100.00	159,100.00	154,474.80	4,625.20	
Landfill/Solid Waste Disposal Costs:					
Dumping Fees	562,400.00	562,400.00	494,540.31	67,859.69	
Salary Adjustment Account	33,000.00	33,000.00		33,000.00	
Insurance:					
General Insurance	283,691.00	283,691.00	275,570.85	8,120.15	
Worker's Compensation Insurance	225,800.00	225,800.00	175,650.00	50,150.00	
Group Insurance for Employees	1,507,800.00	1,307,600.00	1,280,235.33	27,364.67	
Public Defender:					
Salaries and Wages	3,600.00	3,600.00	3,600.00		
Total Operations Within "CAPS"	16,086,315.00	16,128,115.00	15,288,809.23	839,305.77	
Contingent	2,000.00	2,000.00		2,000.00	

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

BOROUGH OF HAWTHORNE
CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>Total Operations including Contingent Within "CAPS"</u>	\$ 16,088,315.00	\$ 16,130,115.00	\$ 15,288,809.23	\$ 841,305.77	
Detail:					
Salaries and Wages	\$ 8,060,776.00	\$ 8,187,276.00	\$ 8,074,274.88	\$ 113,001.12	
Other Expenses:	8,027,539.00	7,942,839.00	7,214,534.35	728,304.65	
Municipal Within "CAPS":					
Statutory Charges:					
Social Security System (O.A.S.I)	293,100.00	293,100.00	280,123.25	12,976.75	
Public Employees' Retirement System of NJ	316,620.00	316,620.00	316,620.00		
Police and Fireman's Retirement System of NJ	1,353,401.00	1,353,401.00	1,353,401.00		
Defined Contribution Retirement Program	15,000.00	16,800.00	16,476.05	323.95	
Unemployment Insurance	10,000.00	10,000.00		10,000.00	
Pension Adjustment	5,000.00	5,000.00		5,000.00	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,993,121.00	1,994,921.00	1,966,620.30	28,300.70	
Total General Appropriations for Municipal Purposes Within "CAPS"	18,081,436.00	18,125,036.00	17,255,429.53	869,606.47	
OPERATIONS EXCLUDED FROM "CAPS"					
Length of Service Award Program (LOSAP)	120,000.00	120,000.00	84,542.04	35,457.96	
Recycling Tax	19,000.00	19,000.00	19,000.00		
Maintenance of Free Public Library:					
Salaries and Wages	779,007.00	779,007.00	715,877.16	63,129.84	
Other Expenses - Contribution	756,541.00	756,541.00	750,376.15	6,164.85	
Sewer Processing and Disposal:					
Other Expenses - Passaic Valley Sewer Rental	1,435,045.00	1,435,045.00	1,435,044.84	0.16	
Other Expenses - Other Municipal Projects	23,000.00	23,400.00	23,362.00	38.00	
Other Expenses - North Haledon Sewer Rental	1,600.00	1,600.00		1,600.00	

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

BOROUGH OF HAWTHORNE
CURRENT FUND

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

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
OPERATIONS EXCLUDED FROM "CAPS"(CONTINUED)				
Affordable Housing	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 1,705.84
NJDEP Stormwater Permits	46,550.00	46,550.00	44,844.16	
Interlocal Municipal Service Agreements:				
North Haledon Deputy Court Admin. - Other Expenses	27,000.00	33,000.00	25,500.00	7,500.00
Glen Rock Fire Training Center - Other Expenses	2,000.00	2,000.00		2,000.00
BOE Recycling Pick-Up - Other Expenses	20,000.00	20,000.00	20,000.00	
School Security Shared Service	60,000.00	60,000.00	60,000.00	
Total Other Operations Excluded from "CAPS"	3,299,743.00	3,306,143.00	3,188,546.35	117,596.65
Public and Private Programs Offset by Revenues				
Neighborhood Preservation Program - Match	25,000.00	25,000.00	25,000.00	
Neighborhood Preservation Program (NJSA 40A:4-87 + \$125,000.00)		125,000.00	125,000.00	
Municipal Alliance (NJSA 40A:4-87 + \$8,276.50)		6,207.38	6,207.38	
Municipal Alliance - Municipal match	2,069.00	2,069.00	2,069.00	
Alcohol Education Rehabilitation (N.J.S.A. 40A:4-87 + \$1,168.15)		1,168.15	1,168.15	
NJDEP - Stormwater Assistance Management (NJSA 40A:4-87 + \$25,000.00)		25,000.00	25,000.00	
American Rescue Plan Act Firefighters Grant (NJSA 40A:4-87 + \$26,000.00)		26,000.00	26,000.00	
DDEF (N.J.S.A. 40A:4-87 + \$11,299.69)		11,299.69	11,299.69	
Clean Communities Program (NJSA 40A:4-87 + \$41,211.94)		41,211.94	41,211.94	
Recycling Tonnage Grant	34,299.28	34,299.28	34,299.28	
Distracted Driving	7,000.00	7,000.00	7,000.00	
Drive Sober or Get Pulled Over (NJSA 40A:4-87 + \$7,000.00)		7,000.00	7,000.00	
Mayors Wellness Campaign	1,000.00	1,000.00	1,000.00	
Total Public and Private Programs Offset by Revenues	69,368.28	312,255.44	312,255.44	
Total Other Operations Excluded from "CAPS"	3,369,111.28	3,618,398.44	3,500,801.79	117,596.65
Detail:				
Salaries and Wages	779,007.00	779,007.00	715,877.16	63,129.84
Other Expenses:	2,590,104.28	2,839,391.44	2,784,924.63	54,466.81
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"				
Capital Improvement Fund	715,000.00	715,000.00	715,000.00	
Total Capital Improvements - Excluded from "CAPS"	715,000.00	715,000.00	715,000.00	

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

BOROUGH OF HAWTHORNE
CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 1,400,000.00	\$ 1,400,000.00	\$ 1,400,000.00	\$	
Interest on Bonds	306,343.00	306,343.00	306,343.00		
Interest on Notes	108,782.00	108,782.00	108,782.00		
Payment of NJEIT Loan	11,645.00	11,645.00	11,644.51		0.49
Total Municipal Debt Service - Excluded from "CAPS"	1,826,770.00	1,826,770.00	1,826,769.51		0.49
<u>DEFERRED CHARGES EXCLUDED FROM "CAPS"</u>					
Deferred Charges to Future Taxation - Unfunded Deficit in Dedicated Assessment Trust Fund	42,493.00	42,493.00	42,493.00		
	96,840.00	96,840.00	96,840.00		
Total Deferred Charges Excluded from "CAPS"	139,333.00	139,333.00	139,333.00		
Total General Appropriations Excluded from "CAPS"	6,050,214.28	6,299,501.44	6,181,904.30	117,596.65	0.49
<u>Subtotal General Appropriations</u>	24,131,650.28	24,424,537.44	23,437,333.83	967,203.12	0.49
Reserve for Uncollected Taxes	1,450,000.00	1,450,000.00	1,450,000.00		
Total General Appropriations	\$ 25,581,650.28	\$ 25,874,537.44	\$ 24,887,333.83	\$ 967,203.12	\$ 0.49
REF.	A-3		A-1	A-A-1	
Budget as Adopted		\$ 25,581,650.28			
Added by N.J.S. 40A:4-46		50,000.00			
Added by N.J.S. 40A:4-87		242,887.16			
Cash Disbursed		\$ 25,874,537.44			
Encumbrances Payable			22,262,333.02		
Reserve for Grants Appropriated			1,463,530.65		
Reserve for Uncollected Taxes			312,255.44		
Cash Receipts			1,450,000.00		
			25,488,119.11		
			600,785.28		
			\$ 24,887,333.83		

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

TRUST FUND

BOROUGH OF HAWTHORNE

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
<u>ASSETS</u>			
Assessment Trust Fund:			
Cash	B-2	\$ 342,069.66	\$ 45,256.07
Due Current Fund	B-7		29,060.25
Assessments Receivable	B-4	363,572.32	
Assessments Liens Receivable	B-5	10,331.00	10,331.00
Assessment Lien Interest and Costs	B-6	2,743.00	2,743.00
Prospective Assessments Funded	B-9	789,800.00	1,113,800.00
Amount to be Raised by Taxation- Canceled Assessments	B-10	660.67	6,253.21
Funded by Assessment Bonds	B-20	484,135.26	209,823.83
		<u>1,993,311.91</u>	<u>1,417,267.36</u>
Animal Control Trust Fund:			
Cash	B-2	1,399.43	10,038.43
		<u>1,399.43</u>	<u>10,038.43</u>
Other Trust Funds:			
Cash	B-2	3,794,969.91	3,803,827.33
Due Current Fund	B-16		9,229.73
		<u>3,794,969.91</u>	<u>3,813,057.06</u>
		<u>\$ 5,789,681.25</u>	<u>\$ 5,240,362.85</u>

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

BOROUGH OF HAWTHORNE

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Assessment Trust Fund:			
Due Current Fund	B-7	\$ 204.55	\$
Due General Capital Fund	B-18	636,000.00	636,000.00
Assessment Bonds Payable	B-15	1,299,000.00	685,000.00
Assessment Overpayments	B-19	1,291.60	1,291.60
Reserve for:			
Assessments and Liens	B-17	51,131.00	51,131.00
Assessment Lien Interest and Costs	B-6	2,743.00	2,743.00
Payment of Debt	B-8		38,160.00
Fund Balance	B-1	<u>2,941.76</u>	<u>2,941.76</u>
		<u>1,993,311.91</u>	<u>1,417,267.36</u>
Animal Control Trust Fund:			
Due To State of New Jersey	B-13	18.80	33.80
Reserve for Animal Control Fund Expenditures	B-12	<u>1,380.63</u>	<u>10,004.63</u>
		<u>1,399.43</u>	<u>10,038.43</u>
Other Funds:			
Reserve For:			
Due to State of NJ - Unemployment Claims	B-14	195,623.89	187,749.49
Various Reserves and Deposits	B-11	<u>3,599,346.02</u>	<u>3,625,307.57</u>
		<u>3,794,969.91</u>	<u>3,813,057.06</u>
		<u>\$ 5,789,681.25</u>	<u>\$ 5,240,362.85</u>

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

"B-1"

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

STATEMENTS OF CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2022 and December 31, 2023	B	\$ <u>2,941.76</u>

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 1,019,588.13	\$ 759,151.23
Grants Receivable	C-8	2,055,100.30	1,173,505.66
Grants Receivable - Unfunded	C-12	102,165.32	102,165.32
Due Assessment Trust Fund	C-7	636,000.00	636,000.00
Due Water Utility Capital Fund	C-18	2,589,750.00	800,000.00
Loans Proceeds Receivable	C-6	227,971.00	270,464.00
Prospective Assessments Raised by Taxation	C-9	90,500.00	90,500.00
Deferred Charges to Future Taxation:			
Funded	C-4	14,616,000.00	9,826,479.38
Unfunded	C-5	<u>1,623,645.03</u>	<u>6,664,145.03</u>
		<u>\$ 22,960,719.78</u>	<u>\$ 20,322,410.62</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-10	\$ 14,558,000.00	\$ 9,760,000.00
NJ Environmental Infrastructure Loans Payable	C-11	58,000.00	66,479.38
Bond Anticipation Notes	C-14		3,695,500.00
Improvement Authorizations:			
Funded	C-15	2,078,941.80	564,403.07
Unfunded	C-15	881,624.24	2,090,204.34
Capital Improvement Fund	C-16	380,405.03	374,905.03
Encumbrances Payable	C-17	2,514,318.06	1,052,853.05
Various Reserves and Deposits	C-13	1,822,955.41	2,051,590.51
Reserve for Prospective Assessments	C-9	90,500.00	90,500.00
Fund Balance	C-1	<u>575,975.24</u>	<u>575,975.24</u>
		<u>\$ 22,960,719.78</u>	<u>\$ 20,322,410.62</u>

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

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

STATEMENTS OF CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2022 and December 31, 2023	C	\$ <u>575,975.24</u>

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

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WATER UTILITY FUND

BOROUGH OF HAWTHORNE

WATER 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-5	\$ 1,280,754.99	\$ 2,491,380.26
Change Fund	D	100.00	100.00
Due Utility Capital Fund	D-8	900,000.00	93,100.00
Due Current Fund	D-8	<u> </u>	<u>22,698.76</u>
		<u>2,180,854.99</u>	<u>2,607,279.02</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	838,137.49	750,307.41
Liens Receivable	D-13	<u>2,585.49</u>	<u>2,585.49</u>
		<u>840,722.98</u>	<u>752,892.90</u>
Deferred Charges:			
Operating Deficit	D-29	0.15	152,064.15
Emergency Authorizations	D-29	<u>250,000.00</u>	<u> </u>
		<u>250,000.15</u>	<u>152,064.15</u>
<u>Total Operating Fund</u>		<u>3,271,578.12</u>	<u>3,512,236.07</u>
Capital Fund:			
Cash	D-5	905,803.87	242,091.62
Miscellaneous Receivable	D-26	30,000.00	30,000.00
Loan Proceeds Receivable	D-15	97,911.00	307,803.00
Fixed Capital	D-16	15,276,311.55	15,276,311.55
Fixed Capital Authorized and Uncompleted	D-17	<u>14,175,000.00</u>	<u>11,025,000.00</u>
<u>Total Capital Fund</u>		<u>30,485,026.42</u>	<u>26,881,206.17</u>
		<u>\$ 33,756,604.54</u>	<u>\$ 30,393,442.24</u>

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

BOROUGH OF HAWTHORNE

WATER UTILITY 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>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-9	\$ 452,232.36	\$ 350,981.86
Encumbrances Payable	D-10	494,107.38	311,794.23
Accrued Interest on Bonds and Loans	D-14	97,873.90	97,873.68
		<u>1,044,213.64</u>	<u>760,649.77</u>
Reserve for Receivables	D	840,722.98	752,892.90
Fund Balance	D-1	<u>1,386,641.50</u>	<u>1,998,693.40</u>
<u>Total Operating Fund</u>		<u>3,271,578.12</u>	<u>3,512,236.07</u>
Capital Fund:			
Serial Bonds Payable	D-23	4,934,000.00	2,664,000.00
Water Loans Payable	D-11		87,163.00
Due Utility Operating Fund	D-28	900,000.00	93,100.00
Due General Capital Fund	D-28	2,589,750.00	800,000.00
Bond Anticipation Notes	D-24		925,000.00
I-Bank Note Payable	D-30	1,634,434.00	
Improvement Authorizations:			
Funded	D-18	406,906.36	
Unfunded	D-18	3,106,592.89	3,009,412.62
Capital Improvement Fund	D-22	163,836.60	271,336.60
Contracts Payable	D-25	3,357,883.81	6,312,584.19
Reserve for:			
Payment of Debt	D-20	275,067.34	316,967.34
Amortization	D-19	12,954,746.57	12,397,333.57
Deferred Amortization	D-21	157,500.00	
Fund Balance	D-2	<u>4,308.85</u>	<u>4,308.85</u>
<u>Total Capital Fund</u>		<u>30,485,026.42</u>	<u>26,881,206.17</u>
		<u>\$ 33,756,604.54</u>	<u>\$ 30,393,442.24</u>

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

"D-1"

BOROUGH OF HAWTHORNE
WATER UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2022</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-3	\$ 1,416,093.00	\$ 301,261.00
Water Rents	D-3	4,081,457.78	3,400,384.90
Fire Hydrant Service	D-3	101,400.00	102,042.82
Reserve for Payment of Debt Service	D-3	41,900.00	93,100.00
Miscellaneous	D-3	35,000.00	33,000.00
Non-Budget Revenue	D-3:D-5	62,414.80	8,326.20
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-9	<u>179,770.52</u>	<u>205,181.93</u>
		<u>5,918,036.10</u>	<u>4,143,296.85</u>
<u>TOTAL INCOME</u>			
<u>EXPENDITURES</u>			
Operating	D-4	3,294,962.00	2,981,771.00
Capital Improvements	D-4	699,000.00	528,080.00
Debt Service	D-4	615,677.00	523,010.00
Statutory Expenditures and Deferred Charges	D-4	<u>634,356.00</u>	<u>262,500.00</u>
		<u>5,243,995.00</u>	<u>4,295,361.00</u>
<u>TOTAL EXPENDITURES</u>			
Excess in Revenue to Fund Balance		674,041.10	
Deficit in Revenue			(152,064.15)
Operating Deficit to be Raised in Budget of Succeeding Year	D		<u>152,064.15</u>
Adjustments to Income Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year	D	<u>250,000.00</u>	
Statutory Excess to Surplus		924,041.10	
<u>Fund Balance</u>			
Balance, January 1	D	<u>1,998,693.40</u>	<u>2,419,954.40</u>
		2,922,734.50	2,419,954.40
Decreased by:			
Payment to Current Fund as Anticipated Revenue	D-5	120,000.00	120,000.00
Utilization by Water Utility Operating Budget	D-1:D-3	<u>1,416,093.00</u>	<u>301,261.00</u>
Balance, December 31	D	<u>\$ 1,386,641.50</u>	<u>\$ 1,998,693.40</u>

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

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

STATEMENTS OF CHANGE IN FUND BALANCE - REGULATORY BASIS

REF.

Balance, December 31, 2022 and
December 31, 2023

D

\$

4,308.85

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

BOROUGH OF HAWTHORNE

WATER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>(DEFICIT)</u>
Fund Balance Anticipated	D-1	\$ 1,416,093.00	\$ 1,416,093.00	\$
Water Rents	D-1	3,399,002.00	4,081,457.78	682,455.78
Fire Hydrant Service	D-1:D-5	102,000.00	101,400.00	(600.00)
Reserve for Payment of Debt Service	D-1:D-5	41,900.00	41,900.00	
Miscellaneous Revenue Not Anticipated	D-1:D-5		62,414.80	62,414.80
Miscellaneous	D-1:D-5	<u>35,000.00</u>	<u>35,000.00</u>	
	D-4	\$ <u>4,993,995.00</u>	\$ <u>5,738,265.58</u>	\$ <u>744,270.58</u>

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

BOROUGH OF HAWTHORNE
WATER UTILITY OPERATING FUND

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

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Operating:					
Salaries and Wages	\$ 1,397,877.00	\$ 1,397,877.00	\$ 1,277,917.33	\$ 119,959.67	\$
Other Expenses	1,205,585.00	1,205,585.00	1,016,375.55	189,209.45	
General Insurance	166,700.00	166,700.00	166,700.00		
Group Insurance for Employees	406,000.00	406,000.00	406,000.00		
Workers Compensation Insurance	51,600.00	51,600.00	51,600.00		
Laboratory Testing and Safe Water Act	67,200.00	67,200.00	53,406.00	13,794.00	
<u>Total Operating</u>	<u>3,294,962.00</u>	<u>3,294,962.00</u>	<u>2,971,988.88</u>	<u>322,963.12</u>	
Capital Improvements:					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00		
Capital Outlay	399,000.00	649,000.00	519,730.76	129,269.24	
<u>Total Capital Improvements</u>	<u>449,000.00</u>	<u>699,000.00</u>	<u>569,730.76</u>	<u>129,269.24</u>	
Debt Service:					
Payment of Bond Principal	410,000.00	410,000.00	410,000.00		
Interest on Bonds	84,600.00	84,600.00	84,600.00		
Interest on Notes	28,000.00	28,000.00	28,000.00		
Payment of Loan Principal and Interest	93,077.00	93,077.00	93,077.00		
<u>Total Debt Service</u>	<u>615,677.00</u>	<u>615,677.00</u>	<u>615,677.00</u>		
Deferred Charges:					
Deficit in Prior Year Operations	152,064.00	152,064.00	152,064.00		
Deferred Charges to Future Taxation - Unfunded	209,892.00	209,892.00	209,892.00		
Statutory Expenditures:					
Contributions to:					
Public Employees Retirement System	169,300.00	169,300.00	169,300.00		
Social Security System (O.A.S.I.)	103,100.00	103,100.00	103,100.00		
<u>Total Deferred Charges and Statutory Expenditures</u>	<u>634,356.00</u>	<u>634,356.00</u>	<u>634,356.00</u>		
<u>\$ 4,993,995.00</u>	<u>\$ 5,243,995.00</u>	<u>\$ 4,791,762.64</u>	<u>\$ 452,232.36</u>	<u>\$</u>	<u>\$</u>
REF.	D-3				D
Budget		\$ 4,993,995.00			
Emergency Authorization	D-29		250,000.00		
Cash Disbursements	D-5	\$ 5,243,995.00			
Encumbrances Payable	D-10		4,393,265.79		
Accrued Interest	D-14		246,432.63		
Deferred Charge: Deficit in Operations in Prior Years	D-29		0.22		
			152,064.00		
			<u>4,791,762.64</u>		

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

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PUBLIC ASSISTANCE FUND

BOROUGH OF HAWTHORNE
PUBLIC ASSISTANCE FUND
BALANCE SHEETS - REGULATORY BASIS

			<u>DECEMBER</u> <u>31, 2023</u>	<u>DECEMBER</u> <u>31, 2022</u>
	<u>ASSETS</u>	<u>REF.</u>		
Cash		E-1	\$ <u>4,986.39</u>	\$ <u>6,911.39</u>
			\$ <u>4,986.39</u>	\$ <u>6,911.39</u>
	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Reserve for Public Assistance		E-2	\$ <u>4,986.39</u>	\$ <u>6,911.39</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"F"

BOROUGH OF HAWTHORNE

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	<u>DECEMBER</u> <u>31, 2023</u>	<u>DECEMBER</u> <u>31, 2022</u>
General Fixed Assets:		
Land	\$ 14,620,500.00	\$ 14,620,500.00
Buildings	5,989,500.00	5,989,500.00
Machinery and Equipment	<u>16,106,706.00</u>	<u>15,628,260.00</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 36,716,706.00</u>	<u>\$ 36,238,260.00</u>
Investment in General Fixed Assets	<u>\$ 36,716,706.00</u>	<u>\$ 36,238,260.00</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF HAWTHORNE

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Hawthorne is an instrumentality of the State of New Jersey, established to function as a municipality. A Mayor is elected to serve a term of four years as the Chief Executive Officer. A Council of seven members, consisting of four (4) ward seats and three (3) at-large seats, is elected to serve four year overlapping terms.

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 Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Except as noted below, the financial statements of the Borough of Hawthorne include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Hawthorne, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Hawthorne do not include the operations of the public library, volunteer rescue organizations or the local public school district, inasmuch as their activities are administered by separate boards.

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 the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by 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 Borough of Hawthorne 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 Borough of Hawthorne 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 Borough accounts for its financial transactions through the following individual funds and account group:

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

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

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

Water Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally owned Water Utility

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

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:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. All grants are realized as revenues when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected.

Other amounts that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenues when received. 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. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st 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 recognized on the cash basis, whereas interest on utility indebtedness is recognized on the accrual basis.

Encumbrances - Contractual orders at December 31 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 estimated market value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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.

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence and a useful life of more than one year. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

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. No depreciation has been provided on General Fixed Assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Buildings and land are stated at the assessed value contained in the Borough's table of aggregates.

Expenditures for construction in progress are recorded in the Capital Funds 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 cost of inventories of supplies for all utility funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset for proprietary funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Water Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased or constructed by the Water 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 and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Accounting and Financial Reporting for Pensions

Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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.

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.

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 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)

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 basic financial statements in accordance with GAAP. The Borough 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 the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

A. Deposits

The Borough considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents. 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.

The Borough considers change funds; cash in bank, investment in certificates of deposits as cash and cash equivalents. The Borough of Hawthorne has the following cash and cash equivalents at December 31, 2023:

<u>Fund Type</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>		<u>Change Funds / Petty Cash</u>	<u>Reconciled Balance</u>
		<u>Additions</u>	<u>Deletions</u>		
Current Fund	\$25,932,090.97	\$168,802.44	\$512,784.55	\$1,055.00	\$25,589,163.86
Grant Fund	248,074.39	6,351.66	27,633.11		226,792.94
Animal Control Trust Fund	1,412.03		12.60		1,399.43
Assessment Trust Fund	341,804.68	264.98			342,069.66
Other Trust Fund	3,658,393.58	264,841.27	128,264.94		3,794,969.91
General Capital Fund	1,069,386.60	5,347.57	55,146.04		1,019,588.13
Public Assistance Fund	4,986.39				4,986.39
Water Utility:					
Operating Fund	1,570,374.18	194,042.74	483,661.93	100.00	1,280,854.99
Capital Fund	1,515,169.29		609,365.42		905,803.87
TOTAL	\$34,341,692.11	\$639,650.66	\$1,816,868.59	\$1,155.00	\$33,165,629.18

NOTE 2: CASH AND CASH EQUIVALENTS (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 Borough does not have a specific deposit policy for custodial 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, no amount of the bank balance was exposed to custodial risk. Of the cash on balance in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$33,129,789.19 was covered under the provisions of NJGUDPA. \$961,902.92 invested in the New Jersey Cash Management fund (cash equivalents) is uninsured.

B. Investments

The purchase of investments by the Borough 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;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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;
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.

As of December 31, 2023, the Borough has \$961,902.92 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1, and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Borough is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNICIPAL 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 Borough are general obligation bonds, based by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years if financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2023</u>	<u>YEAR 2022</u>	<u>YEAR 2021</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 14,616,000.00	\$ 13,521,979.38	\$ 14,945,692.69
Assessment:			
Bonds and Notes	1,299,000.00	685,000.00	885,000.00
Water Utility:			
Bonds, Loans and Notes	<u>4,934,000.00</u>	<u>3,676,163.00</u>	<u>4,109,000.00</u>
Net Debt Issued	\$ <u>20,849,000.00</u>	\$ <u>17,883,142.38</u>	\$ <u>19,939,692.69</u>
Less: Cash on Hand to Pay Notes/Loans	342,069.66	7,096.07	217,963.28
Less: Reserve to Pay Bonds	<u>870,340.28</u>	<u>1,039,469.21</u>	<u>1,208,101.65</u>
	\$ <u><u>19,636,590.06</u></u>	\$ <u><u>16,836,577.10</u></u>	\$ <u><u>18,513,627.76</u></u>
Authorized But Not Issued:			
General - Bonds and Notes	\$ 1,292,145.03	\$ 2,968,645.03	\$ 167,969.06
Assessment- Bonds and Notes	331,500.00	32,046.95	32,046.95
Water Utility - Bonds and Notes	<u>9,770,630.98</u>	<u>10,227,564.98</u>	<u>2,819,770.63</u>
Total Authorized But Not Issued	\$ <u>11,394,276.01</u>	\$ <u>13,228,256.96</u>	\$ <u>3,019,786.64</u>
NET BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	\$ <u><u>31,030,866.07</u></u>	\$ <u><u>30,064,834.06</u></u>	\$ <u><u>21,533,414.40</u></u>

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 0.532% as of December 31, 2023.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local District School Debt	\$ 22,279,000.00	\$ 22,279,000.00	
Water Utility Debt	14,704,630.98	14,704,630.98	
General Debt	<u>17,538,645.03</u>	<u>1,212,409.94</u>	\$ <u>16,326,235.09</u>
	\$ <u><u>54,522,276.01</u></u>	\$ <u><u>38,196,040.92</u></u>	\$ <u><u>16,326,235.09</u></u>

NET DEBT \$16,326,235.09 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$3,067,277,298.67 EQUALS 0.532%.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2023	\$ <u>3,067,277,298.67</u>
3-1/2% of Equalized Valuation Basis	\$ 107,354,705.45
Net Debt	<u>16,326,235.09</u>
Remaining (Deficit) Borrowing Power	\$ <u>91,028,470.36</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 Borough for the last three (3) preceding years.

SCHOOL DEBT DEDUCTION

School debt is deductible up to the extent of 4% of the Average Equalized Assessed Valuation of real property for the Local School District.

CALCULATION OF "SELF-LIQUIDATING PURPOSE" - WATER UTILITY
PER N.J.S. 40A:2-45 AT DECEMBER 31, 2023

Cash Receipts from Fees, Rents, Other Charges, and Anticipated Surplus	\$5,696,365.58
Deduction:	
Operating and Maintenance Cost	\$3,929,318.00
Debt Service Per Water Utility Account	<u>615,677.00</u>
	<u>4,544,995.00</u>
Excess in Revenue - Self Liquidating	<u>\$1,151,370.58</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Long-Term Debt
General Capital Fund

General Serial Bonds:

\$7,010,000.00 of 2016 General Improvements Bonds due in annual installments of \$300,000.00 to \$600,000 through October 2032, at interest rates of 2.00% to 4.00%.	\$ 3,610,000.00
\$4,235,000.00 of 2012 General Improvement Bonds due in annual installments of \$275,000.00 to \$350,000.00 through July 2028 at interest rates of 2.00% to 3.00%.	1,660,000.00
\$5,090,000.00 of 2019 General Improvements Bonds due in annual installments of \$300,000.00 to \$500,000.00 through July 2033 at an interest rate of 3.00%.	3,090,000.00
\$5,310,000.00 of 2023 General Improvement Bonds (Series A) due in annual installments of \$200,000.00 to \$380,000.00 through September 2039 at interest rates of 4.00% to 6.00%.	5,310,000.00
\$888,000.00 of 2023 General Improvement Bonds (Series D) due in annual installments of \$38,000.00 to \$70,000.00 through September 2039 at interest rates of 5.00% to 7.00%.	<u>888,000.00</u>
	<u>\$ 14,558,000.00</u>

Assessment Trust Fund

Assessment Serial Bonds:

\$679,000.00 of 2016 Assessment Bonds-due in annual installments of \$64,000.00 to \$70,000.00 through 2026 at interest rates of 2.00% to 4.00%.	\$ 194,000.00
\$636,000 of 2019 Assessment Bonds due in annual installments of \$56,000.00 to \$70,000.00 through July 2029 at interest rates of 3.00% to 4.00%.	356,000.00
\$600,000.00 of 2023 Assessment Bonds (Series C) due in annual installments of \$120,000.00 through September 2028 at interest rates of 5.00% to 6.00%.	600,000.00
\$149,000.00 of 2023 Assessment Bonds (Series F) due in annual installments of \$25,000.00 to \$34,000.00 through September 2028 at interest rates of 7.00%.	<u>149,000.00</u>
	<u>\$ 1,299,000.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Long-Term Debt (Continued)

Water Utility Capital Fund

Water Serial Bonds:

\$3,510,000.00 of 2012 Water Improvement Bonds due in annual installments of \$80,000.00 to \$100,000.00 through July 2028 at interest rates of 2.00% to 3.00%.	\$ 379,000.00
\$300,000.00 of 2016 General Improvement Bonds due in annual installments of \$30,000.00 through October 2026 at interest rates of 2.00% to 4.00%.	90,000.00
\$2,685,000.00 of 2019 General Improvement Bonds due in annual installments of \$200,000.00 to \$300,000.00 through July 2029 at interest rates of 3.00% to 4.00%.	1,785,000.00
\$2,280,000.00 of 2023 General Improvement Bonds (Series B) due in annual installments of \$60,000.00 to \$120,000.00 through September 2048 at interest rates of 4.00% to 6.00%.	2,280,000.00
\$400,000.00 of 2023 General Improvement Bonds (Series E) due in annual installments of \$15,000.00 to \$30,000.00 through September 2039 at interest rates of 5.00% to 7.00%.	<u>400,000.00</u>
	\$ <u><u>4,934,000.00</u></u>

Intergovernmental Loans:

General Capital Fund

Environmental Infrastructure Loans:

\$175,000 of 2010 Trust Loan due in annual installments of principal of \$8,000.00 to \$13,000.00 through August 2029 at interest rates of 4.00% to 5.00%.	\$ <u>58,000.00</u>
	\$ <u><u>58,000.00</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Long-Term Debt (Continued)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2023

General Capital Fund

Calendar Year	Principal	Interest	Total
2024	\$ 1,448,000.00	\$ 520,705.06	\$ 1,968,705.06
2025	1,315,000.00	471,405.00	1,786,405.00
2026	1,340,000.00	423,792.50	1,763,792.50
2027	1,385,000.00	377,517.50	1,762,517.50
2028	1,370,000.00	327,617.50	1,697,617.50
2029-2033	4,940,000.00	1,052,802.50	5,992,802.50
2034-2038	2,310,000.00	382,475.00	2,692,475.00
2039	<u>450,000.00</u>	<u>18,945.00</u>	
Total	\$ <u>14,558,000.00</u>	\$ <u>3,575,260.06</u>	\$ <u>17,664,315.06</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2023

Assessment Trust Fund

Calendar Year	Principal	Interest	Total
2024	\$ 279,000.00	\$ 61,533.86	\$ 340,533.86
2025	275,000.00	49,610.00	324,610.00
2026	274,000.00	37,110.00	311,110.00
2027	210,000.00	24,130.00	234,130.00
2028	205,000.00	12,430.00	217,430.00
2029	<u>56,000.00</u>	<u>1,680.00</u>	<u>57,680.00</u>
Total	\$ <u>1,299,000.00</u>	\$ <u>186,493.86</u>	\$ <u>1,485,493.86</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Long-Term Debt (Continued)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2023

Water Utility Capital Fund

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 495,000.00	\$ 190,617.80	\$ 685,617.80
2025	495,000.00	176,020.00	671,020.00
2026	510,000.00	159,745.00	669,745.00
2027	494,000.00	139,895.00	633,895.00
2028	395,000.00	119,520.00	514,520.00
2029-2033	810,000.00	439,000.00	1,249,000.00
2034-2038	615,000.00	306,925.00	921,925.00
2039-2043	535,000.00	181,955.00	716,955.00
2044-2048	<u>585,000.00</u>	<u>71,550.00</u>	<u>656,550.00</u>
Total	\$ <u>4,934,000.00</u>	\$ <u>1,785,227.80</u>	\$ <u>6,719,227.80</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR LOANS ISSUED AND OUTSTANDING DECEMBER 31, 2023

<u>CALENDAR YEAR</u>	<u>NJ EIT LOANS - GENERAL CAPITAL</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2024	\$ 8,000.00	\$ 2,845.00	\$ 10,845.00
2025	8,000.00	2,525.00	10,525.00
2026	8,000.00	2,205.00	10,205.00
2027	8,000.00	1,885.00	9,885.00
2028	13,000.00	1,565.00	14,565.00
2029	<u>13,000.00</u>	<u>1,045.00</u>	<u>14,045.00</u>
	\$ <u>58,000.00</u>	\$ <u>12,070.00</u>	\$ <u>70,070.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

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

General Capital Fund	\$	<u>1,292,145.03</u>
Assessment Fund	\$	<u>331,500.00</u>
Water Utility Capital Fund	\$	<u>9,770,630.98</u>

Short-Term Debt

NEW JERSEY I-BANK TEMPORARY NOTE

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Water Utility Capital Fund	0.00%	11/1/2024	<u>\$1,634,434.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2023, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2024, were as follows:

Current Fund	\$2,964,203.47
Water Utility Operating Fund	\$478,499.15

NOTE 5: 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 are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also taxes for the County and local school district. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

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

	BALANCE DECEMBER <u>31, 2023</u>	BALANCE DECEMBER <u>31, 2022</u>
Prepaid Taxes	<u>\$526,760.03</u>	<u>\$547,047.37</u>

NOTE 6: PENSION PLANS

Plan Descriptions

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

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.

NOTE 6: PENSION PLANS (CONTINUED)

Plan Descriptions (Continued)

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.

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%.

NOTE 6: PENSION PLANS (CONTINUED)

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.

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.

The Borough's share of pension, which is based upon the annual billings received from the state, amounted to \$1,670,021.00 for 2023, \$1,570,196.80 for 2022 and \$1,438,924.00 for 2021.

Certain Borough employees are also covered by the Federal Insurance Contribution Act.

NOTE 6: PENSION PLANS (CONTINUED)

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 \$7,797,333.00 for the Borough’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 Borough’s proportion of the net pension liability was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Borough’s proportion was 0.0538327217 percent, which was an increase of 0.0058313776 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 \$70,744.00 for the Borough’s proportionate share of the total pension expense. The pension expense recognized in the Borough’s financial statements based on the April 1, 2023 billing was \$605,320.00.

NOTE 6: 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	\$ 74,553.00	\$ 31,873.00
Changes of assumptions	17,129.00	472,552.00
Net difference between projected and actual earnings on pension plan investments	35,908.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>869,548.00</u>	<u>436,722.00</u>
	<u>\$ 997,138.00</u>	<u>\$ 941,147.00</u>

Other local amounts reported by the State as the Borough'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	(\$325,104.80)
2025	(143,212.80)
2026	407,665.20
2027	29,101.20
2028	<u>87,542.20</u>
	<u>\$55,991.00</u>

NOTE 6: 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 6: 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 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

The following presents the Borough'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 Borough'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>
Borough's proportionate share of the pension liability	\$10,150,468.00	\$7,797,333.00	\$5,794,503.00

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 Borough 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 Borough 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 Borough related to this legislation.

NOTE 6: 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 Borough as of December 31, 2023 was 0.0540371085% which was an increase of 0.0058439915 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 \$24,317.00 and \$15,242.00, 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 \$12,356,840.00 for the Borough'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 Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2023, the Borough's proportion was 0.1118389300 percent, which was an increase of 0.0077753800 percent from its proportion measured as of June 30, 2022.

NOTE 6: 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 \$760,428.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2023, billing was \$1,353,402.00.

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 529,095.00	\$ 589,312.00
Changes of assumptions	26,670.00	834,383.00
Net difference between projected and actual earnings on pension plan investments	629,311.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>1,322,212.00</u>	<u>341,785.00</u>
	<u>\$ 2,507,288.00</u>	<u>\$ 1,765,480.00</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>June 30</u>	<u>Amount</u>
2024	\$ (284,799.60)
2025	(265,408.60)
2026	938,582.40
2027	132,224.40
2028	218,878.40
Thereafter	<u>2,331.00</u>
	<u>\$ 741,808.00</u>

NOTE 6: 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 6: 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 6: 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 Borough's proportionate share of the net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it 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 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Borough's proportionate share of the PFRS pension liability	\$17,217,094.00	\$12,356,840.00	\$8,309,411.00

NOTE 6: 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 Borough 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 Borough 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 Borough related to this legislation.

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Borough as of December 31, 2023 and 2022 is 0.1118390600% and 0.1040637000% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2023 and 2022 was \$260,389.00 and \$263,917.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2023 and 2022 was \$258,992.00 and \$244,580.00, respectively.

At June 30, 2023 and 2022, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,276,892.00 and \$2,119,895.00, respectively.

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

Borough's Proportionate Share of Net Pension Liability	\$12,356,840.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>2,276,892.00</u>
	<u>\$14,633,732.00</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

NOTE 7: COMPENSATED ABSENCES

Under the existing policies and labor contracts of the Borough, employees are not permitted to accumulate unused vacation days and sick pay over the life of their working careers in exchange for lump sum distributions at retirement.

Police Department personnel are allowed to accumulate compensatory time. Upon retirement, an Officer may "buy back" a maximum amount of hours based upon the date at which they were hired. Police personnel hired prior to December 31, 2018 are entitled to a maximum of 480 hours, while those hired after January 1, 2019 are entitled up to 240 hours.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised annually in that year's budget. The Borough has reserved \$753,919.56 in the Trust Fund to offset these costs.

NOTE 8: LITIGATION

The Borough Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Borough's insurance carrier or would have a material financial impact on the Borough as of December 31, 2023.

NOTE 9: TAX APPEALS

There are tax appeals filed with the County and State Tax Court of New Jersey requesting a reduction of assessments for the year 2023. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve, through direct charges to operations or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Borough has a reserve in the Current Fund for Tax Appeals of \$137,384.54.

NOTE 10: CONTINGENT LIABILITIES

The Borough participates 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. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2023, the Borough does not believe that any material liabilities will result from such audits.

NOTE 11: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Borough of Hawthorne is a member of the Morris County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund (the "Funds"). The Funds are an insured group of municipalities established for the purpose of operating as risk-sharing public entity pools. The funds are insurance purchasing poolings of risk, subject to established limits and deductibles. Each participating municipality receives their own insurance policies. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded policy limits in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough 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 Borough is billed quarterly for amounts due to the State. The following table is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for 2023 and the previous two years:

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 2,614.67	\$ 15,128.85	\$ 9,869.12	\$ 195,623.89
2022	824.15	14,623.48	5,245.03	187,749.49
2021	506.47	13,053.58	4,484.67	177,546.89

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2023:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current Fund	\$ 204.55	\$ 165,950.33
Grant Fund	165,950.33	
Assessment Trust Fund		636,204.55
General Capital Fund	3,225,750.00	
Water Utility Operating Fund	900,000.00	
Water Utility Capital Fund		3,489,750.00
	<u>\$ 4,291,904.88</u>	<u>\$ 4,291,904.88</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and the payment between the funds was made.

NOTE 13: SCHOOL TAXES

Local District School Taxes have been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

	<u>LOCAL DISTRICT SCHOOL TAX</u>	
	<u>BALANCE</u>	<u>BALANCE</u>
	<u>DECEMBER</u>	<u>DECEMBER</u>
	<u>31, 2023</u>	<u>31, 2022</u>
Balance of Tax	\$21,363,805.44	\$20,583,801.42
Deferred	<u>7,951,464.00</u>	<u>7,951,464.00</u>
Tax Payable(Prepaid)	<u>\$13,412,341.44</u>	<u>\$12,632,337.42</u>

NOTE 14: LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

The voters of the Borough of Hawthorne approved the adoption of a LOSAP plan at the general election held on November 7, 2000. The first year of service eligibility was the calendar year 2001. The Borough provides tax deferred income benefits for emergency service volunteers of the Volunteer Fire Department and First Aid Organization pursuant to N.J.S.A. 40A:14-183 et seq. Contributions are made solely by the Borough on behalf of those volunteers who meet the eligibility criteria established by Ordinance.

All assets of the plan are held by an independent administrator, the Variable Annuity Life Insurance Company (VALIC).

New Jersey statutes establish a minimum contribution of \$100 and a maximum contribution of \$1,150 per year, subject to annual increases as certified annually by the Division of Local Government Services. The cost is budgeted annually in the budget of the Borough and amounted to \$120,000.00 in 2023.

The accompanying financial statements do not include the Borough's Length of Service Award Program's activities. State regulations require that an annual review be conducted on the Plan's financial statements in accordance with professional standards established by the American Institute of Certified Public Accountants (AICPA). A copy of the most recent LOSAP Plan financial statements may be obtained by contacting the Borough of Hawthorne, 445 Lafayette Avenue, Hawthorne, New Jersey.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

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. 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 Borough is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

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.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

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.

Pursuant to Chapter 78, P.L, 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Contributions

The Borough's contributions to SHBP for the years ended December 31, 2022, 2021 and 2020 were \$248,105.60, \$233,411.00, and \$232,525.00, respectively, which equaled the required contributions for each year.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Total Net OPEB Liability

At June 30, 2022, the Plan reported a Liability of \$10,639,192.00 for the Borough's proportionate share of the collective Net OPEB liability. The total Net OPEB Liability measured as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

The Borough's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022.

At June 30, 2022, the Borough's proportion was 0.065879 percent, which was an increase of 0.002048 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State reported OPEB expense of \$1,965,740.00. This OPEB benefit was based on the OPEB plans June 30, 2022 measurement date.

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$549,419.00	\$1,972,054.00
Changes of assumptions	1,419,844.00	3,630,951.00
Net difference between projected and actual earnings on OPEB plan investments	2,801.00	
Changes in proportion	<u>10,190,568.00</u>	<u>1,182,710.00</u>
	<u>\$12,162,632.00</u>	<u>\$6,785,715.00</u>

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Other local amounts reported by the State as the Borough'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 OPEB (benefit)/expense as follows:

Year Ended	<u>Amount</u>
<u>June 30,</u>	
2023	\$837,511.60
2024	836,659.60
2025	1,039,595.60
2026	1,461,268.60
2027	1,725,276.60
2028-2029	<u>(523,395.00)</u>
	<u>\$5,376,917.00</u>

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases:

Public Employees Retirement System (PERS):

Initial fiscal year applied
 Rate for all future years 2.75% to 6.55%

Police and Firemen's Retirement System (PFRS):

Rate for all future years 3.25% to 16.25%

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Mortality

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021

* Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the Borough's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB Liability associated with the Borough as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1.00% Decrease (2.54%)	At Discount Rate (3.54%)	1.00% Increase (4.54%)
Borough's proportionate share of the Net OPEB Liability	\$12,332,965.31	\$10,639,192.00	\$9,276,392.91

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Sensitivity of the Borough's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Borough as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
Borough's proportionate share of the Net OPEB Liability	\$9,025,546.88	\$10,639,192.00	\$12,705,817.02

Special Funding Situation

The Borough, 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.

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.

At June 30, 2022 the State's proportionate share of the net OPEB liability attributable to the Borough for the special funding situation is \$10,671,427.00.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation (Continued)

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

Borough's proportionate share of the Net OPEB Liability	\$10,639,192.00
State of New Jersey's proportionate share of Net OPEB Liability associated with the Borough	<u>10,671,427.00</u>
	<u>\$21,310,619.00</u>

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

NOTE 16: 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 on the balance sheets of the various funds:

	BALANCE DECEMBER 31, <u>2023</u>	RAISED IN 2024 <u>BUDGET</u>	BALANCE TO SUCCEEDING <u>YEARS</u>
Water Utility Operating Fund:			
Operating Deficit to be Raised in			
Succeeding Years Budget	\$ 0.15	\$ 0.15	
Special Emergency 40A:4-46	250,000.00		250,000.00
Current Fund			
Special Emergency 40A:4-46	<u>50,000.00</u>	<u>50,000.00</u>	
	<u>\$ 300,000.15</u>	<u>\$ 50,000.15</u>	<u>\$ 250,000.00</u>

NOTE 17: LEASES

The Borough, as lessor, has entered into the following leases:

- Building Space – Board of Education. The current lease term expires 7/1/25 with available four (4) year extensions as deemed appropriate between the Board of Education and the Borough. Payments in 2023 totaled \$20,000.00.
- Cell Tower – SBA 2012 TC Assets LLC. The current lease term expires 12/17/2024 with three (3) available five (5) year extension terms and includes annual increases of 3%. Payments in 2023 totaled \$107,969.40.
- Cell Tower – Nextel. The current lease term expires 09/03/2024 with no available extensions remaining and includes annual increases of 3%. Payments in 2023 totaled \$63,608.76.
- Cell Tower – T-Mobile. The current lease term expires 03/30/2029 with one (1) available five (5) year extension term and includes annual increases of 3%. Payments in 2023 totaled \$89,654.88.
- Cell Tower – Eastern Dragon IT Services. The current lease term expires 04/30/2026 with three (3) available five (5) year extension terms and includes annual increases of 3%. Payments in 2023 totaled \$143,429.64.
- Cell Tower – Scientel Wireless LLC. The current lease term expires 09/20/2026 with two (2) available five (5) year extension terms and includes annual increases of 3%. Payments in 2023 totaled \$157,906.20.
- Cell Tower – Vigilant Global LLC. The current lease term expires 05/10/2026 with three (3) available three (3) year extension terms and includes annual increases of 3%. Payments in 2023 totaled \$81,036.72.
- Cell Tower – McKay Brothers LLC. The current lease term expires 04/06/2027 with three (3) available five (5) year extension terms and includes annual increases of 3%. Payments in 2023 totaled \$132,459.96.
- Cell Tower – McKay Brothers LLC. The current lease term expires 11/1/2028 with three (3) available five (5) year extension terms and includes annual increases of 3%. Payments in 2023 totaled \$107,261.00.

NOTE 18: 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>	<u>Deletions</u>	Balance December 31, <u>2023</u>
Land	\$ 14,620,500.00	\$	\$	\$ 14,620,500.00
Buildings	5,989,500.00			5,989,500.00
Machinery and Equipment	<u>15,628,260.00</u>	<u>896,135.00</u>	<u>417,689.00</u>	<u>16,106,706.00</u>
	<u>\$ 36,238,260.00</u>	<u>\$ 896,135.00</u>	<u>\$ 417,689.00</u>	<u>\$ 36,716,706.00</u>

NOTE 19: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through July 11, 2024 which is the date the financial statements were available to be issued. Based upon the evaluation, the Borough has determined that there are no subsequent events that need to be disclosed.

BOROUGH OF HAWTHORNE
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2023

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF CASH-TREASURER

<u>REF.</u>	<u>CURRENT FUND</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
A	\$ 25,669,097.36	\$	\$ 407,567.87
	Balance, December 31, 2022		
	Increased by Receipts:		
A-6	\$ 78,978,105.10	\$	
A-16	18,396.88		
A-7	76,486.99		
A-8	4,711,019.11		
A-2	294,361.19		
A-15	526,760.03		
A-21			10,117.34
A-11			259,889.25
A-3	600,785.28		
A-19	17,599.00		
A-26	153,149.53		
A-22:A-23	6,118,117.59		2,069.00
	<u>91,494,780.70</u>	<u>91,494,780.70</u>	<u>272,075.59</u>
	\$ 117,163,878.06	\$	\$ 679,643.46
	Decreased by Disbursements:		
A-3	\$ 22,262,333.02	\$	
A-14	2,564,215.41		
A-18	81,549.70		
A-16	18,396.88		
A-12	17,237,031.96		
A-13	43,333,250.98		
A-20			206,707.67
A-22:A-23	6,040,429.55		140,950.33
A-25	19,719.70		
A-19	18,088.00		
A-1	754.00		
A-24			105,192.52
	<u>91,575,769.20</u>	<u>91,575,769.20</u>	<u>452,850.52</u>
A	\$ 25,588,108.86	\$	\$ 226,792.94
	Balance, December 31, 2023		

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

<u>OFFICE</u>	BALANCE DECEMBER <u>31, 2022</u>	BALANCE DECEMBER <u>31, 2023</u>
Tax Office	\$ 600.00	\$ 600.00
Municipal Court	200.00	200.00
Borough Clerk	25.00	25.00
Board of Health/Registrar	50.00	50.00
Police Department	30.00	30.00
Swim Pool	150.00	150.00
	<u>\$ 1,055.00</u>	<u>\$ 1,055.00</u>
<u>REF.</u>	A	A

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2022	2023 LEVY	COLLECTED IN 2022	COLLECTED IN 2023	ADDITIONAL TAXES LEVIED	TRANSFER TO TAX TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2023
2022 & Prior	\$ 489,951.64	\$	\$	\$ 617,522.96	\$ 162,173.30	\$	\$	\$ 34,601.98
	489,951.64			617,522.96				34,601.98
2023		79,720,795.32	547,047.37	78,437,107.48		123,709.00	113,090.81	499,840.66
	\$ 489,951.64	\$ 79,720,795.32	\$ 547,047.37	\$ 78,054,630.44	\$ 162,173.30	\$ 123,709.00	\$ 113,090.81	\$ 534,442.64

REF. A

A-2

A-9

A

Cash Receipts
Due from State of New Jersey

A-4
A-7

A-2-A-15

\$ 78,978,105.10
76,525.34
\$ 79,054,630.44

ANALYSIS OF 2023 PROPERTY TAX LEVY

TAX YIELD

General Purpose Tax \$ 79,273,984.89
Added Taxes (54.4-63.1 et. seq.) 446,810.43
\$ 79,720,795.32

TAX LEVY

Local District School Tax (Abstract) A-13 \$ 44,113,255.00
County Taxes:
County Tax (Abstract) \$ 17,143,557.95
Due County for Added Taxes (54.4-63.1 et. seq.) 93,473.98

Total County Taxes

17,237,031.93

Local Tax for Municipal Purposes (Abstract)

16,981,942.09

Minimum Library Tax

1,015,621.19

Add: Additional Tax Levied

372,945.11

18,370,508.39

\$ 79,720,795.32

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2022 (Due To)	A		\$ 89,839.68
Increased by:			
Deductions Disallowed:			
Current Year Deductions		\$ 974.66	
Received From State of New Jersey	A-4	<u>76,486.99</u>	<u>77,461.65</u>
			\$ <u>167,301.33</u>
Decreased by:			
Deductions Per Tax Duplicate:			
Senior Citizens		7,750.00	
Veterans		68,250.00	
Allowed by Tax Collector:			
Senior Citizens and Veterans-Current Year		<u>1,500.00</u>	<u>77,500.00</u>
Balance, December 31, 2023 (Due To)	A		\$ <u><u>89,801.33</u></u>

SUMMARY OF 2023 EXEMPTIONS

Senior Citizens and Veterans Exemptions Per Tax Billings		\$ 76,000.00	
Senior Citizens and Veterans Exemptions Allowed by Tax Collector		1,500.00	
Senior Citizens and Veterans Exemptions Disallowed by Tax Collector- 2023		<u>(974.66)</u>	
	A-6		\$ <u><u>76,525.34</u></u>

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>ACCRUED IN 2023</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2023</u>
Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 40,450.00	\$ 40,450.00	\$
Licenses-Other	A-2		11,235.00	11,235.00	
Building Code Official:					
Fees and Permits	A-2		39,260.00	39,260.00	
Municipal Court:					
Fines and Costs	A-2	9,777.36	197,388.82	194,304.54	12,861.64
Board of Health/Registrar:					
Licenses-Other	A-2		168.00	168.00	
Fees and Permits	A-2		33,677.00	33,677.00	
Police Department:					
Fees and Permits	A-2		27,840.65	27,840.65	
Public Works Department:					
Fees and Permits	A-2		4,200.00	4,200.00	
Planning Board:					
Fees and Permits	A-2		500.00	500.00	
Zoning Board:					
Fees and Permits	A-2		2,310.00	2,310.00	
Fire Prevention:					
Fees and Permits	A-2		42,537.00	42,537.00	
Other:					
Fees and Permits	A-2		12,405.00	12,405.00	
Uniform Construction Code Fees	A-2		295,905.00	295,905.00	
Rentals- Board of Education	A-2		20,000.00	20,000.00	
Interest and Costs on Taxes	A-2		148,181.69	148,181.69	
Interest on Investments	A-2		406,144.89	406,144.89	
Rentals - Cell Towers	A-2		1,070,662.77	1,070,662.77	
Cable Television Franchise Fee	A-2		239,869.66	239,869.66	
Swimming Pool Admission Fees	A-2		128,972.50	128,972.50	
Commuter Parking Permits	A-2		19,610.00	19,610.00	
Sewer Charges	A-2		175,207.08	175,207.08	
Reserve for Debt Service	A-2		138,500.00	138,500.00	
Utility Operating Surplus	A-2		120,000.00	120,000.00	
Energy Receipts Tax	A-2		1,478,427.26	1,478,427.26	
Uniform Fire Safety Act	A-2		38,651.07	38,651.07	
Interlocal Agreement - Glen Rock Fire Training Center	A-2		2,000.00	2,000.00	
Interlocal Agreement - BOE Recycle Pick Up	A-2		20,000.00	20,000.00	
		\$ 9,777.36	\$ 4,714,103.39	\$ 4,711,019.11	\$ 12,861.64
<u>REF.</u>		<u>A</u>		<u>A-4</u>	<u>A</u>

"A-9"

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2022	A		\$ 1,973,376.25
Increased by:			
Interest and Costs on Tax Sale		\$ 6,603.68	
Transfer from Taxes Receivable	A-6	<u>123,709.00</u>	
			<u>130,312.68</u>
Balance, December 31, 2023	A		\$ <u>2,103,688.93</u>

"A-10"

SCHEDULE OF FORECLOSED PROPERTY

Balance, December 31, 2022 and Balance, December 31, 2023	A		\$ <u>34,980.00</u>
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BOROUGH OF HAWTHORNE

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>GRANT</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>2023 REVENUE ANTICIPATED</u>	<u>CASH RECEIPTS</u>	<u>BALANCE DECEMBER 31, 2023</u>
Municipal Alliance	\$ 48,339.11	\$ 6,207.38	\$ 8,268.38	\$ 46,278.11
Drive Sober or Get Pulled Over	700.00	7,000.00		7,700.00
Drive Sober or Get Pulled Over	7,460.00			7,460.00
Open Space Grant - Passaic County	6,650.00			6,650.00
Emergency Management Grant	5,000.00			5,000.00
Sustainable NJ Grant	1,500.00			1,500.00
Drunk Driving Enforcement Fund		11,299.69	6,720.00	4,579.69
Clean Communities Grant		41,211.94	41,211.94	
Distracted Driving Crackdown Program	12,960.00	7,000.00	7,000.00	12,960.00
Hazardous Discharge Site Remediation	56,650.00			56,650.00
Passaic Coronavirus Relief / CARES Act	1,096,458.00			1,096,458.00
Passaic County Corridor Enhancement Program	25,501.50		25,501.50	
DCA Neighborhood Preservation Program	12,500.00	125,000.00	119,720.00	17,780.00
Recycling Tonnage Grant		34,299.28	34,299.28	
Body Worn Camera Grant	83,558.00			83,558.00
Mayors Wellness Campaign		1,000.00	1,000.00	
ARPA - Firefighters Grant		26,000.00		26,000.00
NJDEP - Stormwater Assistance		25,000.00	15,000.00	10,000.00
Alcohol Education and Rehabilitation Fund		1,168.15	1,168.15	
	<u>\$ 1,357,276.61</u>	<u>\$ 285,186.44</u>	<u>\$ 259,889.25</u>	<u>\$ 1,382,573.80</u>

REF.

A

A-2

A-4

A

"A-12"

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2022	A	\$	8.80
2023 Tax Levy:			
County Taxes	A-1:A-6	\$	16,817,494.84
County Open Space Taxes	A-1:A-6		326,063.11
County Share of Added Taxes	A-1:A-6		<u>93,473.98</u>
		\$	<u>17,237,031.93</u>
			17,237,040.73
Decreased by:			
Cash Disbursements	A-4		<u>17,237,031.96</u>
Balance, December 31, 2023	A	\$	<u><u>8.77</u></u>

"A-13"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Balance, December 31, 2022			
Taxes Deferred		\$	7,951,464.00
Taxes Payable	A		<u>12,632,337.42</u>
		\$	20,583,801.42
Increased by:			
2023 Levy	A-1:A-6		<u>44,113,255.00</u>
		\$	<u>64,697,056.42</u>
Decreased by:			
Cash Disbursements	A-4		<u>43,333,250.98</u>
Balance, December 31, 2023			
Taxes Deferred		\$	7,951,464.00
Taxes Payable	A		<u>13,412,341.44</u>
		\$	<u><u>21,363,805.44</u></u>
<u>Amount Charged to 2023 Operations:</u>			
Taxes Paid		\$	43,333,250.98
Add: Current Year Taxes Payable			13,412,341.44
Less: Prior Year Taxes Payable			<u>(12,632,337.42)</u>
		\$	<u><u>44,113,255.00</u></u>

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2022	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	CANCELED
GENERAL GOVERNMENT					
Administrative and Executive:					
Salaries and Wages	\$ 9,555.37	\$ 9,555.37	\$ 9,550.19	\$ 5.18	\$
Other Expenses	474.59	1,042.58	823.78	218.80	
Other Expenses - Postage	341.81	341.81		341.81	
Mayor and Council:					
Salaries and Wages	1,403.25	1,403.25	1,403.21	0.04	
Municipal Clerk:					
Salaries and Wages	4,393.68	4,393.68	3,304.91	1,088.77	
Other Expenses	0.05	13,050.98	12,712.72	338.26	
Financial Administration:					
Salaries and Wages	2,889.43	2,889.43	2,889.43		
Other Expenses	2,483.98	12,860.88	7,455.48	5,205.40	
Audit Services:					
Other Expenses	29,750.00	29,750.00	29,750.00		
Revenue Administration (Tax Collection):					
Salaries and Wages	946.74	946.74	946.74		
Other Expenses	69.05	69.05	64.50	4.55	
Tax Assessment Administration:					
Salaries and Wages	2,171.44	2,171.44	2,026.43	145.01	
Other Expenses	361.58	1,161.58		1,161.58	
Legal Services:					
Other Expenses	12,022.25	12,022.25	8,478.75	3,543.50	
Engineering Services:					
Other Expenses	15,287.50	59,274.00	57,777.00	1,497.00	
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	269.25	269.25	269.23	0.02	
Other Expenses	457.96	4,657.96	4,212.83	445.13	
Zoning Board of Adjustments:					
Salaries and Wages	1,467.88	1,467.88	772.06	695.82	
Other Expenses	6,441.44	6,441.44	233.92	6,207.52	
Computerized Data Processing	20,292.65	102,154.50	89,835.26	12,319.24	

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

OPERATIONS WITHIN "CAPS" (CONTINUED)

PUBLIC SAFETY

	BALANCE DECEMBER 31, 2022	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	CANCELED
Police:					
Salaries and Wages	\$ 193,845.10	\$ 193,845.10	\$ 190,801.44	\$ 3,043.66	
Other Expenses	7,343.58	233,069.75	227,387.26	5,712.49	
Police Dispatchers:					
Salaries and Wages	7,440.61	8,210.61	8,208.60	2.01	
Emergency Management Services:					
Other Expenses	13,220.97	13,220.97		13,220.97	
Prosecutor:					
Salaries and Wages	1,907.76	1,907.76	1,307.69	600.07	
Fire:					
Salaries and Wages	2,501.50	2,501.50	1,048.46	1,453.04	
Other Expenses	1,717.19	116,191.88	116,161.88	30.00	
Uniform Fire Safety Act:					
Salaries and Wages	6,026.42	8,336.42	8,335.59	0.83	
Other Expenses	2,095.70	7,899.00	5,801.17	2,097.83	
Municipal Court:					
Salaries and Wages	8,736.73	8,736.73	5,985.35	2,751.38	
Other Expenses	10,168.71	10,762.08	938.96	9,823.12	

PUBLIC WORKS

Road Repair and Maintenance:					
Salaries and Wages	37,321.34	37,321.34	35,520.16	1,801.18	
Other Expenses	482.97	131,755.34	121,599.80	10,155.54	
Sewer System Maintenance:					
Salaries and Wages	9,489.97	9,489.97	7,407.62	2,082.35	
Other Expenses	6,451.89	67,911.39	60,363.54	7,547.85	
Shade Tree Commission:					
Salaries and Wages	769.29	769.29	168.00	601.29	
Other Expenses	5,271.45	58,197.45	50,130.00	8,067.45	

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2022	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	CANCELED
PUBLIC WORKS (CONTINUED)					
Solid Waste Collection:					
Salaries and Wages - Recycling	708.29	708.29		708.29	
Other Expenses - Recycling		34,811.51	13,324.21	21,487.30	
Buildings and Grounds:					
Salaries and Wages	5,806.43	6,236.43	6,233.60	2.83	
Other Expenses	2,838.27	113,656.29	110,012.25	3,644.04	
Maintenance of Parks:					
Other Expenses	1,365.47	61,828.96	59,541.49	2,287.47	
Vehicle Maintenance:					
Other Expenses	6,444.96	45,239.89	31,952.83	13,287.06	
Community Services Act:					
Other Expenses	21,000.00	21,000.00	267.04	20,732.96	
HEALTH AND HUMAN SERVICES					
Board of Health:					
Salaries and Wages	4,407.41	4,512.41	4,507.70	4.71	
Other Expenses	1,254.30	1,705.31	446.26	1,259.05	
Environmental Commission:					
Other Expenses	8,019.74	10,298.74	2,279.00	8,019.74	
Board of Recreation:					
Salaries and Wages	547.94	547.94	541.85	6.09	
Other Expenses	13,248.76	14,996.57	1,398.19	13,598.38	
Swimming Pool:					
Salaries and Wages	1.65	1.65		1.65	
Other Expenses	17.90	4,288.15	1,867.50	2,420.65	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events:					
Other Expenses	2,012.26	5,264.29	3,336.51	1,927.78	
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement Functions:					
Building Inspector:					
Salaries and Wages	14,075.28	14,075.28	14,075.28	0.00	
Other Expenses	80,655.91	153,066.10	79,115.59	73,950.51	

BOROUGH OF HAWTHORNE
CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2022	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	CANCELED
CODE ENFORCEMENT AND ADMINISTRATION (CONTINUED)					
Property Code Enforcement:					
Salaries and Wages	\$ 9,598.82	\$ 9,598.82	\$ 4,790.56	\$ 4,808.26	\$
Other Expenses	1,808.82	3,890.78	1,761.96	2,128.82	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	70,483.65	70,483.65	54,406.39	16,077.26	
Street Lighting	19,654.33	19,654.33	15,146.43	4,507.90	
Telephone	6,947.69	8,127.69	5,087.81	3,039.88	
Gasoline	26,368.07	29,694.14	23,318.79	6,375.35	
Landfill/Solid Waste Disposal Costs:					
Dumping Fees	36,996.12	47,049.39	46,834.19	215.20	
Insurance:					
Worker's Compensation Insurance	20,991.85	20,991.85	20,991.85	20,991.85	
Group Insurance for Employees	361,733.98	324,918.98	5,765.62	319,153.36	
Total Operations Within "CAPS"	1,142,878.98	2,202,528.09	1,559,683.01	642,845.08	
Contingent	2,000.00	2,000.00		2,000.00	
Total Operations Including Contingent Within "CAPS"	1,144,878.98	2,204,528.09	1,559,683.01	644,845.08	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":					
Statutory Charges:					
Social Security System (O.A.S.I.)	10,549.76	10,549.76	10,549.76	1,429.20	
Police and Firemans Retirement System	1,429.20	1,429.20			
DCRP	1,275.80	1,275.80	1,275.80		
Unemployment Insurance	5,000.00	5,000.00		5,000.00	
Pension Adjustment	5,049.46	5,049.46		5,049.46	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	23,304.22	23,304.22	11,825.56	11,478.66	
Total General Appropriations for Municipal Purposes Within "CAPS"	1,168,183.20	2,227,832.31	1,571,508.57	656,323.74	

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2022	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	CANCELED
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Planning Board:					
Other Expenses - Affordable Housing	\$ 8,556.25	\$ 8,556.25	\$	\$ 8,556.25	
Length of Service Award Program (LOSAP)	19,463.52	19,463.52	10,282.14	9,181.38	\$
Maintenance of Free Public Library:					
Salaries and Wages	88,618.30	88,618.30	45,667.37	42,950.93	
Sewer Processing and Disposal:					
Other Expenses - Passaic Valley Sewer Rental	0.03	0.03		0.03	
Other Expenses - Other Municipal Projects	894.50	894.50	670.42	224.08	
Glen Rock Fire Training Center-OE	2,000.00	2,000.00		2,000.00	
NJDEP Stormwater Permits	35.99	35.99		35.99	
<u>Total Other Operations Excluded from "CAPS"</u>	<u>119,568.59</u>	<u>119,568.59</u>	<u>56,619.93</u>	<u>62,948.66</u>	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$	1,067,592.26	1,067,592.26		
<u>Total Capital Improvements Excluded from "CAPS"</u>		<u>1,067,592.26</u>	<u>1,067,592.26</u>		
<u>Total General Appropriations Excluded from "CAPS"</u>	<u>\$ 119,568.59</u>	<u>\$ 1,187,160.85</u>	<u>\$ 1,124,212.19</u>	<u>\$ 62,948.66</u>	
<u>Subtotal General Appropriations</u>	<u>1,287,751.79</u>	<u>3,414,993.16</u>	<u>2,695,720.76</u>	<u>719,272.40</u>	
<u>Total General Appropriations</u>	<u>\$ 1,287,751.79</u>	<u>\$ 3,414,993.16</u>	<u>\$ 2,695,720.76</u>	<u>\$ 719,272.40</u>	

REF A-1

REF A

Accounts Payable	\$ 131,505.35
Cash Disbursements	2,564,215.41
	<u>\$ 2,695,720.76</u>

"A-15"

BOROUGH OF HAWTHORNE
CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>REF.</u>	
Balance, December 31, 2022	A	\$ 547,047.37
Increased by:		
Collection of 2024 Taxes	A-4	<u>526,760.03</u>
		\$ <u>1,073,807.40</u>
Decreased by:		
Application to 2023 Taxes Receivable	A-6	<u>547,047.37</u>
Balance, December 31, 2023	A	\$ <u><u>526,760.03</u></u>

"A-16"

SCHEDULE OF RESERVE FOR TAX OVERPAYMENTS

Increased by:		
Cash Receipts	A-4	\$ <u>18,396.88</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u><u>18,396.88</u></u>

"A-17"

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2022	A	\$ 2,127,241.37
Increased by:		
Charged to 2023 Appropriations	A-3	1,463,530.65
		\$ <u>3,590,772.02</u>
Decreased by:		
Transfer to Appropriation Reserves	A-14	<u>2,127,241.37</u>
Balance, December 31, 2023	A	\$ <u><u>1,463,530.65</u></u>

"A-18"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2022	A	\$ 632,135.52
Increased by:		
Transferred from Appropriation Reserves	A-14	131,505.35
		\$ <u>763,640.87</u>
Decreased by:		
Cash Disbursements	A-4	<u>81,549.70</u>
Balance, December 31, 2023	A	\$ <u><u>682,091.17</u></u>

"A-19"

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF FEES PAYABLE

<u>GRANT/PROGRAM</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>BALANCE DECEMBER 31, 2023</u>
DCA State Training Fees	\$ 10,281.00	\$ 15,999.00	\$ 17,113.00	\$ 9,167.00
Marriage License Fees	643.00	1,600.00	975.00	1,268.00
	<u>\$ 10,924.00</u>	<u>\$ 17,599.00</u>	<u>\$ 18,088.00</u>	<u>\$ 10,435.00</u>

REF.

A

A-4

A-4

A

BOROUGH OF HAWTHORNE

GRANT FUND

SCHEDULE OF RESERVES FOR GRANTS APPROPRIATED

<u>GRANT</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>2023 BUDGET APPROPRIATIONS</u>	<u>EXPENDED</u>	<u>BALANCE DECEMBER 31, 2023</u>
Municipal Alliance	\$ 37,017.71	\$ 8,276.38	\$ 8,137.51	\$ 37,156.58
Livable Communities Grant	16,287.00			16,287.00
Passaic Coronavirus Relief / CARES Act	1,096,458.00			1,096,458.00
Clean Communities Grant	154,347.81	41,211.94	25,383.87	170,175.88
Alcohol Education and Rehabilitation Fund	2,368.98	1,168.15		3,537.13
Shade Tree Grant	3,716.00			3,716.00
Drive Sober or Get Pulled Over	7,100.00	7,000.00	6,720.00	7,380.00
Body Worn Camera Grant	77,558.00			77,558.00
NJDEP Wagaraw Road Noise Program	129,196.44	150,000.00	14,444.00	114,752.44
DCA Neighborhood Preservation Grant			119,148.77	30,851.23
ARPA Funds	21,046.08		8,318.30	12,727.78
ARPA - Firefighters grant		26,000.00	23,765.50	2,234.50
NJDEP - Stormwater Assistance		25,000.00		25,000.00
Mayors Wellness Campaign		1,000.00		1,000.00
Recycling Grant	235.00			235.00
Drunk Driving Enforcement Fund	140.40	11,299.69	2,416.00	9,024.09
Domestic Violence Prevention Grant	107.00			107.00
Stormwater Grant	5,324.00			5,324.00
Audio/Visual Grant	104.02			104.02
Recycling Tonnage Grant	5,653.82	34,299.28	33,419.03	6,534.07
Library Collection Development	2,500.00			2,500.00
Passaic County Corridor Enhancement	34,861.50		15,135.00	19,726.50
NJ Clean Energy Grant	49.93			49.93
Distracted Driving Crackdown Grant	2,950.00	7,000.00	7,000.00	2,950.00
ANJEC Grant	1.41			1.41
Environmental Commission	1,000.00			1,000.00
	<u>\$ 1,598,023.10</u>	<u>\$ 312,255.44</u>	<u>\$ 263,887.98</u>	<u>\$ 1,646,390.56</u>

REF. A A-3 A

Accounts Payable \$ 57,180.31
 Cash Disbursements 206,707.67
\$ 263,887.98

BOROUGH OF HAWTHORNE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

<u>GRANT</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>CASH RECEIPTS</u>	<u>BALANCE DECEMBER 31, 2023</u>
Municipal Road Mileage Grant	\$ 36,257.18	\$	\$ 36,257.18
Drunk Driving Enforcement Fund	4,316.78		4,316.78
Body Armor Replacement Grant		2,867.56	2,867.56
Highway Safety Improvement Program	4,400.00		4,400.00
Opioid Settlement	12,574.90	7,249.78	19,824.68
Law and Public Safety - Impaired Driving	<u>4,080.00</u>	<u></u>	<u>4,080.00</u>
	<u>\$ 61,628.86</u>	<u>\$ 10,117.34</u>	<u>\$ 71,746.20</u>
<u>REF.</u>	A	A-4	A

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF INTERFUNDS

REF.	TOTAL	ASSESSMENT TRUST FUND	TRUST OTHER FUND	WATER UTILITY CAPITAL FUND	GRANT FUND	GENERAL CAPITAL FUND	WATER UTILITY OPERATING FUND
A	\$ 60,988.74	\$ 29,060.25	\$ 9,229.73	\$	\$	\$	\$ 22,698.76
Balance, December 31, 2022:							
Due To							
Increased By:							
A-4	6,118,117.59	29,060.25		2,250,000.00	143,557.34	3,695,500.00	
A-23	27,069.00				27,069.00		
	6,145,186.59	29,060.25		2,250,000.00	170,626.34	3,695,500.00	
Decreased By:							
A-4	6,040,429.55	58,325.05	9,229.73	2,250,000.00	4,676.01	3,695,500.00	22,698.76
Cash Disbursements							
Balance, December 31, 2023:							
Due From	\$ 204.55	\$ 204.55					
Due To	\$ 165,950.33				\$ 165,950.33		

"A-23"

BOROUGH OF HAWTHORNE

GRANT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Increased By:			
Cash Receipts	A-4	<u>2,069.00</u>	<u>2,069.00</u>
Decreased By:			
Cash Disbursements	A-4	\$ 140,950.33	\$ 140,950.33
Other	A-22	<u>27,069.00</u>	<u>27,069.00</u>
		<u>168,019.33</u>	<u>168,019.33</u>
Balance, December 31, 2023:			
Due From	A	\$ <u>165,950.33</u>	\$ <u>165,950.33</u>

BOROUGH OF HAWTHORNE

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2022	A	\$ 105,192.52
Increased by:		
Charged to Grant Reserves	A-20	57,180.31
		<u>\$ 162,372.83</u>
Decreased by:		
Cash Disbursements	A-4	<u>105,192.52</u>
Balance, December 31, 2023	A	<u>\$ 57,180.31</u>

"A-25"

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

	<u>REF.</u>	
Balance, December 31, 2022	A	\$ 157,104.24
Decreased by:		
Cash Disbursements	A-4	<u>19,719.70</u>
Balance, December 31, 2023	A	<u>\$ 137,384.54</u>

"A-26"

SCHEDULE OF RESERVE FOR MUNICIPAL RELIEF FUNDS

Balance, December 31, 2022	A	\$ 76,591.07
Increased by:		
Cash Receipts	A-4	<u>\$ 153,149.53</u>
		229,740.60
Decreased by:		
Anticipated as 2023 Revenue	A-2	<u>76,591.07</u>
Balance, December 31, 2023	A	<u>\$ 153,149.53</u>

"A-27"

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

<u>PURPOSE</u>	<u>ADDED IN 2023</u>	<u>BALANCE DECEMBER 31, 2023</u>
Sewer System Repair	\$ <u>50,000.00</u>	\$ <u>50,000.00</u>
	\$ <u>50,000.00</u>	\$ <u>50,000.00</u>
<u>REF.</u>	A-3	A

BOROUGH OF HAWTHORNE

TRUST FUND

SCHEDULE OF CASH-TREASURER

REF.	ASSESSMENT TRUST	ANIMAL CONTROL	TRUST OTHER
Balance, December 31, 2022	\$ 45,256.07	\$ 10,038.43	\$ 3,803,827.33
Increased by Receipts:			
Assessments Receivable	305,708.79		
Budget Appropriations:			
Deficit (General Budget)	91,247.46		
Canceled Assessments	5,592.54		
Animal Control License Fees		10,917.00	
Due State of New Jersey		1,059.00	
Various Reserves and Deposits			12,934,970.65
Unemployment			17,743.52
Due Current Fund	29,264.80		9,229.73
	<u>431,813.59</u>	<u>11,976.00</u>	<u>12,961,943.90</u>
Decreased by Disbursements:			
Expenditures Under R.S.4:19-15.11		19,541.00	
Due State of New Jersey		1,074.00	9,869.12
Unemployment Claims			12,960,932.20
Various Reserves and Deposits	135,000.00		
Assessment Bonds	<u>135,000.00</u>	<u>20,615.00</u>	<u>12,970,801.32</u>
Balance, December 31, 2023	\$ <u>342,069.66</u>	\$ <u>1,399.43</u>	\$ <u>3,794,969.91</u>

"B-3"

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

ANALYSIS OF CASH

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>
Due General Capital Fund	\$ 636,000.00
Due Current Fund	204.55
Overpayments	1,291.60
Fund Balance	2,941.76
 <u>Assessment Serial Bonds</u>	
Ord 1989	
Ord 2047	
Ord 2082-2094	25,713.00
Ord 2106-2139	43,429.00
Ord 2130	(9,422.10)
Ord 2138	21,873.67
Ord 2155	13,472.33
Ord 2162	5,042.97
Ord 2179	25,688.16
Ord 2191	10,816.07
Ord 2203	46,417.36
Ord 2222	(71,341.99)
Ord 2226	24,615.95
 <u>Unfinanced Assessments</u>	
Various	<u>(434,672.67)</u>
	 \$ <u><u>342,069.66</u></u>

REF.

B:B-2

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>CONFIRMED PROSPECTIVE ASSESSMENTS FUNDED</u>	<u>ASSESSMENTS COLLECTED</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE PLEDGED TO ASSESSMENT BONDS</u>
2130-15	Sidewalk / Driveway Improvements - Various Streets	\$ 74,123.10	50,061.14	\$ 24,061.96	\$ 24,061.96
2138-15	Sidewalk / Driveway Improvements - Braen Avenue	65,123.67	56,843.88	8,279.79	8,279.79
2155-16	Road Improvements	69,295.49	49,884.36	19,411.13	19,411.13
2162-16	Road Improvements - Rock Road	15,658.59	9,843.56	5,815.03	5,815.03
2179-17	Sidewalk / Driveway Improvements - Various Streets	87,786.83	48,898.78	38,888.05	38,888.05
2191-17	Sidewalk / Driveway Aprons on Arlington Avenue	31,726.32	15,629.73	16,096.59	16,096.59
2203-18	Sidewalk / Driveway Aprons Various Roads	47,193.26	27,540.47	19,652.79	19,652.79
2222-19	Sidewalk / Driveway Aprons - Various Roads	177,694.04		177,694.04	177,694.04
2226-19	Reconstruction of Replacement of Sidewalks	100,679.81	47,006.87	53,672.94	53,672.94
		<u>\$ 669,281.11</u>	<u>\$ 305,708.79</u>	<u>\$ 363,572.32</u>	<u>\$ 363,572.32</u>
<u>REF.</u>		B-9	B-2	B	B

"B-5"

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

SCHEDULE OF ASSESSMENTS LIENS

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DECEMBER 31, <u>2022</u>	BALANCE DECEMBER 31, <u>2023</u>	BALANCE PLEGDED TO <u>RESERVE</u>
1370	Central Avenue Sidewalks	\$ 1,019.00	\$ 1,019.00	\$ 1,019.00
1607/1682	Lafayette Ave - Curbs and Sidewalks	6,679.00	6,679.00	6,679.00
1636/1684	Lafayette Ave - Brick Pavers	<u>2,633.00</u>	<u>2,633.00</u>	<u>2,633.00</u>
		<u>\$ 10,331.00</u>	<u>\$ 10,331.00</u>	<u>\$ 10,331.00</u>
	<u>REF.</u>	B	B	B

"B-6"

SCHEDULE OF ASSESSMENTS LIEN INTEREST AND COSTS

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DECEMBER 31, <u>2022</u>	BALANCE DECEMBER 31, <u>2023</u>	BALANCE PLEGDED TO <u>RESERVE</u>
	Prior Year Unallocated	\$ 121.00	\$ 121.00	\$ 121.00
1607/1682	Lafayette Ave - Curbs and Sidewalks	1,881.00	1,881.00	1,881.00
1636/1684	Lafayette Ave - Brick Pavers	<u>741.00</u>	<u>741.00</u>	<u>741.00</u>
		<u>\$ 2,743.00</u>	<u>\$ 2,743.00</u>	<u>\$ 2,743.00</u>
	<u>REF.</u>	B	B	B

"B-7"

BOROUGH OF HAWTHORNE
ASSESSMENT TRUST FUND
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2022 (Due From)	B	\$ 29,060.25
Increased by:		
Cash Receipts	B-2	<u>29,264.80</u>
Balance, December 31, 2023 (Due To)	B	<u>\$ 204.55</u>

"B-8"

BOROUGH OF HAWTHORNE
ASSESSMENT TRUST FUND
RESERVE FOR PAYMENT OF DEBT

	<u>REF.</u>		
Balance, December 31, 2022	B	\$	38,160.00
Decreased by:			
Raised in Assessment Budget	B-20	\$	<u>38,160.00</u>

BOROUGH OF HAWTHORNE
ASSESSMENT TRUST FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2022</u>	<u>BONDED</u>	<u>ASSESSMENTS</u> <u>CONFIRMED</u>	<u>MUNICIPAL</u> <u>SHARE</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2023</u>	<u>BALANCE</u> <u>PLEGDED TO</u> <u>BONDS</u>	<u>BALANCE</u> <u>PLEGDED TO</u> <u>RESERVE</u>
1506	Construction of Curbs on Royal Ave.	\$ 40,800.00	\$	\$ 74,123.10	\$	\$ 40,800.00	\$	\$ 40,800.00
2130	Sidewalk and Driveway Improvements	180,500.00		65,123.67	106,376.90			
2138	Sidewalk and Driveway Improvements	104,500.00		69,295.49	39,376.33			
2155	Sidewalk and Driveway Improvements	114,000.00		15,658.59	44,704.51			
2162	Sidewalk and Driveway Improvements	38,000.00		87,786.83	22,341.41			
2179	2017 Road Improvement Program	133,000.00		31,726.32	45,213.17			
2191	Sidewalk and Driveway Improvements	57,000.00		47,193.26	25,273.68			
2203	Sidewalk and Driveway Improvements	114,000.00		177,694.04	66,806.74			
2222	Sidewalk and Driveway Improvements	190,000.00		100,679.81	12,365.96			
2226	Sidewalk and Driveway Improvements	142,000.00			41,320.19			
2246	Improvements of Sidewalks & Driveway Aprons on Various Avenues		108,000.00			108,000.00	108,000.00	
2266	Reconstruction or Replacement of Sidewalks & Driveway Aprons		155,000.00			155,000.00	155,000.00	
2289	Reconstruction or Replacement of Sidewalks & Driveway Aprons		315,000.00			315,000.00	315,000.00	
2309	Reconstruction or Replacement of Sidewalks & Driveway Aprons		171,000.00			171,000.00	171,000.00	
		<u>\$ 1,113,800.00</u>	<u>\$ 749,000.00</u>	<u>\$ 669,281.11</u>	<u>\$ 403,718.89</u>	<u>\$ 789,800.00</u>	<u>\$ 749,000.00</u>	<u>\$ 40,800.00</u>

REF.

B

B-15

B-4

B-20

B

B

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

SCHEDULE OF AMOUNT TO BE RAISED BY TAXATION FOR CANCELED ASSESSMENTS

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2023</u>
1939	Van Winkle Avenue	\$ 4,292.31	\$ 4,292.31	\$
1948	Sidewalk and Driveway Improvements	1,300.23	1,300.23	
2009	Sidewalk Improvements	660.67		660.67
		<u>\$ 6,253.21</u>	<u>\$ 5,592.54</u>	<u>\$ 660.67</u>

REF.

B

B-2

B

BOROUGH OF HAWTHORNE

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

<u>Description</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2022</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2023</u>
Reserve for:				
Recycling Expenditures	\$ 313,291.29	\$ 39,225.93	\$ 133,150.42	\$ 219,366.80
UCC Penalties	49,621.88	9,450.00		59,071.88
Municipal Alliance Program	8,285.55	6,100.00	11,212.59	3,172.96
Relocation Fund	39,156.00			39,156.00
Snow Removal	371,296.83	109,000.00		480,296.83
Public Events	56,500.11	60,785.00	64,519.51	52,765.60
Third Party Liens	11,912.09	337,369.09	225,034.83	124,246.35
Trustee - Miscellaneous		426.00	390.00	36.00
Trustee - GSPO	528.00			528.00
Fire Code Penalties	50,467.26	500.00		50,967.26
Public Defender Fees	18,966.00	4,796.50	7,500.00	16,262.50
POAA	2,121.29	1,352.00		3,473.29
Off-Duty Municipal Police Pay		536,438.88	532,915.52	3,523.36
911 Memorial	13,491.24			13,491.24
Builders Escrow Deposits	187,979.37	92,058.87	105,115.90	174,922.34
Antenna Plan Reviews	4,376.00			4,376.00
Tax Sale Premiums	948,400.00	93,000.00	177,800.00	863,600.00
Performance Deposits	286,264.00			286,264.00
PCUA - EIC	552.00			552.00
Sidewalk Replacements	5,659.00			5,659.00
Other Escrow Deposits	27,092.00	14,273.23	14,273.23	27,092.00
Security Deposits	153,341.41	1,025.00	2,050.00	152,316.41
Housing Trust	274,600.01	3,794.84	18,927.79	259,467.06
Accumulated Absences	796,586.66		42,667.10	753,919.56
Special Police Equipment	3,746.76			3,746.76
Pre-Tax Medical Payments	1,072.82			1,072.82
Payroll Deductions Payable		11,625,375.31	11,625,375.31	
	<u>\$ 3,625,307.57</u>	<u>\$ 12,934,970.65</u>	<u>\$ 12,960,932.20</u>	<u>\$ 3,599,346.02</u>

REF.

B

B-2

B-2

B

BOROUGH OF HAWTHORNE

ANIMAL CONTROL FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2022	B	\$	10,004.63
Increased by:			
Animal Control License Fees Collected	B-2	\$	<u>10,917.00</u>
			20,921.63
Decreased by:			
Expenditures Under R.S.4:19-15.11:			
Cash Disbursements	B-2		<u>19,541.00</u>
Balance, December 31, 2023	B	\$	<u><u>1,380.63</u></u>

<u>LICENSE FEES COLLECTED</u>		
<u>YEAR</u>		<u>AMOUNT</u>
2022	\$	10,962.20
2021		<u>11,852.20</u>
	\$	<u><u>22,814.40</u></u>

ANIMAL CONTROL FUND

SCHEDULE OF DUE STATE OF NEW JERSEY

Balance, December 31, 2022 (Due To)	B	\$	33.80
Increased by:			
Cash Receipts	B-2	\$	<u>1,059.00</u>
			1,092.80
Decreased by:			
Cash Disbursements	B-2		<u>1,074.00</u>
Balance, December 31, 2023 (Due To)	B	\$	<u><u>18.80</u></u>

BOROUGH OF HAWTHORNE

TRUST FUND

SCHEDULE OF RESERVE FOR
UNEMPLOYMENT COMPENSATION INSURANCE

	<u>REF.</u>	
Balance, December 31, 2022	B	\$ 187,749.49
Increased by:		
Cash Receipts	B-2	<u>17,743.52</u>
		\$ 205,493.01
Decreased by:		
Cash Disbursements	B-2	<u>9,869.12</u>
Balance, December 31, 2023	B	<u>\$ 195,623.89</u>

"B-16"

BOROUGH OF HAWTHORNE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2022:		
Due From	B	\$ <u>9,229.73</u>
Decreased By:		
Cash Receipts	B-2	\$ <u><u>9,229.73</u></u>

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	<u>Balance</u> <u>December 31, 2022</u>	<u>Balance</u> <u>December 31, 2023</u>
Prospective Assessments Funded:			
1506	Construction of Curbs on Royal Ave.	\$ 40,800.00	\$ 40,800.00
		<u>\$ 40,800.00</u>	<u>\$ 40,800.00</u>
Assessemnts Liens:			
1370	Central Avenue Sidewalks	\$ 1,019.00	\$ 1,019.00
1607/1682	Lafayette Ave - Curbs and Sidewalks	6,679.00	6,679.00
1636/1684	Lafayette Ave - Brick Pavers	2,633.00	2,633.00
		<u>\$ 10,331.00</u>	<u>\$ 10,331.00</u>
		<u>\$ 51,131.00</u>	<u>\$ 51,131.00</u>
<u>REF.</u>		B	B

"B-18"

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND

REF.

Balance, December 31, 2022 and
December 31, 2023

B

\$ 636,000.00

"B-19"

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

SCHEDULE OF ASSESSMENT OVERPAYMENTS

Balance, December 31, 2022 and
December 31, 2023

B

\$ 1,291.60

BOROUGH OF HAWTHORNE
ASSESSMENT TRUST FUND

SCHEDULE OF AMOUNT TO BE RAISED BY TAXATION - FUNDED BY ASSESSMENT BONDS

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2022</u>	<u>MUNICIPAL</u> <u>SHARE</u> <u>FUNDED</u>	<u>RAISED BY</u> <u>BUDGET</u> <u>APPROPRIATION</u>	<u>RAISED BY</u> <u>ASSESSMENT</u> <u>BUDGET</u> <u>APPROPRIATION</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2023</u>	<u>BALANCE</u> <u>PLEGDED TO</u> <u>BONDS</u>
1939	Van Winkle Avenue	\$ 10,000.00	\$	10,000.00	\$	\$	
1948	Sidewalk and Driveway Improvements	20,000.00		20,000.00			
1972	Road Reconstruction	40,000.00		29,593.12		10,406.88	10,406.88
1989	Road and Stormwater Improvements	12,600.00		12,600.00			
2009	Sidewalk Improvements	89,932.96			38,160.00	51,772.96	51,772.96
2047	Reconstruction of Sidewalk	19,054.34		19,054.34			
2082/2094	Sidewalk and Driveway Improvements	11,737.08				11,737.08	11,737.08
2106/2139	Reconstruction of Sidewalk	6,499.45				6,499.45	6,499.45
2130	Sidewalk and Driveway Improvements		106,376.90			106,376.90	106,376.90
2138	Sidewalk and Driveway Improvements		39,376.33			39,376.33	39,376.33
2155	Sidewalk and Driveway Improvements		44,704.51			44,704.51	44,704.51
2162	Sidewalk and Driveway Improvements		22,341.41			22,341.41	22,341.41
2179	2017 Road Improvement Program		45,213.17			45,213.17	45,213.17
2191	Sidewalk and Driveway Improvements		25,273.68			25,273.68	25,273.68
2203	Sidewalk and Driveway Improvements		66,806.74			66,806.74	66,806.74
2222	Sidewalk and Driveway Improvements		12,305.96			12,305.96	12,305.96
2226	Sidewalk and Driveway Improvements		41,320.19			41,320.19	41,320.19
		<u>\$ 209,823.83</u>	<u>\$ 403,718.89</u>	<u>\$ 91,247.46</u>	<u>\$ 38,160.00</u>	<u>\$ 484,135.26</u>	<u>\$ 484,135.26</u>
		B	B-9	B-2	B-8	B	B

REF.

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2022	C		\$ 759,151.23
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-16	\$ 125,000.00	
Deferred Charges to Future Taxation - Loans Receivable	C-6	42,493.00	
Grants Receivable	C-8	330,745.36	
Due Water Capital Fund	C-18	2,740,250.00	
Due Current Fund	C-19	3,695,500.00	
Reserve for Debt Service	C-13	7,531.07	
Reserve for Capital Outlay	C-13	28,812.60	
Reserve for Good Faith Deposits	C-13	28,740.00	
Serial Bonds Issued	C-5	<u>7,311,000.00</u>	
			<u>14,310,072.03</u>
			\$ <u>15,069,223.26</u>
Decreased by Disbursements:			
Encumbrances Payable	C-17	\$ 1,834,916.36	
Bond Anticipation Notes	C-14	3,695,500.00	
Anticipated as Current Fund Revenue	C-13	138,500.00	
Reserve for Capital Outlay	C-13	126,485.64	
Reserve for Good Faith Deposits	C-13	28,733.13	
Due Current Fund	C-19	3,695,500.00	
Due Water Utility Capital Fund	C-18	<u>4,530,000.00</u>	
			<u>14,049,635.13</u>
Balance, December 31, 2023	C:C-3		\$ <u><u>1,019,588.13</u></u>

"C-3"

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>
Capital Improvement Fund	\$ 380,405.03
Fund Balance	575,975.24
Encumbrances Payable	2,514,318.06
Improvement Authorizations:	
Funded Improvements Listed on "C-15"	2,078,941.80
Improvements Expended Set Forth on "C-5"	(742,020.79)
Various Reserves and Deposits	1,822,955.41
Due Assessment Trust Fund	(636,000.00)
Due Water Utility Capital Fund	(2,589,750.00)
Loan Proceeds Receivable	(227,971.00)
Grants Receivable - Unfunded	(102,165.32)
Grants Receivable	<u>(2,055,100.30)</u>
	<u>\$ 1,019,588.13</u>

REF.

C:C-2

"C-4"

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2022	C	\$ 9,826,479.38
Increased by:		
Bonds Issued	C-10	<u>6,198,000.00</u>
		\$ 16,024,479.38
Decreased by:		
Payment of :		
Bond Principal	C-10	\$ 1,400,000.00
Loan Payable	C-11	<u>8,479.38</u>
		<u>1,408,479.38</u>
Balance, December 31, 2023	C	<u>\$ 14,616,000.00</u>

BOROUGH OF HAWTHORNE
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	DESCRIPTION	BALANCE DECEMBER 31, 2022		2023 AUTHORIZATIONS		BALANCE DECEMBER 31, 2023		ANALYSIS OF BALANCE DECEMBER 31, 2023	
								EXPENDITURES	UNEXPENDED BALANCE
<u>General Improvements:</u>									
2154	Road Reconstruction - Various Streets	\$	49,999.50	\$		49,999.50	\$	49,999.50	\$
2190	Improvement of Arlington Avenue (DOT Program)		15,463.44			15,463.44		15,240.54	222.90
2215	Improvements to the Municipal Tennis Courts		41,182.09			41,182.09		41,182.09	
2244	Road Reconstruction, Milling, Paving, and Resurfacing		807,500.00		807,500.00				
2245	Reconstruction / Replacement of Sidewalks & Handicap Ramps		114,000.00		55,000.00				
2255	Improvements to Washington Ave. Sanitary Sewer System		142,500.00		25,500.00			59,000.00	
2259	Acquiring Fire Department Equipment & Fire Engine		722,000.00		722,000.00				117,000.00
2265	Road Reconstruction, Milling, Paving, and Resurfacing		817,000.00		817,000.00				
2267	Road Reconstruction, Resurfacing, Drainage on Barnford Ave		152,000.00		152,000.00				
2270	Improvements at Municipal Pool Property - Playground & Lighting		142,500.00		142,500.00				
2274	Acquisition of DPW Street Sweeper		228,000.00		228,000.00				
2288	Road Reconstruction, Milling, Paving & Resurfacing		855,000.00		765,500.00			60,964.63	28,535.37
2290	Road Reconstruction, Milling, Paving & Resurfacing		230,000.00		150,000.00			80,000.00	80,000.00
2298	Lighting Improvements at Franklin Field		685,000.00		635,000.00			30,000.00	30,000.00
2299	Improvements to Wagawar Road and Franklin Field		551,000.00		301,000.00			982.34	249,017.66
2301	SCBA and Related Fire Fighter Gear		180,500.00		170,500.00			10,000.00	5,318.46
2308	Road Reconstruction & Resurfacing of 5th and Central			627,000.00	577,000.00			50,000.00	50,000.00
2320	Installation of telecommunications equipment			190,000.00	190,000.00				
2322	Downtown revitalization and safety improvements			997,500.00	497,500.00			500,000.00	
				285,000.00	285,000.00				
<u>Local Improvements:</u>									
2226	Reconstruction or Replacement of Sidewalks		500.00			500.00			500.00
2246	Improvements of Sidewalks / Driveway Aprons - Various Avenues		285,000.00		149,000.00			6,000.00	130,000.00
2266	Reconstruction or Replacement of Sidewalk & Driveway Aprons		285,000.00		155,000.00			74,970.15	55,029.85
2289	Reconstruction or Replacement of Sidewalk & Driveway Aprons		380,000.00		315,000.00			65,000.00	
				171,000.00	171,000.00				
		\$	6,664,145.03	\$	2,270,500.00	\$	1,623,645.03	\$	742,020.79
		REF.	C	C-15	C-2	C	C-3	C-15	
	Assessment Bonds	B-15			748,000.00				
	General Obligation Bonds	C-10			6,198,000.00				
	Premium on Bonds Used to Pay Down Bonds				364,000.00				
					<u>7,311,000.00</u>				

"C-6"

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE
LOAN PROCEEDS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2022	C	\$ 270,464.00
Decreased by:		
2023 Budget Appropriation Raised	C-2	<u>42,493.00</u>
Balance, December 31, 2023	C	\$ <u><u>227,971.00</u></u>

"C-7"

SCHEDULE OF DUE ASSESSMENT TRUST FUND

Balance, December 31, 2022 and December 31, 2023 (Due From)	C	\$ <u><u>636,000.00</u></u>
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BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>ORDINANCE NUMBER</u>	<u>PROJECT</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>GRANTS AWARDED</u>	<u>CASH RECEIPTS</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE PLEDGED TO: IMPROVEMENT AUTHORIZATION</u>
	<u>State Department of Transportation:</u>					
2245	Parmelee Avenue	\$ 117,921.00	\$	\$	117,921.00	\$ 117,921.00
2267	Barnford Avenue	238,627.76			238,627.76	238,627.76
2290	Fifth Avenue and Utter Avenue	373,700.00		330,745.36	42,954.64	42,954.64
2308	Road Reconstruction & Resurfacing of 5th & Central Aves.		462,340.00		462,340.00	462,340.00
2322	Downtown Revitalization & Pedestrian Safety Improvements		700,000.00		700,000.00	700,000.00
	<u>Passaic County Open Space Trust Fund:</u>					
2270	County Open Space	119,256.90			119,256.90	119,256.90
2298	County Open Space	99,000.00			99,000.00	99,000.00
	<u>Community Development Block Grant:</u>					
2244	2020 Road Program	55,000.00			55,000.00	55,000.00
2265	2021 Road Program	80,000.00			80,000.00	80,000.00
2288	2022 Road Program	90,000.00			90,000.00	90,000.00
2307	2023 Road Program		50,000.00		50,000.00	50,000.00
		<u>\$ 1,173,505.66</u>	<u>\$ 1,212,340.00</u>	<u>\$ 330,745.36</u>	<u>\$ 2,055,100.30</u>	<u>\$ 2,055,100.30</u>

REF.

C

C-15

C-2

C

C-3

BOROUGH OF HAWTHORNE
GENERAL CAPITAL FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS RAISED BY TAXATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>TOTAL APPROPRIATED</u>	<u>DOWN PAYMENT</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2023</u>
	<u>Local Improvements:</u>				
2012	Reconstruction of Sidewalks and Driveway Aprons- Pasadena and Mohawk	\$ 120,000.00 \$	6,000.00 \$	6,000.00 \$	6,000.00
2130	Sidewalk/Driveway Improvements - Various Streets	190,000.00	9,500.00	9,500.00	9,500.00
2138	Sidewalk/Driveway Improvements - Braen Avenue	110,000.00	5,500.00	5,500.00	5,500.00
2179	2017 Road Improvement Program- Assessments	140,000.00	7,000.00	7,000.00	7,000.00
2191	Special Assessment- Curbs and Aprons- Arlington Ave	60,000.00	3,000.00	3,000.00	3,000.00
2203	Installation of Stamped Concrete and Related Curb and Sidewalk Improvements	120,000.00	6,000.00	6,000.00	6,000.00
2222	Sidewalk/Driveway Improvements - Various Streets	200,000.00	10,000.00	10,000.00	10,000.00
2226	Reconstruction or Replacement of Sidewalks - Various Streets	150,000.00	7,500.00	7,500.00	7,500.00
2245	Reconstruction or Replacement of Sidewalks & Handicapped Ramp Improvements of Parmelee Avenue	571,800.00	6,000.00	6,000.00	6,000.00
2246	Improvements of Sidewalks and Driveway Aprons on Various Avenues	300,000.00	15,000.00	15,000.00	15,000.00
2266	Reconstruction or Replacement of Sidewalks & Driveway Aprons	300,000.00	15,000.00	15,000.00	15,000.00
				<u>\$ 90,500.00</u>	<u>\$ 90,500.00</u>
			<u>REF.</u>	<u>C</u>	<u>C</u>

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>			<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>ISSUED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2023</u>
			<u>BALANCE DECEMBER 31, 2023</u>	<u>AMOUNT</u>	<u>DATE</u>					
General Improvement Bonds of '12	7/10/2012	\$ 4,235,000.00	\$ 300,000.00	3.000%						
	7/15/2025		325,000.00	2.250%						
	7/15/2026		350,000.00	2.250%						
	7/15/2027		350,000.00	2.500%						
			335,000.00	2.500%		\$ 1,960,000.00		\$ 300,000.00	1,660,000.00	
General Improvement Bonds of '16	10/27/2016	7,010,000.00	600,000.00	4.000%						
	10/15/2025		380,000.00	4.000%						
	10/15/2026		380,000.00	2.000%						
	10/15/2027		380,000.00	2.000%						
	10/15/2028		380,000.00	2.000%						
	10/15/2029		380,000.00	2.000%						
	10/15/2030		380,000.00	2.150%						
			380,000.00	2.250%		4,210,000.00	600,000.00		3,610,000.00	
General Improvement Bonds of '19	7/17/2019	\$ 5,090,000.00	310,000.00	3.000%						
	7/15/2025		310,000.00	3.000%						
	7/15/2026		310,000.00	3.000%						
	7/15/2027		310,000.00	3.000%						
	7/15/2028		310,000.00	3.000%						
			310,000.00	3.000%						
			310,000.00	3.000%						
			310,000.00	3.000%						
			310,000.00	3.000%		3,590,000.00	500,000.00		3,090,000.00	

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>			<u>INTEREST RATE</u>	<u>ISSUED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2023</u>	
			<u>BALANCE DECEMBER 31, 2023</u>	<u>AMOUNT</u>	<u>DATE</u>					<u>AMOUNT</u>
General Improvement Bonds Series 2023A	9/8/2023	5,633,000.00	\$	200,000.00	9/1/2024	5.000%				
				260,000.00	9/1/2025	5.000%				
				260,000.00	9/1/2026	6.000%				
				300,000.00	9/1/2027	6.000%				
				300,000.00	9/1/2028	6.000%				
				300,000.00	9/1/2029	5.000%				
				335,000.00	9/1/2030	5.000%				
				335,000.00	9/1/2031	4.000%				
				340,000.00	9/1/2032	4.000%				
				340,000.00	9/1/2033	4.000%				
				400,000.00	9/1/2034	4.000%				
				400,000.00	9/1/2035	4.000%				
				400,000.00	9/1/2036	4.000%				
				380,000.00	9/1/2037	4.000%				
				380,000.00	9/1/2038	4.000%				
				380,000.00	9/1/2039	4.000%				
								\$	5,310,000.00	\$
										5,310,000.00
	General Improvement Bonds Series 2023D	9/8/2023	888,000.00		38,000.00	9/1/2024	7.000%			
				40,000.00	9/1/2025	7.000%				
				40,000.00	9/1/2026	7.000%				
				45,000.00	9/1/2027	7.000%				
				45,000.00	9/1/2028	7.000%				
				50,000.00	9/1/2029	6.000%				
				50,000.00	9/1/2030	6.000%				
				50,000.00	9/1/2031	5.000%				
				55,000.00	9/1/2032	5.000%				
				55,000.00	9/1/2033	5.050%				
				70,000.00	9/1/2034	5.100%				
			70,000.00	9/1/2035	5.150%					
			70,000.00	9/1/2036	5.200%					
			70,000.00	9/1/2037	5.250%					
			70,000.00	9/1/2038	5.300%					
			70,000.00	9/1/2039	5.350%					
							\$	888,000.00	\$	
									888,000.00	
							\$	9,760,000.00	\$	
									9,760,000.00	
							\$	6,198,000.00	\$	
									6,198,000.00	
							\$	1,400,000.00	\$	
									1,400,000.00	
									14,558,000.00	

C

REF.

C

C-4

C-4

C

"C-11"

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF DEPARTMENT OF ENVIRONMENTAL PROTECTION -
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

	<u>REF.</u>	
Balance, December 31, 2022	C	\$ 66,479.38
Decreased by:		
Paid by Budget Appropriation	C-4	\$ <u>8,479.38</u>
Balance, December 31, 2023	C	\$ <u><u>58,000.00</u></u>

"C-12"

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE - UNFUNDED

	<u>REF.</u>	
Balance, December 31, 2022 and December 31, 2023	C	\$ <u>102,165.32</u>

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	<u>BALANCE DECEMBER 31, 2022</u>	<u>INCREASE</u>	<u>DECREASE EXPENDITURES</u>	<u>DECREASE BUDGET REVENUE</u>	<u>BALANCE DECEMBER 31, 2023</u>
Reserve for Capital Outlay	\$ 950,281.30	\$ 28,812.60	\$ 126,485.64	\$	\$ 852,608.26
Reserve for Payment of Debt	1,001,309.21	7,531.07		138,500.00	870,340.28
Reserve for Tennis Courts	100,000.00				100,000.00
Reserve for Good Faith Deposits		28,740.00	28,733.13		6.87
	<u>\$ 2,051,590.51</u>	<u>\$ 65,083.67</u>	<u>\$ 155,218.77</u>	<u>\$ 138,500.00</u>	<u>\$ 1,822,955.41</u>

REF.

C

C-2

C-2

C-2

C

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>DECREASED</u>
	<u>General Improvements:</u>					
2244-20	Road Reconstruction, Milling, Paving, and Resurfacing	12/2/2020	9/8/2023	3.150%	\$ 807,500.00	\$ 807,500.00
2245-20	Reconstruction or Replacement of Sidewalks & Handicapped Ramp Improvements on Parmelee Avenue	12/2/2020	9/8/2023	3.150%	114,000.00	114,000.00
2246-20	Improvements of Sidewalks & Driveway Aprons on Parmelee, Kingston, Park, & Warren Avenues	12/2/2020	9/8/2023	3.150%	285,000.00	285,000.00
2255-20	Improvements to Washington Avenue Sanitary Sewer System	12/2/2020	9/8/2023	3.150%	142,500.00	142,500.00
2259-20	Acquiring Fire Department Capital Equipment & Fire Engine	12/10/2021	9/8/2023	2.825%	722,000.00	722,000.00
2265-21	Road Reconstruction, Milling, Paving, and Resurfacing	12/10/2021	9/8/2023	2.825%	817,000.00	817,000.00
2266-21	Reconstruction or Replacement of Sidewalks & Driveway Aprons	12/10/2021	9/8/2023	2.825%	285,000.00	285,000.00
2267-21	Road Reconstruction, Resurfacing & Drainage on Bamford Avenue	12/10/2021	9/8/2023	2.825%	152,000.00	152,000.00
2270-21	Improvements at Municipal Pool Property - Playground & Lighting	12/10/2021	9/8/2023	2.825%	142,500.00	142,500.00
2274-21	Acquisition of DPW Street Sweeper	12/10/2021	9/8/2023	2.825%	228,000.00	228,000.00
					<u>\$ 3,695,500.00</u>	<u>\$ 3,695,500.00</u>

REF.

C

C-2

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2022		2023 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2023	
		FUNDED	UNFUNDED			FUNDED	UNFUNDED
	<u>Local Improvements:</u>						
2130	Sidewalk/Driveway Improvements - Various Streets	\$ 4,479.50	\$	\$	\$	4,479.50	\$
2155	Special Assessment - Road Improvements	16,130.05				16,130.05	
2179	2017 Road Improvement Program- Assessments	40,850.06				40,850.06	
2191	Special Assessment- Curbs and Aprons- Arlington Ave	14,401.61				14,401.61	
2203	Sidewalk/Driveway Improvements	77,727.98				77,727.98	
2209	Installation of Stamped Concrete	10,120.60				10,120.60	
2222	Sidewalk/Driveway Aprons on Various Roads	7,044.01				7,044.01	
2226	Reconstruction or Replacement of Sidewalks	35,253.33	500.00			35,253.33	500.00
2245	Reconstruction of Replacement of Sidewalks & Handicapped Ramps	92,279.85				92,279.85	
2246	Improvements of Sidewalks & Driveway Aprons - Various Avenues	138,358.07				138,358.07	
2266	Reconstruction or Replacement of Sidewalks & Driveway Aprons		133,846.31		1,294.45		136,000.00
2289	Reconstruction or Replacement of Sidewalks & Driveway Aprons		102,392.45		47,362.60		130,000.00
2309	Reconstruction or Replacement of Sidewalks & Driveway Aprons			180,000.00	114,333.51		55,029.85
		\$ 564,403.07	\$ 2,090,204.34	\$ 3,602,340.00	\$ 3,296,381.37	\$ 2,078,941.80	\$ 881,624.24
		REF. C C C			C-17	C-C-3	C-C-5
	Capital Improvement Fund			\$ 119,500.00			
	Deferred Charges to Future Taxation Unfunded			2,270,500.00			
	Grants Receivable			1,212,340.00			
				\$ 3,602,340.00			

"C-16"

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2022	C	\$ 374,905.03
Increased by:		
2023 Budget Appropriation	C-2	<u>125,000.00</u>
		\$ <u>499,905.03</u>
Decreased by:		
Improvement Authorizations	C-15	<u>119,500.00</u>
Balance, December 31, 2023	C	\$ <u><u>380,405.03</u></u>

"C-17"

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, December 31, 2022	C	\$ 1,052,853.05
Increased by:		
Encumbrances Issued	C-15	<u>3,296,381.37</u>
		\$ <u>4,349,234.42</u>
Decreased by:		
Cash Disbursements	C-2	<u>1,834,916.36</u>
Balance, December 31, 2023	C	\$ <u><u>2,514,318.06</u></u>

"C-18"

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF DUE WATER UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance, December 31, 2022 (Due From)	C	\$ 800,000.00
Decreased By:		
Cash Receipts	C-2	<u>2,740,250.00</u>
		\$ <u>1,940,250.00</u>
Increased By:		
Cash Disbursements	C-2	<u>\$ 4,530,000.00</u>
Balance, December 31, 2023 (Due From)	C	<u>\$ 2,589,750.00</u>

"C-19"

SCHEDULE OF DUE CURRENT FUND

Increased by:		
Cash Receipts	C-2	<u>\$ 3,695,500.00</u>
Decreased by:		
Cash Disbursements	C-2	<u>\$ 3,695,500.00</u>

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2023	
		CAPITAL	ASSESSMENT
	<u>General Improvements:</u>		
2154	Road Reconstruction - Various Streets	\$ 49,999.50	\$
2190	Improvement of Arlington Avenue (DOT Program)	15,463.44	
2215	Improvements to the Municipal Tennis Courts	41,182.09	
2245	Reconstruction of Sidewalks & Handicapped Ramps on Parmalee Ave.	59,000.00	
2255	Improvements to Washington Ave. Sanitary Sewer System	117,000.00	
2288	Road Reconstruction, Milling, Paving, & Resurfacing	89,500.00	
2290	Road Reconstruction, Milling, Paving, & Resurfacing	80,000.00	
2298	Lighting Improvements at Franklin Field	30,000.00	
2299	Improvements to Wagaraw Road and Franklin Field	250,000.00	
2301	SCBA and Related Fire Fighter Gear	10,000.00	
2307	Road Reconstruction, Milling, Paving, & Resurfacing	50,000.00	
2320	Installation of Telecommunications Equipment	500,000.00	
	<u>Local Improvements:</u>		
2226	Reconstruction or Replacement of Sidewalks		500.00
	Improvements of Sidewalks & Driveway Aprons on Parmalee, Kingston, Park & Warren Aves.		136,000.00
2246	Reconstruction or Replacement of Sidewalks & Driveway Aprons		130,000.00
2266	Reconstruction or Replacement of Sidewalks & Driveway Aprons		65,000.00
2289	Reconstruction or Replacement of Sidewalks & Driveway Aprons		65,000.00
		<u>\$ 1,292,145.03</u>	<u>\$ 331,500.00</u>

BOROUGH OF HAWTHORNE

WATER UTILITY FUND

SCHEDULE OF CASH - TREASURER

REF.	OPERATING	CAPITAL
D	\$ 2,491,380.26	\$ 242,091.62
D-7	\$ 4,081,457.78	
D-3	101,400.00	
D-3	41,900.00	
D-27	4,888.05	
D-8	118,100.00	
D-28		2,189,750.00
D-28		925,000.00
D-30		1,634,434.00
D-19		60,250.00
D-15		209,892.00
D-22		50,000.00
D-3	35,000.00	
D-3	62,414.80	
D-23		2,680,000.00
D-8:D-28	22,698.76	2,250,000.00
	\$ 4,467,859.39	\$ 9,999,326.00
	\$ 6,959,239.65	\$ 10,241,417.62
D-4	4,393,265.79	
D-9	235,330.82	
D-20		41,900.00
D-1	120,000.00	
D-27	4,888.05	
D-25		5,600,613.75
D-28		400,000.00
D-8	925,000.00	
D-28		2,250,000.00
D-28		118,100.00
D-24		925,000.00
	\$ 5,678,484.66	\$ 9,335,613.75
D	\$ 1,280,754.99	\$ 905,803.87

Balance, December 31, 2022

Increased by Receipts:

- Water Rents Receivable
- Fire Hydrant Service
- Reserve for Payment of Debt
- Overpayments
- Due Water Capital Fund
- Due General Capital Fund
- Due Water Operating Fund
- I-Bank Note Payable
- Premium on Bonds Used to Pay Down Bonds
- Deferred Charges to Future Taxation - Loan Receivable
- Capital Improvement Fund
- Miscellaneous
- Miscellaneous Revenue Not Anticipated
- Utility Bonds Issued
- Due Current Fund

Decreased by Disbursements:

- Appropriations
- Appropriation Reserves
- Anticipated in Utility Operating Budget
- Payment to Current Fund as Anticipated Revenue
- Overpayments Refunded
- Contracts Payable
- Due General Capital Fund
- Due Water Utility Capital Fund
- Due Current Fund
- Due Water Operating Fund
- Bond Anticipation Note

Balance, December 31, 2023

"D-6"

BOROUGH OF HAWTHORNE
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

	BALANCE DECEMBER 31, <u>2023</u>
Fund Balance	\$ 4,308.85
Capital Improvement Fund	163,836.60
Reserve for Payment of Debt	275,067.34
Miscellaneous Receivables	(30,000.00)
Loan Proceeds Receivable	(97,911.00)
Due General Capital Fund	2,589,750.00
Due Utility Operating Fund	900,000.00
Bonds Payable	4,934,000.00
Encumbrances Payable	3,357,883.81
Improvement Authorizations:	
Ord 2125-14 Acquisition of Generators	(66,536.13)
Ord 2213-18 Rehab. & Other Improvements to Goffle Hill & Mary Street Water Tanks	(57,794.35)
Ord 2256-20 Improvements to SCADA System Upgrades, Valve, & Pump Replacements	14,303.18
Ord 2275-21 Water System Infrastructure Analysis, Design, and Improvements	(328,604.43)
Ord 2284-21 Water System Infrastructure Improvements	(397,500.00)
Ord 2286-22 Water System Infrastructure Impts., Purchase & Install of PFOA/PFAS Equip.	(7,600,000.00)
Ord 2310-23 Water System Infrastructure Impts., Replacement Water Service Lines	<u>(2,755,000.00)</u>
	\$ <u><u>905,803.87</u></u>
<u>REF.</u>	D

"D-7"

BOROUGH OF HAWTHORNE

WATER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2022	D	\$ 750,307.41
Increased by:		
Water Rents Levied		<u>4,169,287.86</u>
		\$ <u>4,919,595.27</u>
Decreased by:		
Collections	D-5	<u>4,081,457.78</u>
Balance, December 31, 2023	D	\$ <u><u>838,137.49</u></u>

BOROUGH OF HAWTHORNE
WATER UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>UTILITY CAPITAL FUND</u>	<u>CURRENT FUND</u>
Balance, December 31, 2022:				
Due From	D	\$ 115,798.76	\$ 93,100.00	\$ 22,698.76
Cash Receipts	D-5	140,798.76	118,100.00	22,698.76
Cash Disbursements	D-5	<u>925,000.00</u>	<u>925,000.00</u>	<u> </u>
Balance, December 31, 2023:				
Due From	D	\$ <u>900,000.00</u>	\$ <u>900,000.00</u>	<u> </u>

"D-9"

BOROUGH OF HAWTHORNE

WATER UTILITY OPERATING FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2022	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating:				
Salaries and Wages	\$ 77,723.80	\$ 77,723.80	\$ 8,104.36	\$ 69,619.44
Other Expenses	17,574.06	166,717.05	152,109.70	14,607.35
Workers Compensation Insurance	48,000.00	48,000.00		48,000.00
Laboratory Testing and Safe Water Act	9,200.00	12,887.00	4,295.00	8,592.00
Capital Improvement:				
Capital Outlay	<u>198,484.00</u>	<u>272,863.00</u>	<u>233,911.27</u>	<u>38,951.73</u>
	<u>\$ 350,981.86</u>	<u>\$ 578,190.85</u>	<u>\$ 398,420.33</u>	<u>\$ 179,770.52</u>

D-1

D

REF.

Balance, December 31, 2022	D	\$ 350,981.86	\$
Encumbrances Payable	D-10	227,208.99	163,089.51
Cash Disbursements	D-5		235,330.82
		<u>\$ 578,190.85</u>	<u>\$ 398,420.33</u>

BOROUGH OF HAWTHORNE
WATER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2022	D	\$	311,794.23
Increased by:			
Charges to 2023 Budget Appropriations	D-4	\$	246,432.63
Charges to 2022 Appropriation Reserves	D-9		<u>163,089.51</u>
			409,522.14
		\$	<u>721,316.37</u>
Decreased by:			
Transferred to Appropriation Reserves	D-9		<u>227,208.99</u>
Balance, December 31, 2023	D	\$	<u><u>494,107.38</u></u>

"D-11"

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF WATER LOANS PAYABLE

<u>PURPOSE</u>	<u>Ord. No.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>PAID BY BUDGET</u>
Replacement of Various Water Mains	1811	\$ 87,163.00	\$ 87,163.00
		\$ 87,163.00	\$ 87,163.00
	<u>REF.</u>	<u>D</u>	<u>D-19</u>

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2023</u>
2125-14	Acquisition of Generators	\$ 69,770.63
2213-18	Improvements to Goffle Hill and Mary Street Water Tanks	57,794.35
2256-20	Improvements to SCADA System Upgrades, Valve and Pump Replacements	175,000.00
2284-21	Water System Infrastructure Improvements	397,500.00
2286-22	Water System Infrastructure Improvements, Purchase & Installation of PFOA/PFAS Equipment	6,315,566.00
2319-23	Water System Infrastructure Improvements	<u>2,755,000.00</u>
		<u>\$ 9,770,630.98</u>

"D-13"

BOROUGH OF HAWTHORNE
WATER UTILITY OPERATING FUND
SCHEDULE OF LIENS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2022 and 'December 31, 2023	D	\$ <u>2,585.49</u>

"D-14"

BOROUGH OF HAWTHORNE

WATER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

	<u>REF.</u>		
Balance, December 31, 2022	D	\$	97,873.68
Increased by:			
Charges to Budget Appropriations	D-4		<u>0.22</u>
Balance, December 31, 2023	D	\$	<u>97,873.90</u>

"D-15"

WATER UTILITY CAPITAL FUND

SCHEDULE OF LOAN PROCEEDS RECEIVABLE

Balance, December 31, 2022	D	\$	307,803.00
Decreased by:			
Deferred Charges to Future Taxation - Loan Receivable	D-5		<u>209,892.00</u>
Balance, December 31, 2023	D	\$	<u>97,911.00</u>

"D-16"

BOROUGH OF HAWTHORNE
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>
Land and Wells	\$ 525,041.00	\$ 525,041.00
Storage Reservoirs, Tanks and Standpipes, Distribution Mains and Accessories	6,937,393.35	6,937,393.35
Water System and Distribution System	3,637,199.00	3,637,199.00
Other Tangible Capital	<u>4,176,678.20</u>	<u>4,176,678.20</u>
	\$ <u>15,276,311.55</u>	\$ <u>15,276,311.55</u>
<u>REF.</u>	D	D

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>NEW AUTHORIZATIONS</u>	<u>BALANCE DECEMBER 31, 2023</u>
Ord 2256-20 Improvements to SCADA System, Replacement of Valves & Pumps	\$ 575,000.00	\$	575,000.00
Ord 2275-21 Water System Infrastructure Analysis, Design & Implementation Improvements	350,000.00		350,000.00
Ord 2284-21 Water System Infrastructure Improvements	2,500,000.00		2,500,000.00
Ord 2286-22 Water System Infrastructure Improvements, Purchase & Install of PFOA/PFAS Equip.	7,600,000.00	2,900,000.00	7,600,000.00
Ord 2310-23 Water System Infrastructure Improvements including Replacement Lines		250,000.00	2,900,000.00
Ord 2319-23 Water System Infrastructure Repairs including Depe Voll Water Main		250,000.00	250,000.00
	<u>\$ 11,025,000.00</u>	<u>\$ 3,150,000.00</u>	<u>14,175,000.00</u>

REF.

D

D-18

D

BOROUGH OF HAWTHORNE
WATER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE DECEMBER 31, 2022		2023 AUTHORIZATION	PAID OR CHARGED	BALANCE DECEMBER 31, 2023	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
	<u>General Improvements:</u>								
2125-14	Acquisition of Generators	10/15/2014	\$ 400,000.00	\$	3,234.50	\$	\$	\$	3,234.50
2256-20	Various Improvements including SCADA System Upgrades, Pump & Valve Replacements	8/12/2020	575,000.00		463,936.09		126,906.50	162,029.59	175,000.00
2275-21	Water System Infrastructure Analysis, Design, and Implementation of Treatment System Improvements	7/7/2021	350,000.00		21,395.58		0.01		21,395.57
2284-21	Water System Infrastructure Improvements	11/15/2021	2,500,000.00		944,212.90		625,992.03		318,220.87
2286-22	Water System Infrastructure Improvements, Purchase and Installation of PFOA/PFAS Equipment	2/2/2022	7,600,000.00		1,576,633.55		231,533.81		1,345,099.74
2310-23	Water System Infrastructure Improvements including Replacement of Water Service Lines	3/1/2023	2,900,000.00			2,900,000.00	1,656,357.79		1,243,642.21
2319-23	Water System Infrastructure Repairs including Depo Volt Water Main	7/12/2023	250,000.00			250,000.00	5,123.23	244,876.77	
			\$	\$	3,009,412.62	\$	2,645,913.37	406,906.36	3,105,592.89
				D	D			D	D
	Debt Authorized Capital Improvement Fund					\$	2,992,500.00		
							157,500.00		
								3,150,000.00	
	Cash Disbursements					\$	5,600,613.75		
	Prior Year Encumbrances Payable						(6,312,584.19)		
	Current Year Contracts Payable						3,357,883.81		
						\$	2,645,913.37		

"D-19"

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2022	D	\$	12,397,333.57
Increased by:			
Serial Bonds Paid by Operating Budget	D-23	\$	410,000.00
NJ EIT Loans Paid by Operating Budget	D-11		87,163.00
Premium on Bonds	D-5		<u>60,250.00</u>
			<u>557,413.00</u>
Balance, December 31, 2023	D	\$	<u>12,954,746.57</u>

"D-20"

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2022	D	\$	316,967.34
Decreased by:			
Anticipated in Utility Operating Budget	D-5		<u>41,900.00</u>
Balance, December 31, 2023	D	\$	<u>275,067.34</u>

"D-21"

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

	<u>REF.</u>	
Increased by:		
Fixed Capital Authorized	D-17	\$ <u>157,500.00</u>
Balance, December 31, 2023	D	\$ <u><u>157,500.00</u></u>
 <u>Analysis of Balance:</u>		
Ordinance 2310-23		\$ 145,000.00
Ordinance 2319-23		<u>12,500.00</u>
		\$ <u><u>157,500.00</u></u>

"D-22"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2022	D	\$ 271,336.60
Increased by:		
2023 Budget Appropriation	D-5	<u>50,000.00</u>
		\$ <u>321,336.60</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations	D-18	<u>157,500.00</u>
Balance, December 31, 2023	D	\$ <u><u>163,836.60</u></u>

**BOROUGH OF HAWTHORNE
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2022	ISSUED	DECREASED	BALANCE DECEMBER 31, 2023		
			DATE	AMOUNT							
General Water Improvement Bonds	7/10/12	\$ 1,154,000.00	7/15/24	\$ 90,000.00	3.000%	\$ 459,000.00	\$ 80,000.00	\$ 379,000.00			
			7/15/25	90,000.00	2.250%						
			7/15/26	100,000.00	2.250%						
	7/15/27	99,000.00		2.500%							
General Water Improvement Bonds	10/15/16	300,000.00	10/15/24	30,000.00	4.000%	120,000.00	30,000.00	90,000.00			
			10/15/25	30,000.00	4.000%						
	7/17/19	2,685,000.00	7/15/24	300,000.00	3.000%	2,085,000.00	300,000.00	1,785,000.00			
			7/15/25	300,000.00	3.000%						
			7/15/26	300,000.00	4.000%						
			7/15/27	300,000.00	3.000%						
			7/15/28	300,000.00	3.000%						
			7/15/29	285,000.00	3.000%						
General Water Improvement Bonds, Series 2023B	9/8/23	2,340,000.00	9/1/24	60,000.00	5.000%						
			9/1/25	60,000.00	5.000%						
			9/1/26	60,000.00	6.000%						
			9/1/27	75,000.00	6.000%						
			9/1/28	75,000.00	6.000%						
			9/1/29	75,000.00	5.000%						
			9/1/30	75,000.00	5.000%						
			9/1/31	75,000.00	4.000%						
			9/1/32	85,000.00	4.000%						
			9/1/33	85,000.00	4.000%						
			9/1/34	85,000.00	4.000%						
			9/1/35	95,000.00	4.000%						
			9/1/36	95,000.00	4.000%						
			9/1/37	95,000.00	4.000%						
			9/1/38	95,000.00	4.000%						
			9/1/39	95,000.00	4.000%						
		9/1/40	95,000.00	4.000%							
		9/1/41	95,000.00	4.000%							
		9/1/42	105,000.00	4.000%							
		9/1/43	115,000.00	4.000%							
		9/1/44	115,000.00	4.000%							
		9/1/45	115,000.00	4.000%							
		9/1/46	115,000.00	4.000%							
		9/1/47	120,000.00	4.000%							
		9/1/48	120,000.00	4.125%							
General Water Improvement Bonds, Series 2023E	9/8/23	400,000.00	9/1/24	15,000.00	7.000%						
			9/1/25	15,000.00	7.000%						
			9/1/26	20,000.00	7.000%						
			9/1/27	20,000.00	7.000%						
			9/1/28	20,000.00	7.000%						
			9/1/29	20,000.00	6.000%						
			9/1/30	25,000.00	6.000%						
			9/1/31	25,000.00	5.000%						
			9/1/32	25,000.00	5.000%						
			9/1/33	30,000.00	5.050%						
			9/1/34	30,000.00	5.100%						
			9/1/35	30,000.00	5.150%						
			9/1/36	30,000.00	5.200%						
			9/1/37	30,000.00	5.250%						
			9/1/38	30,000.00	5.300%						
			9/1/39	30,000.00	5.350%						

B.F.E.

\$ 2,664,000.00	D	\$ 410,000.00	D-19	\$ 4,934,000.00	D
\$ 2,680,000.00	D-5	\$ 400,000.00		\$ 2,280,000.00	

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>DECREASED</u>
2256-20	Various Improvements including SCADA system upgrades, pump & valve replacements	12/02/20	09/08/22	09/08/23	3.150%	\$ 575,000.00	\$ 575,000.00
2275-21	Water System Infrastructure Analysis, Design, and Implementation of Treatment System Improvements	12/10/21	09/08/22	09/08/23	2.825%	350,000.00	350,000.00
						\$ 925,000.00	\$ 925,000.00

REF.

D

D-5

BOROUGH OF HAWTHORNE
WATER UTILITY CAPITAL FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2022	D	\$ 6,312,584.19
Increased by:		
Encumbrances Issued	D-18	<u>2,645,913.37</u>
		\$ 8,958,497.56
Decreased by:		
Cash Disbursed	D-5	<u>5,600,613.75</u>
Balance, December 31, 2023	D	<u>\$ 3,357,883.81</u>

BOROUGH OF HAWTHORNE
WATER UTILITY CAPITAL FUND
SCHEDULE OF MISCELLANEOUS RECEIVABLES

	<u>REF.</u>	
Balance, December 31, 2022 and December 31, 2023	D	\$ <u>30,000.00</u>

BOROUGH OF HAWTHORNE
WATER UTILITY OPERATING FUND
SCHEDULE OF WATER RENT OVERPAYMENTS

	<u>REF.</u>		
Increased by:			
Cash Receipts	D-5	\$	4,888.05
Decreased by:			
Cash Disbursed	D-5	\$	<u>4,888.05</u>

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GENERAL CAPITAL FUND</u>	<u>UTILITY OPERATING FUND</u>	<u>CURRENT FUND</u>
Balance, December 31, 2022:					
Due To	D	\$ 893,100.00	\$ 800,000.00	\$ 93,100.00	\$
Cash Receipts	D-5	<u>5,364,750.00</u>	<u>2,189,750.00</u>	<u>925,000.00</u>	<u>2,250,000.00</u>
		\$ 6,257,850.00	\$ 2,989,750.00	\$ 1,018,100.00	\$ 2,250,000.00
Cash Disbursements	D-5	<u>2,768,100.00</u>	<u>400,000.00</u>	<u>118,100.00</u>	<u>2,250,000.00</u>
Balance, December 31, 2023:					
Due To	D	\$ <u>3,489,750.00</u>	\$ <u>2,589,750.00</u>	\$ <u>900,000.00</u>	

BOROUGH OF HAWTHORNE

WATER UTILITY OPERATING FUND

SCHEDULE OF DEFERRED CHARGES

<u>PURPOSE</u>	BALANCE DECEMBER 31, 2022	RAISED IN 2023 BUDGET	ADDED IN 2023	BALANCE DECEMBER 31, 2023
Deficit in Operations	\$ 152,064.15	\$ 152,064.00	\$	0.15
Emergency Authorization - Depe Voll Water Main			250,000.00	250,000.00
	<u>\$ 152,064.15</u>	<u>\$ 152,064.00</u>	<u>\$ 250,000.00</u>	<u>\$ 250,000.15</u>
<u>REF.</u>	D	D-4	D-4	D

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF TEMPORARY I-BANK NOTE PAYABLE

	<u>REF.</u>	
Increased by:		
Note Issued	D-5	\$ <u>1,634,434.00</u>
Balance, December 31, 2023	D	\$ <u>1,634,434.00</u>

BOROUGH OF HAWTHORNE
PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>P.A.T.F. I</u> <u>ACCOUNT</u>	<u>FUND</u> <u>TOTAL</u>
Balance, December 31, 2022	E	\$ <u>6,911.39</u>	\$ <u>6,911.39</u>
Increased by Receipts:			
Receipts	E-2	<u>450.00</u>	<u>450.00</u>
		<u>0.00</u>	<u>0.00</u>
<u>Total Receipts</u>		<u>450.00</u>	<u>450.00</u>
		<u>7,361.39</u>	<u>7,361.39</u>
Decreased by:			
Reserve for Expenditures	E-2	<u>2,375.00</u>	<u>2,375.00</u>
<u>Total Disbursements</u>		<u>2,375.00</u>	<u>2,375.00</u>
Balance, December 31, 2023	E	\$ <u><u>4,986.39</u></u>	\$ <u><u>4,986.39</u></u>

BOROUGH OF HAWTHORNE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF RESERVE FOR EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2022	E	\$	6,911.39
Increased by:			
Revenues	E-1		<u>450.00</u>
			7,361.39
Decreased by:			
Expenditures	E-1		<u>2,375.00</u>
Balance, December 31, 2023	E	\$	<u><u>4,986.39</u></u>

"E-3"

BOROUGH OF HAWTHORNE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF CASH AND RECONCILIATION
AS OF MAY 31, 2024

	<u>REF.</u>		
Balance, December 31, 2023	E-1	\$	4,986.39
Increased by:			
Cash Receipts			<u>80.58</u>
			5,066.97
Decreased by:			
Cash Disbursements:			<u>55.58</u>
Balance May 31, 2024	E-3	\$	<u><u>5,011.39</u></u>

Reconciliation, May 31, 2024

		<u>P.A.T.F. I</u>		<u>TOTAL</u>
		<u>ACCOUNT</u>		
Balance on Deposit per Statement of:				
Columbia Bank				
#24804356	E-3	\$ <u>5,011.39</u>	\$	<u>5,011.39</u>
Balance May 31, 2024		\$ <u>5,011.39</u>	\$	<u>5,011.39</u>

PART II

BOROUGH OF HAWTHORNE

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023

**COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND**

	YEAR 2023		YEAR 2022	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 3,131,201.65	3.53%	\$ 3,349,551.00	3.79%
Miscellaneous-From Other Than Local				
Property Tax Levies	6,086,430.21	6.85%	7,529,769.64	8.52%
Collection of Delinquent Taxes and Tax Title Liens	617,522.96	0.70%	357,640.54	0.40%
Collection of Current Tax Levy	<u>78,984,154.85</u>	<u>88.93%</u>	<u>77,175,446.34</u>	<u>87.29%</u>
<u>TOTAL INCOME</u>	<u>88,819,309.67</u>	<u>100.00%</u>	<u>88,412,407.52</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	24,424,536.95	28.47%	24,996,422.20	29.21%
County Taxes	17,237,031.93	20.10%	18,084,034.02	21.13%
School Taxes	44,113,255.00	51.43%	42,493,160.00	49.66%
Other	<u>958.55</u>	<u>0.00%</u>	<u>330.00</u>	<u>0.00%</u>
<u>TOTAL EXPENDITURES</u>	<u>85,775,782.43</u>	<u>100.00%</u>	<u>85,573,946.22</u>	<u>100.00%</u>
Excess in Revenue	3,043,527.24		2,838,461.30	
Adjustments to Income Before Fund Balance				
Expenditures Included Above Which are by Statute Deferred Charges to the Budget of the Succeeding Year	<u>50,000.00</u>			
Excess in Revenue	3,093,527.24		2,838,461.30	
Fund Balance, January 1	<u>8,048,182.36</u>		<u>8,559,272.06</u>	
	11,141,709.60		11,397,733.36	
Less: Utilization as Anticipated Revenue	<u>3,131,201.65</u>		<u>3,349,551.00</u>	
Fund Balance, December 31	\$ <u>8,010,507.95</u>		\$ <u>8,048,182.36</u>	

**COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - WATER UTILITY 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	\$ 1,416,093.00	23.93%	\$ 301,261.00	7.27%
Water Rents	4,081,457.78	68.97%	3,400,384.90	82.07%
Fire Hydrant Service	101,400.00	1.71%	102,042.82	2.46%
Miscellaneous	319,085.32	5.39%	339,608.13	8.20%
	<u>5,918,036.10</u>	<u>100.00%</u>	<u>4,143,296.85</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	3,294,962.00	62.83%	2,981,771.00	69.42%
Capital Improvements	699,000.00	13.33%	528,080.00	12.29%
Debt Service	615,677.00	11.74%	523,010.00	12.18%
Deferred Charges and Statutory Expenditures	634,356.00	12.10%	262,500.00	6.11%
	<u>5,243,995.00</u>	<u>100.00%</u>	<u>4,295,361.00</u>	<u>100.00%</u>
Excess in Revenue	674,041.10			
Deficit in Revenue			(152,064.15)	
Operating Deficit to be Raised in Budget of Succeeding Year			<u>152,064.15</u>	
Statutory Excess to Fund Balance	924,041.10			
Fund Balance, January 1	<u>1,998,693.40</u>		<u>2,419,954.40</u>	
	2,922,734.50		2,419,954.40	
Decreased by:				
Payment to Current Fund as Anticipated Revenue	120,000.00		120,000.00	
Utilization as Anticipated Revenue	<u>1,416,093.00</u>		<u>301,261.00</u>	
Fund Balance, December 31	<u>\$ 1,386,641.50</u>		<u>\$ 1,998,693.40</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	<u>\$3.000</u>	<u>\$2.950</u>	<u>\$2.892</u>
Appointment of Tax Rate:			
Municipal	0.643	0.610	0.592
Municipal Library	0.039	0.036	0.034
County	0.648	0.687	0.678
Local School	<u>1.670</u>	<u>1.617</u>	<u>1.588</u>

Assessed Valuations:

Year 2023	\$ <u>2,642,466,163.00</u>		
Year 2022		\$ <u>2,629,141,319.00</u>	
Year 2021			\$ <u>2,621,738,477.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH</u> <u>COLLECTIONS</u>	<u>PERCENTAGE</u> <u>OF</u> <u>COLLECTION</u>
2023	\$ 79,706,734.71	\$ 78,984,154.85	99.09%
2022	\$ 77,805,455.12	\$ 77,175,446.34	99.19%
2021	\$ 76,130,903.89	\$ 75,593,587.96	99.29%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>DECEMBER 31, 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	\$ 2,103,688.93	\$ 534,442.64	\$ 2,638,131.57	3.31%
2022	\$ 1,973,376.25	\$ 489,951.64	\$ 2,463,327.89	3.17%
2021	\$ 1,801,625.08	\$ 444,894.90	\$ 2,246,519.98	2.95%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>YEAR</u>	<u>AMOUNT</u>
2023	\$34,980.00
2022	\$34,980.00
2021	\$34,980.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2023	\$8,010,507.95	\$2,964,203.47
	2022	\$8,048,517.36	\$3,131,201.93
	2021	\$8,559,272.06	\$3,349,551.00
	2020	\$6,671,008.13	\$2,439,332.00
	2019	\$6,956,549.48	\$2,627,867.00
Water Utility Operating Fund	2023	\$1,386,641.50	\$478,499.15
	2022	\$1,998,693.40	\$1,416,093.00
	2021	\$2,419,954.40	\$301,261.00
	2020	\$1,954,441.65	\$-0-
	2019	\$1,805,734.09	\$282,286.00

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>	<u>NAME OF SURETY</u>
John Lane	Mayor	*	
Frank Matthews	Council President	*	
Rayna Laiosa	Councilperson	*	
Mike Sciarra	Councilperson	*	
Bruce Bennett	Councilperson	*	
Dominic Mele	Councilperson	*	
Anna Marie Sasso	Councilperson	*	
Joseph Wojtecki	Councilperson	*	
Eric Maurer	Borough Administrator	*	
Lori Fernandez	Borough Clerk	*	
Laurie Foley	Chief Financial Officer/ Treasurer	\$1,000,000.00	MEL JIF
Maureen Kurzynski	Tax Collector	\$1,000,000.00	MEL JIF
Michael Pasquale, Esq.	Municipal Attorney		
Hon. John Meola	Magistrate	\$1,000,000.00	MEL JIF
Nora Khoury	Court Administrator	\$1,000,000.00	MEL JIF

*Public Employees Blanket Bond of \$50,000.00 issued by the Morris County Municipal Joint Insurance Fund.

GENERAL 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 July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Borough has a Qualified Purchasing Agent and has elected to operate using a bid threshold of \$44,000.00.

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

The minutes indicate that bids were requested by public advertising for the following items:

- | | |
|-------------------------------|---------------------------|
| Recreation Field Improvements | Various Road Improvements |
| Lead Service Line Replacement | Animal Control Services |
| Automotive Repair Services | Tree Services |

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

The minutes indicate that resolution authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 was advertised during 2023 for the following professional services:

- | | |
|------------------|------------------|
| Borough Attorney | Borough Engineer |
| Borough Auditor | Bond Counsel |
| Borough Planner | Labor Counsel |
| Risk Manager | |

In addition, purchases utilizing state contracts were made for the following:

- Emergency Services Communications Upgrades
- Security Camera Upgrades
- SCBA Gear

GENERAL COMMENTS (CONTINUED)

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 4, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

“BE IT RESOLVED by the Governing Body of the Borough of Hawthorne that the rate of interest on delinquent taxes and assessments owed to said Borough of Hawthorne, be and is hereby set at eight percent (8%) on the first One Thousand Five Hundred Dollars (\$1,500.00) of taxes due and eighteen percent (18%) of any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00). Such interest shall not be charged, however, on payments made within ten (10) days from the due date.”

“BE IT FURTHER RESOLVED there will be a six percent (6%) penalty on delinquency of Ten Thousand Dollars (\$10,000.00) or more at the end of the calendar year.”

It appears from an examination of the Collector’s records that interest was collected in accordance with the forgoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 6, 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 of the number of tax title liens receivable on December 31st of the last three years:

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2023	7
2022	7
2021	7

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.

CONFIRMATION OF DELINQUENT TAXES AND OTHER CHARGES

A confirmation of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services consisting of verification notices as follows:

<u>TYPE</u>	<u>NUMBER</u>
Delinquent Tax Positive Confirmation	25
Delinquent Utility Rent Positive Confirmation	15
Information Tax Current Positive Confirmation	25
Information Utility Rent Positive Confirmation	25

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

NONE

