

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, 2024

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 an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	5-6
	<u>EXHIBITS</u>
<u>Financial Statements - Regulatory Basis</u>	
<u>Current Fund:</u>	
Balance Sheets - Regulatory Basis	"A"
Statements of Operations and Change in Fund Balance - Regulatory Basis	"A-1"
Statement of Revenues - Regulatory Basis for the Year Ended December 31, 2024	"A-2"
Statement of Expenditures - Regulatory Basis for the Year Ended December 31, 2024	"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	"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, 2024	"D-3"
Statement of Expenditures - Regulatory Basis for the Year Ended December 31, 2024	"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	7-47

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 District School Tax Payable	"A-13"
Schedule of 2023 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"
Schedule of Deferred Charges - Grant Fund	"A-28"

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 Amount to be Raised by Taxation - Funded by Assessment Bonds - 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 - Animal Control Fund	"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 Assessment Overpayments - Assessment 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"

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	"D-7"
Schedule of Interfunds	"D-8"
Schedule of 2023 Appropriation Reserves	"D-9"
Schedule of Encumbrances Payable	"D-10"
Schedule of Reserve for Capital Outlay - Capital Fund	"D-11"
Schedule of Bonds and Notes Authorized But Not Issued - Capital Fund	"D-12"
Schedule of Liens Receivable	"D-13"
Schedule of Accrued Interest on Bonds, Notes and Loans	"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 Rent Overpayments	"D-27"
Schedule of Interfunds - Capital Fund	"D-28"
Schedule of Deferred Charges	"D-29"
Schedule of Temporary I-Bank Note Payable - Capital Fund	"D-30"

BOROUGH OF HAWTHORNE

INDEX (CONTINUED)

EXHIBITS

Public Assistance Trust Fund:

Schedule of Cash - Treasurer
Schedule of Reserve for Expenditures
Schedule of Cash and Reconciliation as of May 31, 2025

"E-1"
"E-2"
"E-3"

PAGES

PART II

Statistical Data	48-51
Officials in Office and Surety Bonds	52
General Comments and Recommendations	53-56

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, 2024 AND 2023



SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

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, 2024 and 2023, 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, 2024, 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, 2024 and 2023, 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, 2024 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (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, 2024 and 2023, 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, 2024.

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 September 25, 2025 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

September 25, 2025



SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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

The Honorable Mayor and Members
of the 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, 2024, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated September 25, 2025. 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

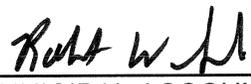
As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*. However, there was an immaterial instance of noncompliance which is discussed in Part II General Comments and Recommendations Section of this audit report.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

September 25, 2025

THIS PAGE INTENTIONALLY LEFT BLANK

CURRENT FUND

BOROUGH OF HAWTHORNE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2024</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>
<u>ASSETS</u>			
Current Fund:			
Cash	A-4	\$ 27,282,736.29	\$ 25,588,108.86
Change Fund	A-5	1,055.00	1,055.00
		<u>27,283,791.29</u>	<u>25,589,163.86</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	510,347.89	534,442.64
Tax Title Liens Receivable	A-9	2,135,011.34	2,103,688.93
Foreclosed Property	A-10	34,980.00	34,980.00
Revenue Accounts Receivable	A-8	22,577.84	12,861.64
Interfunds Receivable	A-22	124,155.00	204.55
		<u>2,827,072.07</u>	<u>2,686,177.76</u>
Deferred Charges:			
Emergency Appropriations 40A:4-46	A-27	_____	50,000.00
		\$ <u>30,110,863.36</u>	\$ <u>28,325,341.62</u>
Grant Fund:			
Cash	A-4	\$ 121,503.33	\$ 226,792.94
Grants Receivable	A-11	1,588,296.70	1,382,573.80
Interfunds Receivable	A-23	352,684.88	165,950.33
		<u>2,062,484.91</u>	<u>1,775,317.07</u>
Deferred Charges:			
Expenditure without an Appropriation	A-28	24,283.46	_____
		\$ <u>2,086,768.37</u>	\$ <u>1,775,317.07</u>
		<u>\$ 32,197,631.73</u>	<u>\$ 30,100,658.69</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, 2024</u>	<u>BALANCE DECEMBER 31, 2023</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-14	\$ 953,301.92	\$ 987,203.12
Encumbrances Payable	A-17	895,393.51	1,463,530.65
Prepaid Taxes	A-15	641,811.75	526,760.03
County Taxes Payable	A-12	200,358.59	8.77
Local District School Taxes Payable	A-13	13,839,617.94	13,412,341.44
Accounts Payable	A-18	788,670.64	682,091.17
Reserve for Tax Appeals	A-25	76,054.67	137,384.54
Reserve for Municipal Relief Funds	A-26		153,149.53
Fees Payable	A-19	27,326.00	10,435.00
Due State of New Jersey-Chapter 20, PL 1971	A-7	90,010.92	89,801.33
Interfunds Payable	A-22	963,449.98	165,950.33
		\$ <u>18,475,995.92</u>	\$ <u>17,628,655.91</u>
Reserve for Receivables and Other Assets	A	2,827,072.07	2,686,177.76
Fund Balance	A-1	<u>8,807,795.37</u>	<u>8,010,507.95</u>
		\$ <u>30,110,863.36</u>	\$ <u>28,325,341.62</u>
Grant Fund:			
Reserve for Grants - Appropriated	A-20	\$ 1,854,850.29	\$ 1,646,390.56
Reserve for Grants - Unappropriated	A-21	116,987.68	71,746.20
Encumbrances Payable	A-24	<u>114,930.40</u>	<u>57,180.31</u>
		\$ <u>2,086,768.37</u>	\$ <u>1,775,317.07</u>
		\$ <u><u>32,197,631.73</u></u>	\$ <u><u>30,100,658.69</u></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 2024</u>	<u>YEAR 2023</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 2,964,203.47	\$ 3,131,201.65
Miscellaneous Revenue Anticipated	A-2	6,095,733.29	5,072,796.62
Receipts From Delinquent Taxes	A-2	574,940.14	617,522.96
Receipts From Current Taxes	A-2	81,168,181.36	78,984,154.85
Non-Budget Revenue	A-2	318,431.19	294,361.19
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	608,038.82	719,272.40
<u>Total Income</u>		<u>91,729,528.27</u>	<u>88,819,309.67</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	16,907,649.00	16,130,115.00
Deferred Charges and Statutory Expenditures	A-3	2,196,691.00	1,994,921.00
Operations Excluded From "CAPS":			
Operating	A-3	3,923,176.91	3,618,398.44
Capital Improvements	A-3	440,000.00	715,000.00
Municipal Debt Service	A-3	2,041,082.73	1,826,769.51
Deferred Charges	A-3	239,204.00	139,333.00
County Taxes	A-12	17,142,539.29	17,237,031.93
Local District School Tax	A-13	44,952,907.00	44,113,255.00
Interfunds Advanced		123,950.45	204.55
Refund of Prior Year Revenue	A-4	837.00	754.00
<u>Total Expenditures</u>		<u>87,968,037.38</u>	<u>85,775,782.43</u>
Excess in Revenue		3,761,490.89	3,043,527.24
Adjustments to Income Before Fund Balance			
Expenditures Included Above Which are by Statute			
Deferred Charges to the Budget of the Succeeding Year	A-3	<u>50,000.00</u>	<u>50,000.00</u>
Regulatory Excess to Fund Balance		3,761,490.89	3,093,527.24
<u>Fund Balance</u>			
Balance, January 1	A	<u>8,010,507.95</u>	<u>8,048,182.36</u>
		11,771,998.84	11,141,709.60
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>2,964,203.47</u>	<u>3,131,201.65</u>
Balance, December 31	A	<u>\$ 8,807,795.37</u>	<u>\$ 8,010,507.95</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, 2024

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	SPECIAL N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$ 2,964,203.47	\$	\$ 2,964,203.47	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	37,000.00		40,200.00	3,200.00
Other	A-2	11,000.00		13,580.00	2,580.00
Fees and Permits	A-2	150,000.00		206,828.70	56,828.70
Fines and Costs:					
Municipal Court	A-8	180,000.00		214,838.36	34,838.36
Interest and Costs on Taxes	A-8	100,000.00		155,397.57	55,397.57
Interest on Investments and Deposits	A-8	219,000.00		850,767.24	631,767.24
Swimming Pool Admission Fees	A-8	125,000.00		147,949.63	22,949.63
Energy Receipts Taxes	A-8	1,485,038.00		1,485,786.07	748.07
Rentals - Board of Education	A-8	10,000.00		15,366.66	5,366.66
Rentals - Cellular Phone	A-8	801,000.00		1,070,355.11	269,355.11
Sewer Charges	A-8	100,000.00		141,476.56	41,476.56
Cable Television Franchise Fees	A-8	235,000.00		237,662.42	2,662.42
Commuter Parking	A-8	18,000.00		17,013.00	(987.00)
Uniform Construction Code Fees	A-8	295,905.00		361,954.00	66,049.00
State and Federal Revenues Offset With Appropriations:					
Municipal Alliance Program	A-11	8,277.00		8,277.00	
Clean Communities Program	A-11		41,211.94	41,211.94	
Dig In! Grant	A-11	1,000.00		1,000.00	
Alcohol Education and Rehabilitation Fund	A-11		2,942.01	2,942.01	
NJDEP - Stormwater Assistance	A-11	25,000.00		25,000.00	
Passaic County Open Space - Franklin Field Grant	A-11		200,000.00	200,000.00	
ARPA - Firefighters Grant	A-11		20,000.00	20,000.00	
Drive Sober or Get Pulled Over	A-11		7,000.00	7,000.00	
Recycling Tonnage Grant	A-11	40,684.96		40,684.96	
DCA Neighborhood Preservation Grant	A-11		125,000.00	125,000.00	
Pedestrian Safety Grant	A-11		2,240.00	2,240.00	
Distracted Driving Crackdown Program	A-11		7,000.00	7,000.00	
Municipal Relief Funds	A-26	153,149.53		153,149.53	
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		47,052.53	10,052.53
Utility Operating Surplus	A-8	135,000.00		135,000.00	
Reserve for Payment of Debt Service	A-8	299,000.00		299,000.00	
Total Miscellaneous Revenues	A-1	4,488,054.49	405,393.95	6,095,733.29	1,202,284.85
Receipts From Delinquent Taxes	A-1	475,000.00		574,940.14	99,940.14
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2	17,804,126.61		19,461,708.68	1,657,582.07
Minimum Library Tax	A-2	1,101,026.39		1,101,026.39	
		<u>18,905,153.00</u>		<u>20,562,735.07</u>	<u>1,657,582.07</u>
Budget Totals		\$ 26,832,410.96	\$ 405,393.95	\$ 30,197,611.97	\$ 2,959,807.06
Non-Budget Revenue	A-1:A-2			318,431.19	
				<u>\$ 30,516,043.16</u>	
	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, 2024

	<u>REF.</u>		
Allocation of Current Tax Collections:			
Revenue From Collections	A-6	\$	81,168,181.36
Allocated to:			
School and County Taxes			<u>62,095,446.29</u>
Balance for Support of Municipal Budget Appropriations			19,072,735.07
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3		<u>1,490,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>20,562,735.07</u></u>
Licenses - Other:			
Borough Clerk	A-8	\$	13,390.00
Board of Health	A-8		<u>190.00</u>
	A-2	\$	<u><u>13,580.00</u></u>
Fees and Permits			
Police Department	A-8	\$	36,353.70
Board of Health/Registrar of Vital Statistics	A-8		38,678.00
Public Works Department	A-8		6,900.00
Planning Board	A-8		1,100.00
Zoning Board of Adjustment	A-8		1,150.00
Fire Prevention	A-8		65,915.00
Other	A-8		15,380.00
Building Department	A-8		<u>41,352.00</u>
	A-2	\$	<u><u>206,828.70</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, 2024

REF.

Non Budget Revenues		
Duplicate Tax Bills	\$	889.00
Copies, Maps and List		2,371.94
Miscellaneous Reimbursements		16,754.36
Vacant Property		3,000.00
Rental of Property		8,100.00
Firearms Range		14,000.00
Leadership Camp		20.00
Senior/Vets Administrative Fee		1,459.19
Insurance Dividends		17,926.17
GovDeals Auctions		35,263.05
Police Towing/Miscellaneous Fee		1,960.00
Interest on Assessments		816.37
Miscellaneous Recreation		35,220.00
Other Miscellaneous		<u>176,651.11</u>
	A-4	\$ <u><u>318,431.19</u></u>

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, 2024

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
OPERATIONS WITHIN "CAPS":					
GENERAL GOVERNMENT					
Administrative and Executive:					
Salaries and Wages	\$ 250,412.00	\$ 253,612.00	\$ 246,618.56	\$ 6,993.44	
Other Expenses	22,750.00	22,750.00	22,557.89	192.11	
Other Expenses - Postage	35,000.00	35,000.00	34,314.57	685.43	
Mayor and Council:					
Salaries and Wages	36,500.00	36,500.00	36,499.96	0.04	
Other Expenses	5,040.00	5,040.00	4,576.00	464.00	
Municipal Clerk:					
Salaries and Wages	151,561.00	160,061.00	155,943.68	4,117.32	
Other Expenses	40,814.00	40,814.00	39,098.20	1,715.80	
Financial Administration:					
Salaries and Wages	169,631.00	155,631.00	153,861.53	1,769.47	
Other Expenses	58,027.00	58,027.00	44,950.64	13,076.36	
Audit Services:					
Other Expenses	32,400.00	32,400.00		32,400.00	
Revenue Administration (Tax Collection):					
Salaries and Wages	30,529.00	34,329.00	34,247.05	81.95	
Other Expenses	15,563.00	17,063.00	15,857.78	1,205.22	
Tax Assessment Administration:					
Salaries and Wages	56,763.00	56,763.00	54,376.00	2,387.00	
Other Expenses	17,450.00	23,450.00	22,391.59	1,058.41	
Legal Services:					
Other Expenses	115,244.00	115,244.00	107,385.25	7,858.75	
Engineering Services:					
Other Expenses	172,500.00	142,500.00	103,119.50	39,380.50	
Future of Hawthorne:					
Other Expenses	1,000.00	1,000.00		1,000.00	
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	7,000.00	7,000.00	6,999.98	0.02	
Other Expenses	30,495.00	30,495.00	13,358.03	17,136.97	

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, 2024

	APPROPRIATIONS		EXPENDED		RESERVED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED			
OPERATIONS WITHIN "CAPS" (CONTINUED)						
LAND USE ADMINISTRATION (CONTINUED)						
Zoning Board of Adjustments:						
Salaries and Wages	\$ 22,969.00	\$ 22,969.00	\$ 20,411.04	\$ 2,557.96	\$	
Other Expenses	9,075.00	9,075.00	3,793.89	5,281.11		
Computerized Data Processing	246,630.00	236,630.00	221,243.51	15,386.49		
PUBLIC SAFETY						
Police:						
Salaries and Wages	5,103,579.00	5,218,579.00	5,207,066.45	11,512.55		
Other Expenses	469,823.00	439,823.00	381,982.22	57,840.78		
Police Dispatchers:						
Salaries and Wages	215,312.00	232,312.00	226,424.81	5,887.19		
Emergency Management Services:						
Salaries and Wages	2,000.00	2,000.00	2,000.00			
Other Expenses	17,100.00	17,100.00	4,521.38	12,578.62		
Ambulance Corps:						
Other Expenses	20,670.00	16,570.00	15,660.00	910.00		
Prosecutor:						
Salaries and Wages	36,932.00	36,932.00	35,063.56	1,868.44		
Fire:						
Salaries and Wages	21,500.00	21,500.00	20,027.86	1,472.14		
Other Expenses	264,239.00	264,239.00	229,291.64	34,947.36		
Other Expenses - Fire Hydrant Service	89,100.00	89,100.00	89,100.00			
Uniform Fire Safety Act:						
Salaries and Wages	147,485.00	147,985.00	145,734.54	2,250.46		
Other Expenses	14,625.00	14,625.00	7,770.75	6,854.25		
Municipal Court:						
Salaries and Wages	179,195.00	179,695.00	179,681.71	13.29		
Other Expenses	25,970.00	25,970.00	16,680.78	9,289.22		

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, 2024

	APPROPRIATIONS			EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
PUBLIC WORKS						
Road Repair and Maintenance:						
Salaries and Wages	\$ 900,617.00	\$ 925,617.00	\$ 877,864.59	\$ 47,752.41	\$	
Other Expenses	331,538.00	331,538.00	278,896.77	52,641.23		
Sewer System Maintenance:						
Salaries and Wages	201,023.00	201,023.00	200,450.21	572.79		
Other Expenses	146,767.00	136,767.00	136,767.00			
Shade Tree Commission:						
Salaries and Wages	3,100.00	4,100.00	3,627.10	472.90		
Other Expenses	267,900.00	280,400.00	272,261.10	8,138.90		
Solid Waste Collection:						
Salaries and Wages - Recycling	82,140.00	65,140.00	54,906.15	10,233.85		
Other Expenses - Recycling	544,598.00	542,098.00	536,783.15	5,314.85		
Other Expenses - Garbage Removal - Contractual	656,112.00	656,112.00	648,112.00	8,000.00		
Buildings and Grounds:						
Salaries and Wages	144,806.00	133,306.00	129,432.36	3,873.64		
Other Expenses	283,987.00	283,987.00	260,355.15	23,631.85		
Maintenance of Parks:						
Other Expenses	111,340.00	111,340.00	111,339.24	0.76		
Vehicle Maintenance:						
Other Expenses	282,130.00	282,130.00	250,003.46	32,126.54		
Community Services Act:						
Other Expenses	24,000.00	24,000.00	4,643.51	19,356.49		
HEALTH AND HUMAN SERVICES						
Board of Health:						
Salaries and Wages	119,759.00	104,309.00	100,484.62	3,824.38		
Other Expenses	28,910.00	44,360.00	39,435.06	4,924.94		
Environmental Commission:						
Other Expenses	10,100.00	10,100.00	8,712.96	1,387.04		
Animal Control Services:						
Other Expenses	10,000.00	10,000.00	10,000.00			
Board of Recreation:						
Salaries and Wages	124,051.00	116,051.00	94,166.61	21,884.39		
Other Expenses	91,045.00	83,045.00	63,953.15	19,091.85		
Swimming Pool:						
Salaries and Wages	148,000.00	146,000.00	145,838.17	161.83		
Other Expenses	47,720.00	59,720.00	59,030.78	689.22		

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, 2024

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events:					
Other Expenses	\$ 36,280.00	\$ 36,280.00	20,871.58	15,408.42	\$
Bond Fees:					
Other Expenses	3,800.00	3,800.00		3,800.00	
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement Functions:					
Building Inspector:					
Salaries and Wages	353,656.00	353,656.00	342,748.47	10,907.53	
Other Expenses	217,502.00	217,502.00	215,184.25	2,317.75	
Property Code Enforcement:					
Salaries and Wages	99,810.00	94,310.00	90,702.71	3,607.29	
Other Expenses	27,300.00	27,300.00	9,954.76	17,345.24	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	236,000.00	236,000.00	195,588.48	40,401.52	
Street Lighting	182,000.00	182,000.00	145,958.07	36,041.93	
Telephone	87,116.00	117,116.00	108,679.30	8,436.70	
Gasoline	186,900.00	186,900.00	155,941.45	30,958.55	
Landfill/Solid Waste Disposal Costs:					
Dumping Fees	562,400.00	547,400.00	514,666.84	32,733.16	
Insurance:					
General Insurance	344,229.00	344,229.00	344,228.62	0.38	
Worker's Compensation Insurance	217,130.00	217,130.00	217,130.00		
Group Insurance for Employees	1,669,000.00	1,584,500.00	1,527,384.68	57,115.32	
Public Defender:					
Salaries and Wages	3,600.00	3,600.00	3,600.00		
Total Operations Within "CAPS"	16,947,249.00	16,905,649.00	16,082,322.70	823,326.30	
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, 2024

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Total Operations Including Contingent Within "CAPS"	\$ 16,949,249.00	\$ 16,907,649.00	\$ 16,082,322.70	\$ 825,326.30	\$
Detail:					
Salaries and Wages	\$ 8,571,398.00	\$ 8,672,448.00	\$ 8,530,114.16	\$ 142,333.84	\$
Other Expenses:	8,377,851.00	8,235,201.00	7,552,208.54	682,992.46	
Municipal Within "CAPS":					
Statutory Charges:					
Social Security System (O.A.S.I)	297,600.00	297,600.00	297,600.00		
Public Employees' Retirement System of NJ	376,290.00	376,290.00	376,290.00		
Police and Fireman's Retirement System of NJ	1,488,801.00	1,488,801.00	1,488,801.00		
Defined Contribution Retirement Program	18,000.00	19,000.00	18,261.12	738.88	
Unemployment Insurance	5,000.00	5,000.00	5,000.00		
Pension Adjustment	10,000.00	10,000.00		10,000.00	
Total Deferred Charges and Statutory Expenditures	2,195,691.00	2,196,691.00	2,185,952.12	10,738.88	
- Municipal Within "CAPS"					
Total General Appropriations for Municipal Purposes Within "CAPS"	19,144,940.00	19,104,340.00	18,268,274.82	836,065.18	
OPERATIONS EXCLUDED FROM "CAPS":					
Length of Service Award Program (LOSAP)					
Recycling Tax	120,000.00	120,000.00	77,687.28	42,312.72	
Maintenance of Free Public Library:	19,000.00	19,000.00		19,000.00	
Salaries and Wages	800,430.00	800,430.00	747,926.46	52,503.54	
Other Expenses - Contribution	787,251.00	787,251.00	787,251.00		
Sewer Processing and Disposal:					
Other Expenses - Passaic Valley Sewer Rental	1,470,921.00	1,470,921.00	1,469,255.66	1,665.34	
Other Expenses - Other Municipal Projects	24,000.00	24,000.00	24,553.00	47.00	
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, 2024

	APPROPRIATIONS			PAID OR		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED CHARGED	RESERVED		
OPERATIONS EXCLUDED FROM "CAPS"(CONTINUED)						
Affordable Housing	\$ 5,000.00	\$ 45,000.00	\$ 45,000.00	\$		
NJDEP Stormwater Permits	23,950.00	23,950.00	23,841.86	108.14		
Interlocal Municipal Service Agreements:						
North Haledon Deputy Court Admin. - Other Expenses	40,000.00	40,000.00	40,000.00			
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"	3,374,152.00	3,414,752.00	3,297,515.26	117,236.74		
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	125,000.00			
Municipal Alliance	8,277.00	8,277.00	8,277.00			
Municipal Alliance - Municipal match	3,069.00	3,069.00	3,069.00			
Alcohol Education Rehabilitation (N.J.S.A. 40A:4-87 + \$2,942.01)	2,942.01	2,942.01	2,942.01			
NJDEP - Stormwater Assistance Management	25,000.00	25,000.00	25,000.00			
American Rescue Plan Act Firefighters Grant (NJSA 40A:4-87 + \$20,000.00)	20,000.00	20,000.00	20,000.00			
Clean Communities Program (NJSA 40A:4-87 + \$41,211.94)	41,211.94	41,211.94	41,211.94			
Pedestrian Safety (NJSA 40A:4-87 + \$2,240.00)	2,240.00	2,240.00	2,240.00			
Recycling Tonnage Grant	40,684.96	40,684.96	40,684.96			
Distracted Driving (NJSA 40A:4-87 + \$7,000.00)	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	7,000.00			
Passaic County Franklin Field Grant (NJSA 40A:4-87 + \$200,000.00)	200,000.00	200,000.00	200,000.00			
Dig In! Grant	1,000.00	1,000.00	1,000.00			
Total Public and Private Programs Offset by Revenues	103,030.96	508,424.91	508,424.91			
Total Other Operations Excluded from "CAPS"	3,477,182.96	3,923,176.91	3,805,940.17	117,236.74		
Detail:						
Salaries and Wages	800,430.00	800,430.00	747,926.46	52,503.54		
Other Expenses:	2,676,752.96	3,122,746.91	3,058,013.71	64,733.20		
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	440,000.00	440,000.00	440,000.00			
Total Capital Improvements - Excluded from "CAPS"	440,000.00	440,000.00	440,000.00			

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, 2024

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 1,448,000.00	\$ 1,448,000.00	\$ 1,448,000.00	\$	
Interest on Bonds	582,239.00	582,239.00	582,237.73		1.27
Payment of NJEIT Loan	10,845.00	10,845.00	10,845.00		
Total Municipal Debt Service - Excluded from "CAPS"	2,041,084.00	2,041,084.00	2,041,082.73		1.27
DEFERRED CHARGES EXCLUDED FROM "CAPS"					
Deferred Charges to Future Taxation - Unfunded Deficit in Dedicated Assessment Trust Fund	50,000.00	50,000.00	50,000.00		
Total Deferred Charges Excluded from "CAPS"	189,204.00	189,204.00	189,204.00		
Total General Appropriations Excluded from "CAPS"	6,197,470.96	6,643,464.91	6,526,226.90	117,236.74	1.27
Subtotal General Appropriations	25,342,410.96	25,747,804.91	24,794,501.72	953,301.92	1.27
Reserve for Uncollected Taxes	1,490,000.00	1,490,000.00	1,490,000.00		
Total General Appropriations	\$ 26,832,410.96	\$ 27,237,804.91	\$ 26,284,501.72	\$ 953,301.92	\$ 1.27
REF.	A-3		A-1	A,A-1	
Budget as Adopted		\$ 26,832,410.96			
Added by N.J.S. 40A:4-87		405,393.95			
Cash Disbursed		\$ 27,237,804.91			
Encumbrances Payable	A-4		\$ 23,967,287.94		
Reserve for Grants Appropriated	A-17		895,393.51		
Deferred Charge - Emergency Authorization	A-20		508,424.91		
Reserve for Uncollected Taxes	A-27		50,000.00		
Cash Receipts	A-2		1,490,000.00		
	A-2		26,911,106.36		
	A-4		626,604.64		
			\$ 26,284,501.72		

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>	BALANCE DECEMBER <u>31, 2024</u>	BALANCE DECEMBER <u>31, 2023</u>
<u>ASSETS</u>			
Assessment Trust Fund:			
Cash	B-2	\$ 754,436.45	\$ 342,069.66
Due Current Fund	B-7	60,512.81	
Assessments Receivable	B-4	487,344.02	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	103,148.15	789,800.00
Amount to be Raised by Taxation- Canceled Assessments	B-10	660.67	660.67
Funded by Assessment Bonds	B-8	<u>294,931.26</u>	<u>484,135.26</u>
		<u>1,714,107.36</u>	<u>1,993,311.91</u>
Animal Control Trust Fund:			
Cash	B-2	<u>2,841.23</u>	<u>1,399.43</u>
		<u>2,841.23</u>	<u>1,399.43</u>
Other Trust Funds:			
Cash	B-2	<u>3,952,401.69</u>	<u>3,794,969.91</u>
		<u>3,952,401.69</u>	<u>3,794,969.91</u>
		<u>\$ 5,669,350.28</u>	<u>\$ 5,789,681.25</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>	BALANCE DECEMBER <u>31, 2024</u>	BALANCE DECEMBER <u>31, 2023</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	1,020,000.00	1,299,000.00
Assessment Overpayments	B-16	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
Fund Balance	B-1	<u>2,941.76</u>	<u>2,941.76</u>
		<u>1,714,107.36</u>	<u>1,993,311.91</u>
Animal Control Trust Fund:			
Due To State of New Jersey	B-13	48.20	18.80
Reserve for Animal Control Fund Expenditures	B-12	<u>2,793.03</u>	<u>1,380.63</u>
		<u>2,841.23</u>	<u>1,399.43</u>
Other Funds:			
Reserve For:			
Due to State of NJ - Unemployment Claims	B-14	213,077.44	195,623.89
Various Reserves and Deposits	B-11	<u>3,739,324.25</u>	<u>3,599,346.02</u>
		<u>3,952,401.69</u>	<u>3,794,969.91</u>
		<u>\$ 5,669,350.28</u>	<u>\$ 5,789,681.25</u>

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

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

STATEMENTS OF CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2023 and December 31, 2024	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, 2024</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 50,516.95	\$ 1,019,588.13
Grants Receivable	C-8	2,451,845.30	2,055,100.30
Grants Receivable - Unfunded	C-12	102,165.32	102,165.32
Due Assessment Trust Fund	C-7	636,000.00	636,000.00
Due Current Fund	C-19	550,252.29	
Due Water Utility Capital Fund	C-18	339,750.00	2,589,750.00
Loans Proceeds Receivable	C-6	227,971.00	227,971.00
Prospective Assessments Raised by Taxation	C-9	110,500.00	90,500.00
Deferred Charges to Future Taxation:			
Funded	C-4	13,160,000.00	14,616,000.00
Unfunded	C-5	<u>3,143,645.03</u>	<u>1,623,645.03</u>
		\$ <u>20,772,645.89</u>	\$ <u>22,960,719.78</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-10	\$ 13,110,000.00	\$ 14,558,000.00
NJ Environmental Infrastructure Loans Payable	C-11	50,000.00	58,000.00
Bond Anticipation Notes	C-14	310,000.00	
Improvement Authorizations:			
Funded	C-15	2,189,161.61	2,078,941.80
Unfunded	C-15	1,871,972.01	881,624.24
Capital Improvement Fund	C-16	425,405.03	380,405.03
Encumbrances Payable	C-17	1,275,177.05	2,514,318.06
Various Reserves and Deposits	C-13	1,244,454.95	1,822,948.54
Reserve for Prospective Assessments	C-9	110,500.00	90,500.00
Fund Balance	C-1	<u>185,975.24</u>	<u>575,975.24</u>
		\$ <u>20,772,645.89</u>	\$ <u>22,960,712.91</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, 2023	C	\$	575,975.24
Decreased by:			
Used to Finance Improvement Authorization	C-15		<u>390,000.00</u>
Balance, December 31, 2024	C	\$	<u><u>185,975.24</u></u>

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

THIS PAGE INTENTIONALLY LEFT BLANK

WATER UTILITY FUND

BOROUGH OF HAWTHORNE

WATER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2023
Operating Fund:			
Cash	D-5	\$ 1,882,388.87	\$ 1,280,754.99
Change Fund	D	100.00	100.00
Due Water Utility Capital Fund	D-8	<u>1,102,475.42</u>	<u>900,000.00</u>
		<u>2,984,964.29</u>	<u>2,180,854.99</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	1,336,271.64	838,137.49
Liens Receivable	D-13	<u>2,585.49</u>	<u>2,585.49</u>
		<u>1,338,857.13</u>	<u>840,722.98</u>
Deferred Charges:			
Operating Deficit	D-29		0.15
Emergency Authorizations	D-29		<u>250,000.00</u>
			<u>250,000.15</u>
<u>Total Operating Fund</u>		<u>4,323,821.42</u>	<u>3,271,578.12</u>
Capital Fund:			
Cash	D-5	18,522.73	905,803.87
Miscellaneous Receivable	D-26	30,000.00	30,000.00
Loan Proceeds Receivable	D-15	97,911.00	97,911.00
Fixed Capital	D-16	15,471,311.55	15,276,311.55
Fixed Capital Authorized and Uncompleted	D-17	<u>20,925,000.00</u>	<u>14,175,000.00</u>
<u>Total Capital Fund</u>		<u>36,542,745.28</u>	<u>30,485,026.42</u>
		<u>\$ 40,866,566.70</u>	<u>\$ 33,756,604.54</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, 2024</u>	<u>BALANCE DECEMBER 31, 2023</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-9	\$ 418,277.27	\$ 452,232.36
Encumbrances Payable	D-10	753,706.56	494,107.38
Due Current Fund	D-8	124,155.00	
Accrued Interest on Bonds and Loans	D-14	27,893.90	97,873.90
		<u>1,324,032.73</u>	<u>1,044,213.64</u>
Reserve for Receivables	D	1,338,857.13	840,722.98
Fund Balance	D-1	<u>1,660,931.56</u>	<u>1,386,641.50</u>
<u>Total Operating Fund</u>		<u>4,323,821.42</u>	<u>3,271,578.12</u>
Capital Fund:			
Serial Bonds Payable	D-23	4,439,000.00	4,934,000.00
Due Utility Operating Fund	D-28	1,102,475.42	900,000.00
Due General Capital Fund	D-28	339,750.00	2,589,750.00
Bond Anticipation Notes	D-24	700,000.00	
I-Bank Note Payable	D-30	5,983,929.00	1,634,434.00
Improvement Authorizations:			
Funded	D-18	179,829.97	406,906.36
Unfunded	D-18	8,622,866.86	3,106,592.89
Capital Improvement Fund	D-22	836.60	163,836.60
Contracts Payable	D-25	1,261,434.67	3,357,883.81
Reserve for:			
Payment of Debt	D-20	106,067.34	275,067.34
Amortization	D-19	13,644,746.57	12,954,746.57
Deferred Amortization	D-21	157,500.00	157,500.00
Fund Balance	D-2	<u>4,308.85</u>	<u>4,308.85</u>
<u>Total Capital Fund</u>		<u>36,542,745.28</u>	<u>30,485,026.42</u>
		<u>\$ 40,866,566.70</u>	<u>\$ 33,756,604.54</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>	YEAR ENDED DECEMBER <u>31, 2024</u>	YEAR ENDED DECEMBER <u>31, 2023</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-3	\$ 478,499.15	\$ 1,416,093.00
Water Rents	D-3	4,639,271.41	4,081,457.78
Fire Hydrant Service	D-3	103,350.00	101,400.00
Reserve for Payment of Debt Service	D-3	169,000.00	41,900.00
Miscellaneous	D-3	50,000.00	35,000.00
Non-Budget Revenue	D-3:D-5	84,548.83	62,414.80
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-9	<u>241,287.55</u>	<u>179,770.52</u>
<u>TOTAL INCOME</u>		<u>5,765,956.94</u>	<u>5,918,036.10</u>
<u>EXPENDITURES</u>			
Operating	D-4	3,535,905.00	3,294,962.00
Capital Improvements	D-4	401,300.00	699,000.00
Debt Service	D-4	615,638.00	615,677.00
Statutory Expenditures and Deferred Charges	D-4	309,800.15	634,356.00
Refund of Prior Year Revenue	D-5		
Canceled Prior Year Deferred Charges	D-29	<u>15,524.58</u>	
<u>TOTAL EXPENDITURES</u>		<u>4,878,167.73</u>	<u>5,243,995.00</u>
Excess in Revenue to Fund Balance		887,789.21	674,041.10
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>
Regulatory Excess to Surplus		887,789.21	924,041.10
<u>Fund Balance</u>			
Balance, January 1	D	<u>1,386,641.50</u>	<u>1,998,693.40</u>
		2,274,430.71	2,922,734.50
Decreased by:			
Payment to Current Fund as Anticipated Revenue	D-5	135,000.00	120,000.00
Utilization by Water Utility Operating Budget	D-1:D-3	<u>478,499.15</u>	<u>1,416,093.00</u>
Balance, December 31	D	<u>\$ 1,660,931.56</u>	<u>\$ 1,386,641.50</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, 2023 and
December 31, 2024

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, 2024

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	D-1	\$ 478,499.15	\$ 478,499.15	\$
Water Rents	D-1	4,063,744.00	4,639,271.41	575,527.41
Fire Hydrant Service	D-1:D-5	101,400.00	103,350.00	1,950.00
Reserve for Payment of Debt Service	D-1:D-5	169,000.00	169,000.00	
Miscellaneous Revenue Not Anticipated	D-1:D-5		84,548.83	84,548.83
Miscellaneous	D-1:D-5	<u>50,000.00</u>	<u>50,000.00</u>	
	D-4	<u>\$ 4,862,643.15</u>	<u>\$ 5,524,669.39</u>	<u>\$ 662,026.24</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, 2024

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Operating:	\$	\$	\$	\$	\$
Salaries and Wages	1,409,295.00	1,409,295.00	1,311,809.46	97,485.54	
Other Expenses	1,397,180.00	1,397,180.00	1,323,620.37	73,559.63	
General Insurance	180,053.00	180,053.00	180,053.00		
Group Insurance for Employees	411,000.00	411,000.00	219,721.73	191,278.27	
Workers Compensation Insurance	72,377.00	72,377.00	72,377.00		
Laboratory Testing and Safe Water Act	66,000.00	66,000.00	66,000.00		
Total Operating	3,535,905.00	3,535,905.00	3,173,581.56	362,323.44	
Capital Improvements:					
Capital Improvement Fund	25,000.00	25,000.00	25,000.00		
Capital Outlay	376,300.00	376,300.00	328,550.10	47,749.90	
Total Capital Improvements	401,300.00	401,300.00	353,550.10	47,749.90	
Debt Service:					
Payment of Bond Principal	495,000.00	495,000.00	495,000.00		
Interest on Bonds	120,638.00	120,638.00	120,638.00		
Total Debt Service	615,638.00	615,638.00	615,638.00		
Deferred Charges:					
Deficit in Prior Year Operations	0.15	0.15	0.15		
Statutory Expenditures:					
Contributions to:					
Public Employees Retirement System	201,200.00	201,200.00	201,200.00		
Social Security System (O.A.S.I.)	108,600.00	108,600.00	100,396.07	8,203.93	
Total Deferred Charges and Statutory Expenditures	309,800.15	309,800.15	301,596.22	8,203.93	
Total	4,862,643.15	4,862,643.15	4,444,365.88	418,277.27	

REF.

D-3

D

Budget

D-3

\$ 4,862,643.15

Cash Disbursements

D-5

\$

3,970,886.95

Encumbrances Payable

D-10

473,478.78

Deferred Charge: Deficit in Operations in Prior Years

D-29

0.15

\$ 4,444,365.88

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

THIS PAGE INTENTIONALLY LEFT BLANK

PUBLIC ASSISTANCE FUND

"E"

BOROUGH OF HAWTHORNE

PUBLIC ASSISTANCE FUND

BALANCE SHEETS - REGULATORY BASIS

			DECEMBER 31, 2024	DECEMBER 31, 2023
	<u>ASSETS</u>	<u>REF.</u>		
Cash		E-1	\$ <u>5,161.39</u>	\$ <u>4,986.39</u>
			\$ <u>5,161.39</u>	\$ <u>4,986.39</u>
	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Reserve for Public Assistance		E-2	\$ <u>5,161.39</u>	\$ <u>4,986.39</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, 2024</u>	<u>DECEMBER</u> <u>31, 2023</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>17,393,271.00</u>	<u>16,106,706.00</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 38,003,271.00</u>	<u>\$ 36,716,706.00</u>
Investment in General Fixed Assets	<u>\$ 38,003,271.00</u>	<u>\$ 36,716,706.00</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, 2024 AND 2023

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 - Under GAAP, municipalities are required to record their distributive shares of net pension liability, deferred outflows of resources, and deferred inflows of resources in the statement of Net Position and total pension related expense in Statements of Revenues, Expenses, Changes in Net Position and Notes to the Financial Statements in accordance with GASB 68.

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 however, local units are permitted to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 68.

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) - Under GAAP, municipalities required to record their distributive shares of OPEB liability, deferred outflows of resources, and deferred inflows of resources in the statement of Net Position and total OPEB related expense in Statements of Revenues, Expenses, Changes in Net Position and Notes to the Financial Statements in accordance with GASB 75.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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, however, local units are permitted to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2024 was not available, therefore the information dated June 30, 2023 is disclosed.

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, 2024:

<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	\$27,331,852.61	\$76,205.69	\$125,322.01	\$1,055.00	\$27,283,791.29
Grant Fund	126,581.85		5,078.52		121,503.33
Animal Control Trust Fund	2,841.23				2,841.23
Assessment Trust Fund	754,436.65		0.20		754,436.45
Other Trust Fund	3,824,313.74	210,965.46	82,877.51		3,952,401.69
General Capital Fund	257,815.88	5,347.57	212,646.50		50,516.95
Public Assistance Fund	5,161.39				5,161.39
Water Utility:					
Operating Fund	2,057,788.36	6,258.11	181,657.60	100.00	1,882,488.87
Capital Fund	38,521.98		19,999.25		18,522.73
TOTAL	\$34,399,313.69	\$298,776.83	\$627,581.59	\$1,155.00	\$34,071,663.93

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, 2024, 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 \$33,085,360.55 was covered under the provisions of NJGUDPA. \$1,063,953.14 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, 2024, the Borough has \$1,063,953.14 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 2024</u>	<u>YEAR 2023</u>	<u>YEAR 2022</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 13,470,000.00	\$ 14,616,000.00	\$ 13,521,979.38
Assessment:			
Bonds and Notes	1,020,000.00	1,299,000.00	685,000.00
Water Utility:			
Bonds, Loans and Notes	<u>5,139,000.00</u>	<u>4,934,000.00</u>	<u>3,676,163.00</u>
Net Debt Issued	\$ <u>19,629,000.00</u>	\$ <u>20,849,000.00</u>	\$ <u>17,883,142.38</u>
Less: Cash on Hand to Pay Notes/Loans	754,436.45	342,069.66	7,096.07
Less: Reserve to Pay Bonds	<u>571,340.28</u>	<u>870,590.28</u>	<u>1,039,469.21</u>
	\$ <u><u>18,303,223.27</u></u>	\$ <u><u>19,636,340.06</u></u>	\$ <u><u>16,836,577.10</u></u>
Authorized But Not Issued:			
General - Bonds and Notes	\$ 2,122,145.03	\$ 1,292,145.03	\$ 2,968,645.03
Assessment- Bonds and Notes	711,500.00	331,500.00	32,046.95
Water Utility - Bonds and Notes	<u>11,471,135.98</u>	<u>9,770,630.98</u>	<u>10,227,564.98</u>
Total Authorized But Not Issued	\$ <u>14,304,781.01</u>	\$ <u>11,394,276.01</u>	\$ <u>13,228,256.96</u>
 NET BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	 \$ <u><u>32,608,004.28</u></u>	 \$ <u><u>31,030,616.07</u></u>	 \$ <u><u>30,064,834.06</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 0.483% as of December 31, 2024.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local District School Debt	\$ 20,875,000.00	\$ 20,875,000.00	
Water Utility Debt	16,610,135.98	16,610,135.98	
General Debt	<u>17,323,645.03</u>	<u>1,325,776.73</u>	\$ <u>15,997,868.30</u>
	\$ <u><u>54,808,781.01</u></u>	\$ <u><u>38,810,912.71</u></u>	\$ <u><u>15,997,868.30</u></u>

NET DEBT \$15,997,868.30 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$3,314,627,455.33 EQUALS 0.483%.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

Equalized Valuation Basis* - December 31, 2024	\$ <u>3,314,627,455.33</u>
3-1/2% of Equalized Valuation Basis	\$ 116,011,960.94
Net Debt	<u>15,997,868.30</u>
Remaining (Deficit) Borrowing Power	\$ <u>100,014,092.64</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, 2024

Cash Receipts from Fees, Rents, Other Charges, and Anticipated Surplus	\$5,355,669.39
Deduction:	
Operating and Maintenance Cost	\$3,845,705.15
Debt Service Per Water Utility Account	<u>615,638.00</u>
	<u>4,461,343.15</u>
Excess in Revenue - Self Liquidating	<u>\$894,326.24</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%.	\$ 3,010,000.00
\$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%.	1,360,000.00
\$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%.	2,780,000.00
\$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%.	5,110,000.00
\$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>850,000.00</u>
	\$ <u><u>13,110,000.00</u></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%.	\$ 129,000.00
\$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%.	296,000.00
\$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%.	480,000.00
\$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>115,000.00</u>
	\$ <u><u>1,020,000.00</u></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%. \$ 289,000.00

\$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%. 60,000.00

\$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%. 1,485,000.00

\$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%. 2,220,000.00

\$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%. 385,000.00

\$ 4,439,000.00

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%. \$ 50,000.00

\$ 50,000.00

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, 2024

General Capital Fund

Calendar Year	Principal	Interest	Total
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	1,040,000.00	281,192.50	1,321,192.50
2030-2034	4,370,000.00	887,155.00	5,257,155.00
2035-2039	<u>2,290,000.00</u>	<u>285,875.00</u>	<u>2,575,875.00</u>
Total	\$ <u>13,110,000.00</u>	\$ <u>3,054,555.00</u>	\$ <u>16,164,555.00</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2024

Assessment Trust Fund

Calendar Year	Principal	Interest	Total
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>1,020,000.00</u>	\$ <u>124,960.00</u>	\$ <u>1,144,960.00</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, 2024

Water Utility Capital Fund

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	385,000.00	104,620.00	489,620.00
2030-2034	540,000.00	406,135.00	946,135.00
2035-2039	625,000.00	280,525.00	905,525.00
2040-2044	525,000.00	160,150.00	685,150.00
2045-2048	<u>470,000.00</u>	<u>48,000.00</u>	<u>518,000.00</u>
Total	\$ <u>4,439,000.00</u>	\$ <u>1,594,610.00</u>	\$ <u>6,033,610.00</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR LOANS ISSUED AND OUTSTANDING DECEMBER 31, 2024

<u>CALENDAR YEAR</u>	<u>NJ EIT LOANS - GENERAL CAPITAL</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
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>50,000.00</u>	\$ <u>9,225.00</u>	\$ <u>59,225.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2024 the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	\$ <u>2,122,145.03</u>
Assessment Fund	\$ <u>711,500.00</u>
Water Utility Capital Fund	\$ <u>11,471,135.98</u>

Short-Term Debt

BOND ANTICIPATION NOTES

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital	3.750%	9/26/2024	9/25/2025	\$ <u>310,000.00</u>
Water Capital	3.750%	9/26/2024	9/25/2025	\$ <u>700,000.00</u>

NEW JERSEY I-BANK TEMPORARY NOTE

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Water Utility Capital Fund	0.00%	11/1/2025	\$ <u>5,983,929.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2024, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2025, were as follows:

Current Fund	\$2,735,896.00
Water Utility Operating Fund	\$1,439,807.00

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, 2024</u>	BALANCE DECEMBER <u>31, 2023</u>
Prepaid Taxes	<u>\$641,811.75</u>	<u>\$526,760.03</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 www.nj.gov/treasury/pensions/annrpts.shtml.

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

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 is set by PERS is set by N.J.S.A. 43:15A and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.50% of base salary. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. PFRS members contributed at a rate of 10.00% of base salary.

Certain portions of the costs are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$1,865,091.00 for 2024, \$1,670,021.00 for 2023, and \$1,570,196.80 for 2022.

All contributions were equal to the required contributions for each of the three years, respectively. Certain Borough employees are also covered by Federal Insurance Contribution Act.

Public Employees Retirement System (PERS)

At June 30, 2024, the State reported a net pension liability of \$7,080,786.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024, the Borough's proportion was 0.0521104088 percent, which was a decrease of 0.0017223129 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the State recognized an actuarially determined pension expense of \$148,458.00 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, 2024 billing was \$719,489.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2024, 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	\$ 141,841.00	\$ 18,851.00
Changes of assumptions	8,797.00	80,563.00
Net difference between projected and actual earnings on pension plan investments		328,317.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>634,041.00</u>	<u>456,884.00</u>
	<u>\$ 784,679.00</u>	<u>\$ 884,615.00</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:

Year Ended <u>June 30,</u>	<u>Amount</u>
2025	(\$265,201.60)
2026	268,052.40
2027	(98,400.60)
2028	(41,828.60)
2029	<u>37,442.40</u>
	<u>(\$99,936.00)</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, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. 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, 2023 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, 2024) 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, 2024 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%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasury's	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments 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, 2024 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, 2024		
	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	\$9,408,624.00	\$7,080,786.00	\$5,099,809.00

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, 2024, 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 June 30, 2024 was 0.0523511625% which was a decrease of 0.0016859460 percent from its proportion measured as of June 30, 2023. The non-employer contributing entities' contribution and employer pension expense and related revenue for the years ended June 30, 2024 and June 30, 2023 was \$22,829.00 and \$24,317.00, 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, 2024, the State reported a net pension liability of \$11,851,257.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024, the Borough's proportion was 0.1147643700 percent, which was an increase of 0.0029254400 percent from its proportion measured as of June 30, 2023.

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, 2024, the State recognized an actuarially determined pension expense of \$929,442.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2024, billing was \$1,488,801.00.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 746,620.00	\$ 405,721.00
Changes of assumptions	18,735.00	348,052.00
Net difference between projected and actual earnings on pension plan investments		92,758.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>1,236,442.00</u>	<u>260,793.00</u>
	<u>\$ 2,001,797.00</u>	<u>\$ 1,107,324.00</u>

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

Year Ended		<u>Amount</u>
<u>June 30</u>		
2025	\$	(378,918.20)
2026		856,567.80
2027		29,116.80
2028		118,037.80
2029		263,711.80
Thereafter		<u>5,957.00</u>
	\$	<u>894,473.00</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, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

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 Safety Employee amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pubs-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount weighted mortality table for males and 100% for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

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

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, 2024) 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, 2024 are summarized in the following table:

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

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, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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, 2024, 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, 2024		
	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 PFRS pension liability	\$16,932,809.00	\$11,851,257.00	\$7,619,437.00

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, 2024 and 2023 is 0.1147645300% and 0.1118390600% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2024 and 2023 was \$268,790.00 and \$260,389.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2024 and 2023 was \$2,336,450.00 and \$2,276,892.00, respectively.

At June 30, 2024 and 2023, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,336,450.00 and \$2,276,892.00, respectively.

At June 30, 2024, 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	\$11,851,257.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>2,336,450.00</u>
	<u>\$14,187,707.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 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 \$654,873.61 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, 2024.

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 2024. 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 \$76,054.67.

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, 2024, 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 2024 and the previous two years:

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ 5,971.04	\$ 14,052.15	\$ 2,569.64	\$ 213,077.44
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

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 2024.

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

As discussed in Note 1, as of the date of this report the information for the period ended June 30, 2024, for OPEB was not available, therefore the information dated June 30, 2023 is disclosed.

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.

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

Plan Description and Benefits Provided (Continued)

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.

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.

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

Total Net OPEB Liability

At June 30, 2023, the Plan reported a Liability of \$11,350,796.00 for the Borough's proportionate share of the collective Net OPEB liability. The total Net OPEB Liability measured as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

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, 2022 through June 30, 2023.

At June 30, 2023, the Borough's proportion was 0.075639 percent, which was an increase of 0.009760 percent from its proportion measured as of June 30, 2022. For the year ended June 30, 2023, the State reported OPEB expense of \$1,768,234.00. This OPEB benefit was based on the OPEB plans June 30, 2023 measurement date.

At June 30, 2023, 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	\$523,440.00	\$3,082,505.00
Changes of assumptions	1,470,354.00	3,208,507.00
Net difference between projected and actual earnings on OPEB plan investments		1,873.00
Changes in proportion	<u>9,967,237.00</u>	<u>979,495.00</u>
	<u>\$11,961,031.00</u>	<u>\$7,272,380.00</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>	
2024	\$509,807.40
2025	742,807.40
2026	1,226,951.40
2027	1,530,072.40
2028	1,257,637.40
Thereafter	<u>(578,625.00)</u>
	<u>\$4,688,651.00</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%

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.

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

Actuarial Assumptions and Other Inputs (Continued)

Actuarial assumptions used in the July 1, 2023 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, 2023 was 3.65%. 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.

Health Care Trend Assumption

For Pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend rate is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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, 2023, 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, 2023		
	1.00% <u>Decrease (2.65%)</u>	At Discount <u>Rate (3.65%)</u>	1.00% <u>Increase (4.65%)</u>
Borough's proportionate share of the Net OPEB Liability	\$13,147,840.00	\$11,350,796.00	\$9,905,350.00

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, 2023, 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, 2023		
	<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	\$9,646,840.00	\$11,350,796.00	\$13,532,380.00

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, 2023 the State's proportionate share of the net OPEB liability attributable to the Borough for the special funding situation is \$9,569,850.00.

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

Special Funding Situation (Continued)

At June 30, 2023, 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	\$11,350,796.00
State of New Jersey's proportionate share of Net OPEB Liability associated with the Borough	<u>9,569,850.00</u>
	<u>\$20,920,646.00</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 <http://www.state.nj.us/treasury/pensions>

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, 2024, the following deferred charges are shown on the balance sheets of the various funds:

	BALANCE DECEMBER 31, 2024	RAISED IN 2025 BUDGET
Grant Fund		
Expenditure without an Appropriation	\$ <u>24,283.46</u>	\$ <u>24,283.46</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 2024 totaled \$15,366.66.
- Cell Tower – SBA 2012 TC Assets LLC. The current lease term expires 12/17/2029 with two (2) available five (5) year extension terms and includes annual increases of 3%. Payments in 2024 totaled \$111,208.48.
- Cell Tower – Nextel. The current lease term expires 09/03/2029 with no available extensions remaining and includes annual increases of 3%. Payments in 2024 totaled \$65,678.02.
- 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 2024 totaled \$83,458.04.
- 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 2024 totaled \$147,732.51.
- 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 2024 totaled \$162,643.39.
- 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 2024 totaled \$80,917.81.
- 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 2024 totaled \$136,433.76.
- 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 2024 totaled \$282,283.10.

NOTE 18: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2024:

	Balance December 31, <u>2023</u>	<u>Additions</u>	Balance December 31, <u>2024</u>
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>1,286,565.00</u>	<u>17,393,271.00</u>
	<u>\$ 36,716,706.00</u>	<u>\$ 1,286,565.00</u>	<u>\$ 38,003,271.00</u>

NOTE 19: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through September 25, 2025 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, 2024

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2023	A	\$ 25,588,108.86	\$ 226,792.94
Increased by Receipts:			
Taxes Receivable	A-6	\$ 81,064,712.41	\$
Tax Title Liens	A-9	78,899.06	
Tax Overpayments	A-16	8,798.12	
State of New Jersey-Chapter 20, P. L. 1971	A-7	72,959.59	
Revenue Accounts Receivable	A-8	5,462,227.85	
Miscellaneous Revenue Not Anticipated	A-2	318,431.19	
Prepaid Taxes	A-15	641,811.75	
Grants Unappropriated	A-21		45,241.48
Grants Receivable	A-11	626,604.64	274,633.01
Appropriation Refunds	A-3	26,334.00	
Fees Payable	A-19	805,529.48	
Interfunds	A-22:A-23		22,730.20
		\$ 89,106,308.09	\$ 342,604.69
		\$ 114,694,416.95	\$ 569,397.63
Decreased by Disbursements:			
2024 Appropriations	A-3	\$ 23,967,287.94	\$
2023 Appropriation Reserves	A-14	1,696,025.07	
Accounts Payable	A-18	40,090.41	
Tax Overpayments Refunded	A-16	8,798.12	
County Taxes	A-12	16,942,189.47	
Local District School Tax	A-13	44,525,630.50	
Reserve for Grants Appropriated	A-20		209,318.24
Interfunds	A-22:A-23	160,049.28	181,395.75
Reserve for Tax Appeals	A-25	61,329.87	
Fees Payable	A-19	9,443.00	
Refund of Prior Year Revenues	A-1	837.00	
Encumbrances Payable	A-24		57,180.31
		\$ 87,411,680.66	\$ 447,894.30
Balance, December 31, 2024	A	\$ 27,282,736.29	\$ 121,503.33

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

<u>OFFICE</u>	BALANCE DECEMBER <u>31, 2023</u>	BALANCE DECEMBER <u>31, 2024</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, 2023	2024 LEVY	COLLECTED IN 2023	COLLECTED IN 2024	TRANSFER TO TAX TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2024
2023 & Prior	\$ 534,442.64	\$	\$	\$ 496,041.08	\$	\$	\$ 38,401.56
	534,442.64			496,041.08			38,401.56
2024		81,766,333.23	526,760.03	80,641,421.33	103,145.09	23,060.45	471,946.33
	\$ 534,442.64	\$ 81,766,333.23	\$ 526,760.03	\$ 81,137,462.41	\$ 103,145.09	\$ 23,060.45	\$ 510,347.89

REF. A

A-2:A-15

A-2

A-9

A

Cash Receipts

Due from State of New Jersey

A-4

A-7

\$

81,064,712.41

72,750.00

\$

81,137,462.41

ANALYSIS OF 2024 PROPERTY TAX LEVY

TAX YIELD

General Purpose Tax	\$ 80,803,982.84
Added Taxes (54:4-63.1 et. seq.)	962,350.39
	\$ 81,766,333.23

TAX LEVY

Local District School Tax (Abstract)	\$ 44,952,907.00
County Taxes:	
County Tax (Abstract)	16,942,189.47
Due County for Added Taxes (54:4-63.1 et. seq.)	200,349.82

Total County Taxes

17,142,539.29

Local Tax for Municipal Purposes (Abstract)

17,804,126.61

Minimum Library Tax

1,101,026.39

Add: Additional Tax Levied

19,670,886.94

\$ 81,766,333.23

BOROUGH OF HAWTHORNE

CURRENT FUND

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

	<u>REF.</u>		
Balance, December 31, 2023 (Due To)	A	\$	89,801.33
Increased by:			
Received From State of New Jersey	A-4	\$	<u>72,959.59</u>
			162,760.92
Decreased by:			
Deductions Per Tax Duplicate:			
Senior Citizens		\$	7,250.00
Veterans			65,000.00
Allowed by Tax Collector:			
Senior Citizens and Veterans-Current Year			<u>500.00</u>
			<u>72,750.00</u>
Balance, December 31, 2024 (Due To)	A	\$	<u><u>90,010.92</u></u>

SUMMARY OF 2024 EXEMPTIONS

Senior Citizens and Veterans Exemptions Per Tax Billings		\$	72,250.00
Senior Citizens and Veterans Exemptions Allowed by Tax Collector			<u>500.00</u>
	A-6	\$	<u><u>72,750.00</u></u>

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>ACCRUED IN 2023</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2024</u>
Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 40,200.00	\$ 40,200.00	\$
Licenses-Other	A-2		13,390.00	13,390.00	
Building Code Official:					
Fees and Permits	A-2		41,352.00	41,352.00	
Municipal Court:					
Fines and Costs	A-2	12,861.64	224,554.56	214,838.36	22,577.84
Board of Health/Registrar:					
Licenses-Other	A-2		190.00	190.00	
Fees and Permits	A-2		38,678.00	38,678.00	
Police Department:					
Fees and Permits	A-2		36,353.70	36,353.70	
Public Works Department:					
Fees and Permits	A-2		6,900.00	6,900.00	
Planning Board:					
Fees and Permits	A-2		1,100.00	1,100.00	
Zoning Board:					
Fees and Permits	A-2		1,150.00	1,150.00	
Fire Prevention:					
Fees and Permits	A-2		65,915.00	65,915.00	
Other:					
Fees and Permits	A-2		15,380.00	15,380.00	
Uniform Construction Code Fees	A-2		361,954.00	361,954.00	
Rentals- Board of Education	A-2		15,366.66	15,366.66	
Interest and Costs on Taxes	A-2		155,397.57	155,397.57	
Interest on Investments	A-2		850,767.24	850,767.24	
Rentals - Cell Towers	A-2		1,070,355.11	1,070,355.11	
Cable Television Franchise Fee	A-2		237,662.42	237,662.42	
Swimming Pool Admission Fees	A-2		147,949.63	147,949.63	
Commuter Parking Permits	A-2		17,013.00	17,013.00	
Sewer Charges	A-2		141,476.56	141,476.56	
Reserve for Debt Service	A-2		299,000.00	299,000.00	
Utility Operating Surplus	A-2		135,000.00	135,000.00	
Energy Receipts Tax	A-2		1,485,786.07	1,485,786.07	
Uniform Fire Safety Act	A-2		47,052.53	47,052.53	
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	
		\$ 12,861.64	\$ 5,471,944.05	\$ 5,462,227.85	\$ 22,577.84
	<u>REF.</u>	A		A-4	A

"A-9"

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2023	A		\$ 2,103,688.93
Increased by:			
Interest and Costs on Tax Sale		\$ 7,076.38	
Transfer from Taxes Receivable	A-6	<u>103,145.09</u>	
			\$ <u>110,221.47</u>
			\$ 2,213,910.40
Decreased by:			
Cash Receipts	A-4		<u>78,899.06</u>
Balance, December 31, 2024	A		\$ <u><u>2,135,011.34</u></u>

"A-10"

SCHEDULE OF FORECLOSED PROPERTY

Balance, December 31, 2023 and Balance, December 31, 2024	A		\$ <u><u>34,980.00</u></u>
--	---	--	----------------------------

BOROUGH OF HAWTHORNE

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>GRANT</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>2024 REVENUE ANTICIPATED</u>	<u>CASH RECEIPTS</u>	<u>BALANCE DECEMBER 31, 2024</u>
Municipal Alliance	\$ 46,278.11	\$ 8,277.00	\$ 8,276.10	\$ 46,279.01
Drive Sober or Get Pulled Over	7,700.00	7,000.00	6,720.00	7,980.00
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	4,579.69			4,579.69
Clean Communities Grant		41,211.94	41,211.94	
Distracted Driving Crackdown Program	12,960.00	7,000.00	6,720.00	13,240.00
Hazardous Discharge Site Remediation	56,650.00			56,650.00
Passaic Coronavirus Relief / CARES Act	1,096,458.00			1,096,458.00
Pedestrian Safety Grant		2,240.00	2,240.00	
DCA Neighborhood Preservation Program	17,780.00	125,000.00	55,280.00	87,500.00
Recycling Tonnage Grant		40,684.96	40,684.96	
Passaic County Open Space Franklin Field		200,000.00		200,000.00
Body Worn Camera Grant	83,558.00		83,558.00	
Dig In! Grant		1,000.00	1,000.00	
ARPA - Firefighters Grant	26,000.00	20,000.00	26,000.00	20,000.00
NJDEP - Stormwater Assistance	10,000.00	25,000.00		35,000.00
Alcohol Education and Rehabilitation Fund		2,942.01	2,942.01	
	<u>\$ 1,382,573.80</u>	<u>\$ 480,355.91</u>	<u>\$ 274,633.01</u>	<u>\$ 1,588,296.70</u>

REF.

A

A-2

A-4

A

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2023	A		\$ 8.77
2024 Tax Levy:			
County Taxes	A-1:A-6	\$ 16,607,887.39	
County Open Space Taxes	A-1:A-6	334,302.08	
County Share of Added Taxes	A-1:A-6	<u>200,349.82</u>	
			\$ <u>17,142,539.29</u>
			17,142,548.06
Decreased by:			
Cash Disbursements	A-4		<u>16,942,189.47</u>
Balance, December 31, 2024	A		\$ <u><u>200,358.59</u></u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Balance, December 31, 2023			
Taxes Deferred		\$ 7,951,464.00	
Taxes Payable	A	<u>13,412,341.44</u>	
			\$ 21,363,805.44
Increased by:			
2024 Levy	A-1:A-6		<u>44,952,907.00</u>
			\$ <u>66,316,712.44</u>
Decreased by:			
Cash Disbursements	A-4		<u>44,525,630.50</u>
Balance, December 31, 2024			
Taxes Deferred		\$ 7,951,464.00	
Taxes Payable	A	<u>13,839,617.94</u>	
			\$ <u><u>21,791,081.94</u></u>
<u>Amount Charged to 2024 Operations:</u>			
Taxes Paid			\$ 44,525,630.50
Add: Current Year Taxes Payable			13,839,617.94
Less: Prior Year Taxes Payable			<u>(13,412,341.44)</u>
			\$ <u><u>44,952,907.00</u></u>

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF 2023 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2023	ENCUMBRANCES PAYABLE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
GENERAL GOVERNMENT					
Administrative and Executive:					
Other Expenses	1,014.48 \$	2,776.68 \$	3,791.16 \$	2,776.68 \$	1,014.48
Other Expenses - Postage	5,580.12		5,580.12		5,580.12
Mayor and Council:					
Salaries and Wages	0.04		0.04		0.04
Other Expenses	386.00		386.00		386.00
Municipal Clerk:					
Salaries and Wages	1,184.84		1,184.84		1,184.84
Other Expenses	5,261.86	4,500.00	9,761.86	4,983.47	4,778.39
Financial Administration:					
Salaries and Wages	14,168.16		14,168.16	2,640.00	11,528.16
Other Expenses	2,747.34	203.56	2,950.90	2,950.90	0.00
Audit Services:					
Other Expenses		30,900.00	30,900.00	30,900.00	
Revenue Administration (Tax Collection):					
Salaries and Wages	2,429.90		2,429.90	1,430.00	999.90
Other Expenses	67.14		67.14		67.14
Tax Assessment Administration:					
Salaries and Wages	91.32		1,141.32	1,100.00	41.32
Other Expenses	163.83		163.83	12.32	151.51
Legal Services:					
Other Expenses	2,568.98		2,568.98	2,550.82	18.16
Engineering Services:					
Other Expenses	33,213.21	27,267.50	60,480.71	39,714.25	20,766.46
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	0.02		0.02		0.02
Other Expenses	9,183.72		9,183.72	2,610.00	6,573.72
Zoning Board of Adjustments:					
Salaries and Wages	1,980.55		1,980.55	3,409.35	1,980.55
Other Expenses	4,130.82		4,130.82	52,409.61	721.47
Computerized Data Processing	40,149.09	52,439.76	69,588.85		17,179.24

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF 2023 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2023	ENCUMBRANCES PAYABLE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>					
<u>PUBLIC SAFETY</u>					
Police:					
Salaries and Wages	9,238.03	\$	27,438.03	27,420.76	17.27
Other Expenses	7,748.69	251,605.05	259,353.74	251,090.58	8,263.16
Police Dispatchers:					
Salaries and Wages	3,984.57		3,984.57	1,076.80	2,907.77
Emergency Management Services:					
Salaries and Wages	2,000.00		2,000.00		2,000.00
Other Expenses	12,298.79	1,424.68	13,723.47	2,014.68	11,708.79
Ambulance Corps:					
Other Expenses	50.00		50.00		50.00
Prosecutor:					
Salaries and Wages	1,043.77		1,643.77		1,643.77
Fire:					
Salaries and Wages	1,211.14		1,211.14	524.10	687.04
Other Expenses	1,166.94	65,114.34	66,281.28	63,712.68	2,568.60
Uniform Fire Safety Act:					
Salaries and Wages	700.68		6,100.68	6,022.55	78.13
Other Expenses	9.87	9,861.98	9,871.85	9,861.98	9.87
Municipal Court:					
Salaries and Wages	612.53		2,312.53	2,270.16	42.37
Other Expenses	6,085.10	4,143.62	10,228.72	5,183.28	5,045.44
<u>PUBLIC WORKS</u>					
Road Repair and Maintenance:					
Salaries and Wages	7,982.18		26,944.18	26,943.86	0.32
Other Expenses	29,832.04	245,068.92	273,938.96	232,037.66	41,901.30
Sewer System Maintenance:					
Salaries and Wages	2,346.97		5,696.97	5,694.30	2.67
Other Expenses	12,050.63	20,468.04	32,518.67	22,222.67	10,296.00
Shade Tree Commission:					
Salaries and Wages	615.50		615.50	204.00	411.50
Other Expenses	1,647.12	70,281.00	79,428.12	77,231.00	2,197.12

BOROUGH OF HAWTHORNE
CURRENT FUND

SCHEDULE OF 2023 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2023	ENCUMBRANCES PAYABLE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
PUBLIC WORKS (CONTINUED)					
Solid Waste Collection:					
Salaries and Wages - Recycling	2,285.59 \$		2,285.59 \$		2,285.59
Other Expenses - Recycling	14,813.23	34,822.91	49,636.14	33,847.53	15,788.61
Other Expenses - Garbage Removal - Contractual	2,000.00		2,000.00		2,000.00
Buildings and Grounds:					
Salaries and Wages	7,056.85	82,400.44	7,056.85	1,692.00	5,364.85
Other Expenses	2,500.35		135,400.79	130,820.16	4,580.63
Maintenance of Parks:					
Other Expenses	6,828.78	12,191.64	19,020.42	646.96	18,373.46
Vehicle Maintenance:					
Other Expenses	14,902.53	46,583.94	61,486.47	54,036.09	7,450.38
Community Services Act:					
Other Expenses	22,257.70		22,257.70	22,021.76	235.94
HEALTH AND HUMAN SERVICES					
Board of Health:					
Salaries and Wages	2,782.12		4,082.12	4,010.64	71.48
Other Expenses	855.88	836.49	1,692.37	836.49	855.88
Environmental Commission:					
Other Expenses	2,884.95	2,650.00	5,534.95	2,650.00	2,884.95
Board of Recreation:					
Salaries and Wages	30,529.49		30,529.49		30,529.49
Other Expenses	25,897.90	1,555.51	27,453.41	1,261.24	26,192.17
Swimming Pool:					
Salaries and Wages	6,377.35		6,377.35		6,377.35
Other Expenses	263.86	4,613.29	5,827.15	1,166.93	4,660.22
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events:					
Other Expenses	273.96	29,748.48	30,022.44	29,121.65	900.79
Bond Fees:					
Other Expenses	600.00		600.00		600.00
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement Functions:					
Building Inspector:					
Salaries and Wages	13,376.29		13,376.29	4,400.00	8,976.29
Other Expenses	161,280.60	24,881.03	186,161.63	68,596.98	117,564.65

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF 2023 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2023	ENCUMBRANCES PAYABLE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>CODE ENFORCEMENT AND ADMINISTRATION (CONTINUED)</u>					
Property Code Enforcement:					
Salaries and Wages	\$ 2,047.00	\$	\$ 5,047.00	\$ 4,972.34	\$ 74.66
Other Expenses	15,212.44	2,034.57	17,247.01	2,034.57	15,212.44
<u>UTILITY EXPENSES AND BULK PURCHASES</u>					
Electricity	57,846.00		57,846.00	21,626.75	36,219.25
Street Lighting	29,305.58		20,805.58	14,767.54	6,038.04
Telephone	1,061.64	849.60	1,911.24	1,911.24	
Gasoline	4,625.20	6,379.39	11,004.59	10,404.80	599.79
Landfill/Solid Waste Disposal Costs:					
Dumping Fees	67,859.69	1,099.61	46,959.30	46,257.05	702.25
Salary Adjustment Account	33,000.00				
Insurance:					
General Insurance	8,120.15	8,828.85	16,949.00	16,828.85	120.15
Worker's Compensation Insurance	50,150.00		50,150.00	50,150.00	
Group Insurance for Employees	27,364.67		2,314.67	2,249.98	64.69
Total Operations Within "CAPS"	839,305.77	1,052,305.88	1,891,611.65	1,414,085.01	477,526.64
Contingent	2,000.00		2,000.00		2,000.00
Total Operations Including Contingent Within "CAPS"	841,305.77	1,052,305.88	1,893,611.65	1,414,085.01	479,526.64
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":					
Statutory Charges:					
Social Security System (O.A.S.I.)	12,976.75		12,976.75		12,976.75
DCRP	323.95		323.95		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"	28,300.70		28,300.70		28,300.70
Total General Appropriations for Municipal Purposes Within "CAPS"	869,606.47	1,052,305.88	1,921,912.35	1,414,085.01	507,827.34

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF 2023 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2023	ENCUMBRANCES PAYABLE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
OPERATIONS EXCLUDED FROM "CAPS":					
Length of Service Award Program (LOSAP)	\$ 35,457.96	\$	\$ 35,457.96	\$	\$ 35,457.96
Maintenance of Free Public Library:					
Salaries and Wages	63,129.84		63,129.84	7,442.55	55,687.29
Other Expenses - Contribution	6,164.85		6,164.85		6,164.85
Sewer Processing and Disposal:					
Other Expenses - Passaic Valley Sewer Rental	0.16		0.16		0.16
Other Expenses - Other Municipal Projects	38.00		38.00		38.00
Other Expenses - North Haledon Sewer Rental	1,600.00		1,600.00	736.78	863.22
Glen Rock Fire Training Center-OE	2,000.00		2,000.00		2,000.00
NJDEP Stormwater Permits	1,705.84	40,375.00	42,080.84	42,080.84	
Total Other Operations Excluded from "CAPS"	117,596.65	40,375.00	157,971.65	57,760.17	100,211.48
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$	\$ 370,849.77	\$ 370,849.77	\$ 370,849.77	\$
Total Capital Improvements Excluded from "CAPS"		370,849.77	370,849.77	370,849.77	
Total General Appropriations Excluded from "CAPS"	\$ 117,596.65	\$ 411,224.77	\$ 528,821.42	\$ 428,609.94	\$ 100,211.48
Subtotal General Appropriations	987,203.12	1,463,530.65	2,450,733.77	1,842,694.95	608,038.82
Total General Appropriations	\$ 987,203.12	\$ 1,463,530.65	\$ 2,450,733.77	\$ 1,842,694.95	\$ 608,038.82

A-1

A-17

A

REF

\$ 146,669.88
1,696,025.07
\$ 1,842,694.95

Accounts Payable
Cash Disbursements

A-18
A-4

"A-15"

BOROUGH OF HAWTHORNE
CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>REF.</u>	
Balance, December 31, 2023	A	\$ 526,760.03
Increased by:		
Collection of 2025 Taxes	A-4	641,811.75
		\$ <u>1,168,571.78</u>
Decreased by:		
Application to 2024 Taxes Receivable	A-6	<u>526,760.03</u>
Balance, December 31, 2024	A	\$ <u><u>641,811.75</u></u>

"A-16"

SCHEDULE OF RESERVE FOR TAX OVERPAYMENTS

Increased by:		
Cash Receipts	A-4	\$ <u>8,798.12</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u><u>8,798.12</u></u>

"A-17"

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2023	A	\$ 1,463,530.65
Increased by:		
Charged to 2024 Appropriations	A-3	\$ <u>895,393.51</u>
		\$ 2,358,924.16
Decreased by:		
Transfer to Appropriation Reserves	A-14	<u>1,463,530.65</u>
Balance, December 31, 2024	A	\$ <u><u>895,393.51</u></u>

"A-18"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2023	A	\$ 682,091.17
Increased by:		
Transferred from Appropriation Reserves	A-14	\$ <u>146,669.88</u>
		\$ 828,761.05
Decreased by:		
Cash Disbursements	A-4	<u>40,090.41</u>
Balance, December 31, 2024	A	\$ <u><u>788,670.64</u></u>

"A-19"

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF FEES PAYABLE

<u>GRANT/PROGRAM</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>BALANCE DECEMBER 31, 2024</u>
DCA State Training Fees	\$ 9,167.00	\$ 22,559.00	\$ 6,668.00	\$ 25,058.00
Marriage License Fees	1,268.00	3,775.00	2,775.00	2,268.00
	<u>\$ 10,435.00</u>	<u>\$ 26,334.00</u>	<u>\$ 9,443.00</u>	<u>\$ 27,326.00</u>

REF.

A

A-4

A-4

A

"A-20"

BOROUGH OF HAWTHORNE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

<u>GRANT</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>2024 BUDGET APPROPRIATIONS</u>	<u>EXPENDED</u>	<u>BALANCE DECEMBER 31, 2024</u>	<u>OVEREXPENDITURE</u>
Municipal Alliance	\$ 37,156.58	\$ 11,346.00	\$ 15,509.28	\$ 32,993.30	\$
Livable Communities Grant	16,287.00			16,287.00	
Passaic County Open Space Franklin Field		200,000.00		200,000.00	
Passaic Coronavirus Relief / CARES Act	1,096,458.00			1,096,458.00	
Pedestrian Safety Grant	0.00	2,240.00		2,240.00	
Clean Communities Grant	170,175.88	41,211.94	75,896.48	135,491.34	
Alcohol Education and Rehabilitation Fund	3,537.13	2,942.01		6,479.14	
Shade Tree Grant	3,716.00			3,716.00	
Drive Sober or Get Pulled Over	7,380.00	7,000.00	6,720.00	7,660.00	
Body Worn Camera Grant	77,558.00			77,558.00	
NJDEP Wagaraw Road Noise Program	114,752.44		2,949.80	111,802.64	
DCA Neighborhood Preservation Grant	30,851.23	150,000.00	114,073.57	66,777.66	
ARPA Funds	12,727.78		(139.65)	12,867.43	
ARPA - Firefighters grant	2,234.50	20,000.00	19,817.49	2,417.01	
NJDEP - Stormwater Assistance	25,000.00	25,000.00	25,000.00	25,000.00	
Mayors Wellness Campaign	1,000.00		90.95	909.05	
Recycling Grant	235.00		235.00	0.00	
Drunk Driving Enforcement Fund	9,024.09		6,640.00	2,384.09	
Domestic Violence Prevention Grant	107.00			107.00	
Stormwater Grant	5,324.00		1,353.16	3,970.84	
Audio/Visual Grant	104.02			104.02	
Recycling Tonnage Grant	6,534.07	40,684.96	24,023.20	23,195.83	
Library Collection Development	2,500.00			2,500.00	
Passaic County Corridor Enhancement	19,726.50			19,726.50	
NJ Clean Energy Grant	49.93	7,000.00	6,795.90	49.93	
Distracted Driving Crackdown Grant	2,950.00			3,154.10	
ANJEC Grant	1.41			1.41	
Environmental Commission	1,000.00			1,000.00	
Opioid Settlement Proceeds			24,283.46		24,283.46
Dig In! Grant		1,000.00	1,000.00		
	\$ 1,646,390.56	\$ 508,424.91	\$ 324,248.64	\$ 1,854,850.29	\$ 24,283.46
	A	A-3		A	A-28

REF.

A-24
A-4

Accounts Payable
Cash Disbursements

\$ 114,930.40
209,318.24
\$ 324,248.64

BOROUGH OF HAWTHORNE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

<u>GRANT</u>	BALANCE DECEMBER 31, 2023	CASH RECEIPTS	BALANCE DECEMBER 31, 2024
Clean Communities Program	\$ 36,257.18	\$ 5,597.76	\$ 41,854.94
Drunk Driving Enforcement Fund	4,316.78		4,316.78
Body Armor Replacement Grant	2,867.56	3,117.75	5,985.31
Highway Safety Improvement Program	4,400.00		4,400.00
Opioid Settlement	19,824.68	36,525.97	56,350.65
Law and Public Safety - Impaired Driving	<u>4,080.00</u>	<u> </u>	<u>4,080.00</u>
	<u>\$ 71,746.20</u>	<u>\$ 45,241.48</u>	<u>\$ 116,987.68</u>
<u>REF.</u>	A	A-4	A

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>ASSESSMENT TRUST FUND</u>	<u>GRANT FUND</u>	<u>GENERAL CAPITAL FUND</u>	<u>WATER UTILITY OPERATING FUND</u>
Balance, December 31, 2023:						
Due From	A	\$ 204.55	\$ 204.55			
Due To	A	\$ 165,950.33		\$ 165,950.33		\$
Increased By:						
Cash Receipts	A-4	805,529.48	61,533.73	181,395.75	551,755.00	10,845.00
Other	A-23	28,069.00		28,069.00		
		<u>833,598.48</u>	<u>61,533.73</u>	<u>209,464.75</u>	<u>551,755.00</u>	<u>10,845.00</u>
Decreased By:						
Cash Disbursements	A-4	<u>160,049.28</u>	<u>816.37</u>	<u>22,730.20</u>	<u>1,502.71</u>	<u>135,000.00</u>
Balance, December 31, 2024:						
Due From	A	\$ <u>124,155.00</u>				\$ <u>124,155.00</u>
Due To	A	\$ <u>963,449.98</u>	\$ <u>60,512.81</u>	\$ <u>352,684.88</u>	\$ <u>550,252.29</u>	\$

BOROUGH OF HAWTHORNE

GRANT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2023:			
Due From	A	\$ <u>165,950.33</u>	\$ <u>165,950.33</u>
Increased By:			
Cash Receipts	A-4	<u>22,730.20</u>	<u>22,730.20</u>
Decreased By:			
Cash Disbursements	A-4	\$ 181,395.75	\$ 181,395.75
Other	A-22	<u>28,069.00</u>	<u>28,069.00</u>
		<u>209,464.75</u>	<u>209,464.75</u>
Balance, December 31, 2024:			
Due From	A	\$ <u><u>352,684.88</u></u>	\$ <u><u>352,684.88</u></u>

BOROUGH OF HAWTHORNE

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2023	A	\$ 57,180.31
Increased by:		
Charged to Grant Reserves	A-20	<u>114,930.40</u>
		\$ 172,110.71
Decreased by:		
Cash Disbursements	A-4	<u>57,180.31</u>
Balance, December 31, 2024	A	<u><u>\$ 114,930.40</u></u>

"A-25"

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

	<u>REF.</u>	
Balance, December 31, 2023	A	\$ 137,384.54
Decreased by:		
Cash Disbursements	A-4	<u>61,329.87</u>
Balance, December 31, 2024	A	\$ <u>76,054.67</u>

"A-26"

SCHEDULE OF RESERVE FOR MUNICIPAL RELIEF FUNDS

Balance, December 31, 2023	A	\$ 153,149.53
Decreased by:		
Anticipated as 2024 Revenue	A-2	\$ <u>153,149.53</u>

"A-27"

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

<u>PURPOSE</u>	BALANCE DECEMBER 31, 2023	RAISED IN 2024 BUDGET
Sewer System Repair	\$ <u>50,000.00</u>	\$ <u>50,000.00</u>
	\$ <u><u>50,000.00</u></u>	\$ <u><u>50,000.00</u></u>
<u>REF.</u>	A	A-3

"A-28"

SCHEDULE OF DEFERRED CHARGES - GRANT FUND

<u>PURPOSE</u>	ADDED IN 2024	BALANCE DECEMBER 31, 2024
Expenditure without Appropriation - Opioid Settlement	\$ <u>24,283.46</u>	\$ <u>24,283.46</u>
	\$ <u><u>24,283.46</u></u>	\$ <u><u>24,283.46</u></u>
	A-20	A

BOROUGH OF HAWTHORNE

TRUST FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>ASSESSMENT TRUST</u>	<u>ANIMAL CONTROL</u>	<u>TRUST OTHER</u>
Balance, December 31, 2023	B	\$ 342,069.66	\$ 1,399.43	\$ 3,794,969.91
Increased by Receipts:				
Assessments Receivable	B-4	562,880.15		
Budget Appropriations:				
Deficit (General Budget)	B-8	189,204.00		
Animal Control License Fees	B-12		9,927.40	
Due State of New Jersey	B-13		936.60	
Various Reserves and Deposits	B-11			12,691,462.30
Unemployment	B-14			20,023.19
Due Current Fund	B-7	15,161.63		
		<u>767,245.78</u>	<u>10,864.00</u>	<u>12,711,485.49</u>
Decreased by Disbursements:				
Expenditures Under R.S.4:19-15.11	B-12		8,515.00	
Due State of New Jersey	B-13		907.20	
Unemployment Claims	B-14			2,569.64
Various Reserves and Deposits	B-11			12,551,484.07
Assessment Bonds	B-15	279,000.00		
Due Current Fund	B-7	75,878.99		
		<u>354,878.99</u>	<u>9,422.20</u>	<u>12,554,053.71</u>
Balance, December 31, 2024	B	\$ <u>754,436.45</u>	\$ <u>2,841.23</u>	\$ <u>3,952,401.69</u>

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

ANALYSIS OF CASH

	BALANCE DECEMBER <u>31, 2024</u>
Due General Capital Fund	\$ 636,000.00
Due Current Fund	(60,512.81)
Overpayments	1,291.60
Fund Balance	2,941.76
<u>Assessment Serial Bonds</u>	
Ord 2082-2094	17,098.00
Ord 2106-2139	28,878.00
Ord 2130	696.74
Ord 2138	15,884.21
Ord 2155	9,294.60
Ord 2162	3,474.69
Ord 2179	26,806.17
Ord 2191	10,410.84
Ord 2203	41,838.12
Ord 2222	34,133.38
Ord 2226	40,131.94
Ord 2245	69,576.21
Ord 2246	79,359.30
Ord 2266	54,376.88
Ord 2267	47,074.86
Ord 2289	67,728.31
Ord 2309	62,626.32
<u>Unfinanced Assessments</u>	
Various	<u>(434,672.67)</u>
	\$ <u><u>754,436.45</u></u>

REF.

B:B-2

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2023	CONFIRMED PROSPECTIVE ASSESSMENTS FUNDED	ASSESSMENTS COLLECTED	BALANCE DECEMBER 31, 2024	BALANCE PLEDGED TO ASSESSMENT BONDS
2130-15	Sidewalk / Driveway Improvements - Various Streets	\$ 24,061.96	\$	10,118.84	\$ 13,943.12	\$ 13,943.12
2138-15	Sidewalk / Driveway Improvements - Braen Avenue	8,279.79		4,014.54	4,265.25	4,265.25
2155-16	Road Improvements	19,411.13		6,735.27	12,675.86	12,675.86
2162-16	Road Improvements - Rock Road	5,815.03		2,069.72	3,745.31	3,745.31
2179-17	Sidewalk / Driveway Improvements - Various Streets	38,888.05		13,665.01	25,223.04	25,223.04
2191-17	Sidewalk / Driveway Aprons on Arlington Avenue	16,096.59		4,971.77	11,124.82	11,124.82
2203-18	Sidewalk / Driveway Aprons Various Roads	19,652.79		6,175.76	13,477.03	13,477.03
2222-19	Sidewalk / Driveway Aprons - Various Roads	177,694.04		105,475.37	72,218.67	72,218.67
2226-19	Reconstruction or Replacement of Sidewalks	53,672.94		28,911.99	24,760.95	24,760.95
2245-20	Reconstruction or Replacement of Sidewalks & Handicap Ramps		101,235.10	69,576.21	31,658.89	31,658.89
2246-20	Improvements of Sidewalks & Driveway Aprons - Various Streets		144,642.18	79,359.30	65,282.88	65,282.88
2266-21	Reconstruction or Replacement of Sidewalks & Driveway Aprons		89,258.74	54,376.88	34,881.86	34,881.86
2267-21	Reconstruction or Replacement of Sidewalks & Driveway Aprons - Bamford Ave.		79,512.98	47,074.86	32,438.12	32,438.12
2289-22	Reconstruction or Replacement of Sidewalks & Driveway Aprons		137,085.49	67,728.31	69,357.18	69,357.18
2290-22	Reconstruction or Replacement of Sidewalks & Driveway Aprons		134,917.36	62,626.32	72,291.04	72,291.04
		\$ 363,572.32	\$ 686,651.85	\$ 562,880.15	\$ 487,344.02	\$ 487,344.02

REF.

B

B-9

B-2

B

B

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

SCHEDULE OF ASSESSMENTS LIENS

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DECEMBER 31, <u>2023</u>	BALANCE DECEMBER 31, <u>2024</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

SCHEDULE OF ASSESSMENTS LIEN INTEREST AND COSTS

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DECEMBER 31, <u>2023</u>	BALANCE DECEMBER 31, <u>2024</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

BOROUGH OF HAWTHORNE
ASSESSMENT TRUST FUND
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2023 (Due To)	B	\$	204.55
Increased by:			
Cash Receipts	B-2		<u>15,161.63</u>
			15,366.18
Decreased by:			
Cash Disbursements	B-2		<u>75,878.99</u>
Balance, December 31, 2024 (Due From)	B	\$	<u><u>60,512.81</u></u>

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>2023</u>	<u>RAISED BY</u> <u>BUDGET</u> <u>APPROPRIATION</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2024</u>	<u>BALANCE</u> <u>PLEGDED TO</u> <u>BONDS</u>
		\$	\$	\$	\$
1972	Road Reconstruction	10,406.88	10,406.88		
2009	Sidewalk Improvements	51,772.96	51,772.96		
2082/2094	Sidewalk and Driveway Improvements	11,737.08	11,737.08		
2106/2139	Reconstruction of Sidewalk	6,499.45	6,499.45		
2130	Sidewalk and Driveway Improvements	106,376.90	106,376.90		
2138	Sidewalk and Driveway Improvements	39,376.33	2,410.73	36,965.60	36,965.60
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>\$ 484,135.26</u>	<u>\$ 189,204.00</u>	<u>\$ 294,931.26</u>	<u>\$ 294,931.26</u>

REF.

B

B-2

B

B

BOROUGH OF HAWTHORNE
ASSESSMENT TRUST FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DECEMBER 31, 2023	ASSESSMENTS CONFIRMED	BALANCE DECEMBER 31, 2024	BALANCE PLEGDED TO BONDS	BALANCE PLEGDED TO RESERVE
1506	Construction of Curbs on Royal Ave.	\$ 40,800.00	\$	\$ 40,800.00	\$	\$ 40,800.00
2245	Reconstruction or Replacement of Sidewalks & Handicapped Ramp	105,000.00	101,235.10	3,764.90	3,764.90	
2246	Improvements of Sidewalks & Driveway Aprons on Various Avenues	148,000.00	144,642.18	3,357.82	3,357.82	
2266	Reconstruction or Replacement of Sidewalks & Driveway Aprons	95,000.00	89,258.74	5,741.26	5,741.26	
2267	Reconstruction or Replacement of Sidewalks & Driveway Aprons - Bamford Ave.	85,000.00	79,512.98	5,487.02	5,487.02	
2289	Reconstruction or Replacement of Sidewalks & Driveway Aprons	145,000.00	137,085.49	7,914.51	7,914.51	
2290	Reconstruction or Replacement of Sidewalks & Driveway Aprons	171,000.00	134,917.36	36,082.64	36,082.64	
		<u>\$ 789,800.00</u>	<u>\$ 686,651.85</u>	<u>\$ 103,148.15</u>	<u>\$ 62,348.15</u>	<u>\$ 40,800.00</u>
	<u>REF.</u>	<u>B</u>	<u>B-4</u>	<u>B</u>	<u>B</u>	<u>B</u>

BOROUGH OF HAWTHORNE
ASSESSMENT TRUST FUND

SCHEDULE OF AMOUNT TO BE RAISED BY TAXATION FOR CANCELED ASSESSMENTS

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DECEMBER 31, 2023	BALANCE DECEMBER 31, 2024
2009	Sidewalk Improvements	\$ 660.67	\$ 660.67
		\$ 660.67	\$ 660.67

REF.

B

B

BOROUGH OF HAWTHORNE

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

Description	BALANCE	CASH	CASH	CASH	BALANCE
	DECEMBER 31, 2023	RECEIPTS	DISBURSEMENTS	DISBURSEMENTS	DECEMBER 31, 2024
Reserve for:					
Recycling Expenditures	\$ 219,366.80	\$ 34,189.52	\$ 94,732.43	\$ 158,823.89	
UCC Penalties	59,071.88	18,375.00		77,446.88	
Municipal Alliance Program	3,172.96	6,100.00	4,509.34	4,763.62	
Relocation Fund	39,156.00			39,156.00	
Snow Removal	480,296.83		200.00	480,096.83	
Public Events	52,765.60	85,704.59	70,952.77	67,517.42	
Third Party Liens	124,246.35	172,721.03	115,716.71	181,250.67	
Trustee - Miscellaneous	36.00	258.00	258.00	36.00	
Trustee - GSPO	528.00			528.00	
Fire Code Penalties	50,967.26	7,009.00		57,976.26	
Public Defender Fees	16,262.50	6,991.00	9,300.00	13,953.50	
POAA	3,473.29	1,316.00	170.49	4,618.80	
Off-Duty Municipal Police Pay	3,523.36	402,903.49	370,540.36	35,886.49	
911 Memorial	13,491.24			13,491.24	
Builders Escrow Deposits	174,922.34	96,269.75	81,989.66	189,202.43	
Antenna Plan Reviews	4,376.00	2,500.00		6,876.00	
Tax Sale Premiums	863,600.00	342,100.00	134,100.00	1,071,600.00	
Performance Deposits	286,264.00	8,800.00	67,800.00	227,264.00	
PCUA - EIC	552.00			552.00	
Sidewalk Replacements	5,659.00			5,659.00	
Other Escrow Deposits	27,092.00	27,957.42	27,957.42	27,092.00	
Security Deposits	152,316.41	1,700.00	525.00	153,491.41	
Housing Trust	259,467.06	22,706.54	19,504.98	262,668.62	
Accumulated Absences	753,919.56	100.00	99,045.95	654,873.61	
Hispanic Heritage Day				100.00	
Special Police Equipment	3,746.76		420.00	3,326.76	
Pre-Tax Medical Payments	1,072.82	31.35	31.35	1,072.82	
Payroll Deductions Payable		11,453,729.61	11,453,729.61		
	\$ 3,599,346.02	\$ 12,691,462.30	\$ 12,551,484.07	\$ 3,739,324.25	

REF.

B

B-2

B-2

B

"B-12"

BOROUGH OF HAWTHORNE

ANIMAL CONTROL FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2023	B	\$	1,380.63
Increased by:			
Animal Control License Fees Collected	B-2	\$	<u>9,927.40</u>
			11,308.03
Decreased by:			
Expenditures Under R.S.4:19-15.11:			
Cash Disbursements	B-2		<u>8,515.00</u>
Balance, December 31, 2024	B	\$	<u><u>2,793.03</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>		<u>AMOUNT</u>
2023	\$	10,917.00
2022		<u>10,962.20</u>
	\$	<u><u>21,879.20</u></u>

"B-13"

SCHEDULE OF DUE STATE OF NEW JERSEY

Balance, December 31, 2023 (Due To)	B	\$	18.80
Increased by:			
Cash Receipts	B-2	\$	<u>936.60</u>
			955.40
Decreased by:			
Cash Disbursements	B-2		<u>907.20</u>
Balance, December 31, 2024 (Due To)	B	\$	<u><u>48.20</u></u>

BOROUGH OF HAWTHORNE

TRUST FUND

SCHEDULE OF RESERVE FOR
UNEMPLOYMENT COMPENSATION INSURANCE

	<u>REF.</u>	
Balance, December 31, 2023	B	\$ 195,623.89
Increased by:		
Cash Receipts	B-2	<u>20,023.19</u>
		\$ 215,647.08
Decreased by:		
Cash Disbursements	B-2	<u>2,569.64</u>
Balance, December 31, 2024	B	<u><u>\$ 213,077.44</u></u>

BOROUGH OF HAWTHORNE
ASSESSMENT TRUST FUND

SCHEDULE OF ASSESSMENT 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, 2023</u>	<u>BALANCE DECEMBER 31, 2024</u>
			<u>DATE</u>	<u>AMOUNT</u>			
Special Assessment Bonds	10/15/2016	\$ 679,000.00	10/15/2025	\$ 65,000.00	4.000%	\$ 194,000.00	\$ 129,000.00
			10/15/2026	64,000.00	2.000%		65,000.00
Special Assessment Bonds	7/15/2019	636,000.00	7/15/2025	60,000.00	3.000%	356,000.00	296,000.00
			7/15/2026	60,000.00	4.000%		
			7/15/2027	60,000.00	3.000%		
			7/15/2028	60,000.00	3.000%		
	7/15/2029	56,000.00	3.000%		60,000.00		
Special Assessment Bonds	9/1/2023	600,000.00	9/1/2025	120,000.00	5.000%	600,000.00	480,000.00
			9/1/2026	120,000.00	6.000%		
			9/1/2027	120,000.00	6.000%		
			9/1/2028	120,000.00	6.000%		
						120,000.00	
Special Assessment Bonds	9/1/2023	149,000.00	9/1/2025	30,000.00	7.000%	149,000.00	115,000.00
			9/1/2026	30,000.00	7.000%		
			9/1/2027	30,000.00	7.000%		
			9/1/2028	25,000.00	7.000%		
						34,000.00	
						<u>\$ 1,299,000.00</u>	<u>\$ 1,020,000.00</u>
						B	B-2
						REF.	B

"B-16"

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

SCHEDULE OF ASSESSMENT OVERPAYMENTS

Balance, December 31, 2023 and
December 31, 2024

B

\$ 1,291.60

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, 2023</u>	<u>Balance</u> <u>December 31, 2024</u>
Prospective Assessments Funded:			
1506	Construction of Curbs on Royal Ave.	\$ 40,800.00	\$ 40,800.00
		\$ 40,800.00	\$ 40,800.00
Assessments 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
		\$ 10,331.00	\$ 10,331.00
		\$ 51,131.00	\$ 51,131.00
<u>REF.</u>		B	B

"B-18"

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND

REF.

Balance, December 31, 2023 and
December 31, 2024

B

\$ 636,000.00

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2023	C		\$ 1,019,588.13
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-16	\$ 125,000.00	
Grants Receivable	C-8	396,755.00	
Due Water Capital Fund	C-18	2,950,000.00	
Due Current Fund	C-19	1,502.71	
Reserve for Capital Outlay	C-13	80,000.00	
Bond Anticipation Notes	C-14	<u>310,000.00</u>	
			<u>3,863,257.71</u>
			\$ <u>4,882,845.84</u>
Decreased by Disbursements:			
Encumbrances Payable	C-17	\$ 2,922,073.43	
Anticipated as Current Fund Revenue	C-13	299,000.00	
Reserve for Capital Outlay	C-13	359,500.46	
Due Current Fund	C-19	551,755.00	
Due Water Utility Capital Fund	C-18	<u>700,000.00</u>	
			<u>4,832,328.89</u>
Balance, December 31, 2024	C:C-3		\$ <u><u>50,516.95</u></u>

"C-3"

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	BALANCE DECEMBER <u>31, 2024</u>
Capital Improvement Fund	\$ 425,405.03
Fund Balance	185,975.24
Encumbrances Payable	1,275,177.05
Improvement Authorizations:	
Funded Improvements Listed on "C-15"	2,189,161.61
Improvements Expended Set Forth on "C-5"	(961,673.02)
Various Reserves and Deposits	1,244,454.95
Due Assessment Trust Fund	(636,000.00)
Due Water Utility Capital Fund	(339,750.00)
Due Current Fund	(550,252.29)
Loan Proceeds Receivable	(227,971.00)
Grants Receivable - Unfunded	(102,165.32)
Grants Receivable	<u>(2,451,845.30)</u>
	<u>\$ 50,516.95</u>
<u>REF.</u>	C:C-2

"C-4"

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2023	C	\$ 14,616,000.00
Decreased by:		
Payment of :		
Bond Principal	C-10	\$ 1,448,000.00
Loan Payable	C-11	<u>8,000.00</u>
		<u>1,456,000.00</u>
Balance, December 31, 2024	C	<u>\$ 13,160,000.00</u>

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	DESCRIPTION	ANALYSIS OF BALANCE DECEMBER 31, 2024					
		BALANCE DECEMBER 31, 2023	2024 AUTHORIZATIONS	BALANCE DECEMBER 31, 2024	BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED BALANCE
<u>General Improvements:</u>							
2154	Road Reconstruction - Various Streets	\$ 49,999.50	\$	\$ 49,999.50	\$	49,999.50	10,433.42
2190	Improvement of Arlington Avenue (DOT Program)	15,463.44		15,463.44		5,030.02	
2215	Improvements to the Municipal Tennis Courts	41,182.09		41,182.09		41,182.09	
2245	Reconstruction / Replacement of Sidewalks & Handicap Ramps	59,000.00		59,000.00		59,000.00	
2255	Improvements to Washington Ave. Sanitary Sewer System	117,000.00		117,000.00			117,000.00
2288	Road Reconstruction, Milling, Paving & Resurfacing	89,500.00		89,500.00	60,000.00	3,726.57	25,773.43
2290	Road Reconstruction, Milling, Paving & Resurfacing	80,000.00		80,000.00			80,000.00
2298	Lighting Improvements at Franklin Field	30,000.00		30,000.00			30,000.00
2299	Improvements to Wagawar Road and Franklin Field	250,000.00		250,000.00		231,436.18	18,563.82
2301	SCBA and Related Fire Fighter Gear	10,000.00		10,000.00		8,098.20	1,901.80
2307	Road Reconstruction, Milling, Paving & Resurfacing	50,000.00		50,000.00			50,000.00
2308	Road Reconstruction & Resurfacing of 5th and Central				250,000.00		
2320	Installation of telecommunications equipment	500,000.00		500,000.00		250,000.00	668,254.61
2332	Road Reconstruction, Milling, Paving, Resurfacing and Curbing		940,500.00	940,500.00		272,245.39	104,500.00
2334	Road Reconstruction, Resurfacing, Drainage, Curbing and Sidewalks		104,500.00	104,500.00			95,000.00
2356	Installation of Bleachers and Other Improvements at Wagawar Field		95,000.00	95,000.00			
<u>Local Improvements:</u>							
2226	Reconstruction or Replacement of Sidewalks	500.00		500.00			500.00
2246	Improvements of Sidewalks / Driveway Aprons - Various Avenues	136,000.00		136,000.00		6,000.00	130,000.00
2266	Reconstruction or Replacement of Sidewalk & Driveway Aprons	130,000.00		130,000.00		74,970.15	55,029.85
2289	Reconstruction or Replacement of Sidewalk & Driveway Aprons	65,000.00		65,000.00		65,000.00	
2333	Reconstruction or Replacement of Sidewalks & Driveway Aprons		228,000.00	228,000.00		19,039.96	208,960.04
2335	Reconstruction or Replacement of Sidewalks & Driveway Aprons		152,000.00	152,000.00		11,944.96	140,055.04
		\$ 1,623,645.03	\$ 1,520,000.00	\$ 3,143,645.03	\$ 310,000.00	\$ 961,673.02	\$ 1,871,972.01
		REF.	C	C	C-14	C-3	C-15

"C-6"

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE
LOAN PROCEEDS RECEIVABLE

REF.

Balance, December 31, 2023 and
December 31, 2024

C

\$ 227,971.00

"C-7"

SCHEDULE OF DUE ASSESSMENT TRUST FUND

Balance, December 31, 2023 and
December 31, 2024 (Due From)

C

\$ 636,000.00

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>ORDINANCE NUMBER</u>	<u>PROJECT</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>GRANTS AWARDED</u>	<u>CASH RECEIPTS</u>	<u>BALANCE DECEMBER 31, 2024</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	42,954.64			42,954.64	42,954.64
2308	Road Reconstruction & Resurfacing of 5th & Central Aves.	462,340.00		346,755.00	115,585.00	115,585.00
2322	Downtown Revitalization & Pedestrian Safety Improvements	700,000.00			700,000.00	700,000.00
2334	Road Reconstruction, Resurfacing, Drainage, Ramp Improvements		538,500.00		538,500.00	538,500.00
	<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
2356	County Open Space		125,000.00		125,000.00	125,000.00
	<u>Recreation Improvement Trust Fund:</u>					
2356	Bleacher Installation at Wagaraw Field		70,000.00		70,000.00	70,000.00
	<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		
2332	2024 Road Program		60,000.00		60,000.00	60,000.00
		<u>\$ 2,055,100.30</u>	<u>\$ 793,500.00</u>	<u>\$ 396,755.00</u>	<u>\$ 2,451,845.30</u>	<u>\$ 2,451,845.30</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, 2023</u>	<u>FINANCED BY CAPITAL IMPROVEMENT FUND</u>	<u>BALANCE DECEMBER 31, 2024</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
2333	Reconstruction or Replacement of Sidewalks and Driveway Aprons on Various Streets	240,000.00	12,000.00	12,000.00	12,000.00	12,000.00
2335	Reconstruction or Replacement of Sidewalks and Driveway Aprons on Hawthorne Avenue	160,000.00	8,000.00	8,000.00	8,000.00	8,000.00
				\$ 90,500.00	\$ 20,000.00	\$ 110,500.00
				C	B-9	C
				REF.		

BOROUGH OF HAWTHORNE
GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATUREITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2023	BALANCE DECEMBER 31, 2024
			BALANCE DECEMBER 31, 2024	AMOUNT			
General Improvement Bonds of '12	7/10/2012	\$ 4,235,000.00	7/15/2025	\$ 325,000.00	2.250%		
			7/15/2026	350,000.00	2.250%		
			7/15/2027	350,000.00	2.500%		
			7/15/2028	335,000.00	2.500%	\$ 1,660,000.00	\$ 1,360,000.00
General Improvement Bonds of '16	10/27/2016	7,010,000.00	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%		
General Improvement Bonds of '19			10/15/2031	380,000.00	2.250%		
			10/15/2032	350,000.00	2.400%	3,610,000.00	3,010,000.00
	7/17/2019	\$ 5,090,000.00	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%		
			7/15/2029	310,000.00	3.000%		
			7/15/2030	310,000.00	3.000%		
			7/15/2031	310,000.00	3.000%		
			7/15/2032	310,000.00	3.000%		
			7/15/2033	300,000.00	3.000%	3,090,000.00	2,780,000.00

DECREASED

BOROUGH OF HAWTHORNE
GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2023	DECREASED	BALANCE DECEMBER 31, 2024
			DATE	AMOUNT				
General Improvement Bonds Series 2023A	9/8/2023	5,633,000.00	9/1/2025	\$ 260,000.00	5.000%			
			9/1/2026	260,000.00	6.000%			
			9/1/2027	300,000.00	6.000%			
			9/1/2028	300,000.00	6.000%			
			9/1/2029	300,000.00	5.000%			
			9/1/2030	335,000.00	5.000%			
			9/1/2031	335,000.00	4.000%			
			9/1/2032	340,000.00	4.000%			
			9/1/2033	340,000.00	4.000%			
			9/1/2034	400,000.00	4.000%			
			9/1/2035	400,000.00	4.000%			
			9/1/2036	400,000.00	4.000%			
			9/1/2037	380,000.00	4.000%			
			9/1/2038	380,000.00	4.000%			
		9/1/2039	380,000.00	4.000%		200,000.00	5,110,000.00	
					\$ 5,310,000.00	\$		
General Improvement Bonds Series 2023D	9/8/2023	888,000.00	9/1/2025	40,000.00	7.000%			
			9/1/2026	40,000.00	7.000%			
			9/1/2027	45,000.00	7.000%			
			9/1/2028	45,000.00	7.000%			
			9/1/2029	50,000.00	6.000%			
			9/1/2030	50,000.00	6.000%			
			9/1/2031	50,000.00	5.000%			
			9/1/2032	55,000.00	5.000%			
			9/1/2033	55,000.00	5.050%			
			9/1/2034	70,000.00	5.100%			
			9/1/2035	70,000.00	5.150%			
			9/1/2036	70,000.00	5.200%			
			9/1/2037	70,000.00	5.250%			
			9/1/2038	70,000.00	5.300%			
		9/1/2039	70,000.00	5.350%				
					888,000.00	38,000.00	850,000.00	
					\$ 14,558,000.00	\$ 1,448,000.00	\$ 13,110,000.00	

REF.

C

C-4

C

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

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

	<u>REF.</u>	
Balance, December 31, 2023	C	\$ 58,000.00
Decreased by:		
Paid by Budget Appropriation	C-4	<u>8,000.00</u>
Balance, December 31, 2024	C	<u>\$ 50,000.00</u>

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE - UNFUNDED

	<u>REF.</u>	
Balance, December 31, 2023 and December 31, 2024	C	\$ <u>102,165.32</u>

BOROUGH OF HAWTHORNE
GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>INCREASE</u>	<u>DECREASE</u> <u>EXPENDITURES</u>	<u>DECREASE</u> <u>BUDGET</u> <u>REVENUE</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2024</u>
Reserve for Capital Outlay	\$ 852,608.26	\$ 80,000.00	\$ 359,500.46	\$	\$ 573,107.80
Reserve for Payment of Debt	870,340.28			299,000.00	571,340.28
Reserve for Tennis Courts	100,000.00				100,000.00
Reserve for Good Faith Deposits	<u>6.87</u>				<u>6.87</u>
	<u>\$ 1,822,955.41</u>	<u>\$ 80,000.00</u>	<u>\$ 359,500.46</u>	<u>\$ 299,000.00</u>	<u>\$ 1,244,454.95</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 ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>INCREASED</u>	<u>BALANCE DECEMBER 31, 2024</u>
	<u>General Improvements:</u>						
2288-22	Road Reconstruction, Milling, Paving, and Resurfacing	9/26/2024	9/26/2024	9/25/2025	3.750%	\$ 60,000.00	\$ 60,000.00
2320-23	Installation of Telecommunications Equipment	9/26/2024	9/26/2024	9/25/2025	3.750%	250,000.00	250,000.00
						<u>\$ 310,000.00</u>	<u>\$ 310,000.00</u>
					<u>REF.</u>	C-2	C

BOROUGH OF HAWTHORNE
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2023		2024 AUTHORIZATIONS		PAID OR CHARGED		BALANCE DECEMBER 31, 2024	
		FUNDED	UNFUNDED	FUNDED	UNFUNDED	FUNDED	UNFUNDED	FUNDED	UNFUNDED
General Improvements:									
2101	Property Buy-outs CDBG-DR	\$	462.50	\$		\$		\$	462.50
2102	NJDOT Streetscape		3,300.73			(410.00)			3,710.73
2103/2135/						(404.95)			404.95
2116	Construction of Band Shell at Pool Complex		8,464.98			(680.29)			8,464.98
2123	Washington Ave Road Improvements					(17,394.80)			680.29
2137	Library Roof Repair					(17,163.47)			17,394.80
2141/2180	Improvement to Braen Avenue					(10,210.52)			17,163.47
2163/2185	DPW Garage		4,946.00		222.90				4,946.00
2190	Sanitary Sewer Lining and Related Work					258.74			10,184.28
2244	Impvt of Arlington Ave (DOT Program)		10,443.02		117,000.00				4,586.94
2255	Road Reconstruction, Milling, Paving & Resurfacing		4,586.94			(7,209.70)			7,209.70
2259	Improvements to Washington Ave. Sanitary Sewer System					5,052.00			3,920.46
2265	Acquiring Fire Department Equipment & Fire Engine		8,972.46			312.50			126,460.53
2267	Road Reconstruction, Milling, Paving & Resurfacing		126,773.03						3,072.08
2270	Road Reconstruction, Resurfacing & Improvements to Bamford Avenue		3,072.08						470.48
2274	Improvements at Municipal Pool including Playground & Pathway Lights		470.48						25,773.43
2274	Acquisition of Public Works Street Sweeper				28,535.37	2,761.94			80,000.00
2288	Road Reconstruction, Milling, Paving & Resurfacing		7,890.92		80,000.00	312.50			30,000.00
2290	Road Reconstruction, Milling, Paving & Resurfacing		94,786.42		30,000.00	20,577.70			74,208.72
2298	Lighting Improvements at Franklin Field				249,017.66	230,453.84			18,563.82
2299	Improvements to Wagaraw Road & Franklin Field				5,318.46	3,416.66			1,901.80
2301	SCBA and Related Fire Fighter Gear				50,000.00	(14,577.68)			50,000.00
2307	Road Reconstruction, Milling, Paving & Resurfacing		42,703.97			479,198.42			57,281.65
2308	Road Reconstruction & Resurfacing of 5th and Central		533,603.32			62,240.92			54,404.90
2322	Downtown Revitalization and Safety Improvements		859,601.54			381,745.39			797,360.62
2332	Road Reconstruction, Milling, Paving, Resurfacing & Curbing				1,050,000.00	110,067.76			668,254.61
2334	Road Reconstruction, Resurfacing, Drainage, Curb & Ramp Improvements				648,500.00	389,590.99			104,500.00
2339	Purchase of Jet Vac Truck for DPW & Water Department				390,000.00	409.01			409.01
2356	Installation of Bleachers & Other Improvements at Wagaraw Field				295,000.00				200,000.00

"C-16"

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2023	C	\$ 380,405.03
Increased by:		
2024 Budget Appropriation	C-2	125,000.00
		<u>\$ 505,405.03</u>
Decreased by:		
Improvement Authorizations	C-15	<u>80,000.00</u>
Balance, December 31, 2024	C	<u>\$ 425,405.03</u>

"C-17"

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, December 31, 2023	C	\$ 2,514,318.06
Increased by:		
Encumbrances Issued	C-15	1,682,932.42
		<u>\$ 4,197,250.48</u>
Decreased by:		
Cash Disbursements	C-2	<u>2,922,073.43</u>
Balance, December 31, 2024	C	<u>\$ 1,275,177.05</u>

"C-18"

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF DUE WATER UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance, December 31, 2023 (Due From)	C	\$ 2,589,750.00
Decreased By:		
Cash Receipts	C-2	<u>2,950,000.00</u>
		\$ <u>360,250.00</u>
Increased By:		
Cash Disbursements	C-2	<u>700,000.00</u>
Balance, December 31, 2024 (Due From)	C	\$ <u><u>339,750.00</u></u>

"C-19"

SCHEDULE OF DUE CURRENT FUND

Increased by:		
Cash Disbursements	C-2	\$ 551,755.00
Decreased by:		
Cash Receipts	C-2	<u>1,502.71</u>
Balance, December 31, 2024 (Due From)	C	\$ <u><u>550,252.29</u></u>

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2024	
		<u>CAPITAL</u>	<u>ASSESSMENT</u>
	<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	29,500.00	
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	250,000.00	
2332	Road Reconstruction, Milling, Paving, Resurfacing & Curbing	940,500.00	
2334	Road Reconstruction, Resurfacing, Drainage & Curbing	104,500.00	
2356	Installing Bleachers and Other Improvements at Wagaraw Field	95,000.00	
	<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
2289	Reconstruction or Replacement of Sidewalks & Driveway Aprons		65,000.00
2333	Reconstruction or Replacement of Sidewalks & Driveway Aprons		228,000.00
2335	Reconstruction or Replacement of Sidewalks & Driveway Aprons		152,000.00
		<u>\$ 2,122,145.03</u>	<u>\$ 711,500.00</u>

BOROUGH OF HAWTHORNE

WATER UTILITY FUND

SCHEDULE OF CASH - TREASURER

	REF.	OPERATING	CAPITAL
Balance, December 31, 2023	D	\$ 1,280,754.99	\$ 905,803.87
Increased by Receipts:			
Water Rents Receivable	D-7	\$ 4,639,271.41	\$
Fire Hydrant Service	D-3	103,350.00	
Reserve for Payment of Debt	D-3	169,000.00	
Overpayments	D-27	971.64	
Reserve for Capital Outlay	D-11		7,000.00
Due Water Capital Fund	D-8	32,000.00	
Due Water Operating Fund	D-28		234,475.42
I-Bank Note Payable	D-30		4,349,495.00
Capital Improvement Fund	D-22		25,000.00
Bond Anticipation Note	D-24		700,000.00
Miscellaneous	D-3	50,000.00	
Miscellaneous Revenue Not Anticipated	D-3	84,548.83	
Deferred Charges - Emergency Authorizations	D-29	234,475.42	
Due Current Fund	D-8	135,000.00	
		\$ 5,448,617.30	\$ 5,315,970.42
		\$ 6,729,372.29	\$ 6,221,774.29
Decreased by Disbursements:			
Appropriations	D-4	3,970,886.95	
Appropriation Reserves	D-9	424,824.41	
Anticipated in Utility Operating Budget	D-20		169,000.00
Payment to Current Fund as Anticipated Revenue	D-1	135,000.00	
Accrued Interest Payable	D-14	69,980.00	
Overpayments Refunded	D-27	971.64	
Contracts Payable	D-25		3,752,251.56
Due General Capital Fund	D-28		2,250,000.00
Due Water Utility Capital Fund	D-8	234,475.42	
Due Current Fund	D-8	10,845.00	
Due Water Operating Fund	D-28		32,000.00
		\$ 4,846,983.42	\$ 6,203,251.56
Balance, December 31, 2024	D	\$ 1,882,388.87	\$ 18,522.73

BOROUGH OF HAWTHORNE
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

BALANCE
DECEMBER 31,
2024

Fund Balance	\$ 4,308.85
Capital Improvement Fund	836.60
Reserve for Payment of Debt	106,067.34
Miscellaneous Receivables	(30,000.00)
Loan Proceeds Receivable	(97,911.00)
Bond Anticipation Notes	700,000.00
Due General Capital Fund	339,750.00
Due Utility Operating Fund	1,102,475.42
Bonds Payable	4,439,000.00
Encumbrances Payable	1,261,434.67
Improvement Authorizations:	
Ord 2125-14 Acquisition of Generators	(51,008.63)
Ord 2142-15 DPW Garage	214.40
Ord 2186-17 Impvt to Goffle Hill and Mary Street Water Tanks	380.64
Ord 2213-18 Rehab. & Other Improvements to Goffle Hill & Mary Street Water Tanks	9,811.65
Ord 2256-20 Improvements to SCADA System Upgrades, Valve, & Pump Replacements	162,029.59
Ord 2275-21 Water System Infrastructure Analysis, Design, and Improvements	(328,604.42)
Ord 2286-22 Water System Infrastructure Impts., Purchase & Install of PFOA/PFAS Equip.	(5,155,822.75)
Ord 2310-23 Water System Infrastructure Impts., Replacement Water Service Lines	(2,321,857.21)
Ord 2319-23 Water System Infrastructure Improvements	6,984.68
Ord 2340-24 Purchase Jet Vac Truck for Water Department	409.01
Ord 2341-24 Rehabilitation of Peach Tree Water Tank	(128,775.00)
Ord 2345-24 Water System Infrastructure Improvements	(1,201.11)
	<u>18,522.73</u>
	\$ <u><u>18,522.73</u></u>

REF.

D

"D-7"

BOROUGH OF HAWTHORNE

WATER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2023	D	\$ 838,137.49
Increased by:		
Water Rents Levied		5,137,405.56
		<u>\$ 5,975,543.05</u>
Decreased by:		
Collections	D-5	<u>4,639,271.41</u>
Balance, December 31, 2024	D	<u><u>\$ 1,336,271.64</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, 2023:				
Due From	D	\$ <u>900,000.00</u>	\$ <u>900,000.00</u>	\$ _____
Cash Receipts	D-5	167,000.00	32,000.00	135,000.00
Cash Disbursements	D-5	<u>245,320.42</u>	<u>234,475.42</u>	<u>10,845.00</u>
Balance, December 31, 2024:				
Due From	D	\$ <u>1,102,475.42</u>	\$ <u>1,102,475.42</u>	
Due To	D	\$ <u><u>124,155.00</u></u>		\$ <u><u>124,155.00</u></u>

"D-9"

BOROUGH OF HAWTHORNE

WATER UTILITY OPERATING FUND

SCHEDULE OF 2023 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Operating:				
Salaries and Wages	\$ 119,959.67	\$ 119,959.67	\$ 34,932.44	\$ 85,027.23
Other Expenses	189,209.45	336,214.50	196,745.53	139,468.97
Laboratory Testing and Safe Water Act	13,794.00	16,806.00	1,845.75	14,960.25
Capital Improvement:				
Capital Outlay	<u>129,269.24</u>	<u>225,684.82</u>	<u>223,853.72</u>	<u>1,831.10</u>
	<u>\$ 452,232.36</u>	<u>\$ 698,664.99</u>	<u>\$ 457,377.44</u>	<u>\$ 241,287.55</u>

REF.

D

D-1

Balance, December 31, 2023

\$ 452,232.36

D

Encumbrances Payable

246,432.63

D-10

Cash Disbursements

32,553.03

D-5

424,824.41

\$ 698,664.99

\$ 457,377.44

\$ 457,377.44

BOROUGH OF HAWTHORNE
WATER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2023	D	\$	494,107.38
Increased by:			
Charges to 2024 Budget Appropriations	D-4	\$	473,478.78
Charges to 2023 Appropriation Reserves	D-9		<u>32,553.03</u>
			506,031.81
		\$	<u>1,000,139.19</u>
Decreased by:			
Transferred to Appropriation Reserves	D-9		<u>246,432.63</u>
Balance, December 31, 2024	D	\$	<u><u>753,706.56</u></u>

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CAPITAL OUTLAY

	<u>REF.</u>	
Increased By:		
Receipts	D-5	\$ 7,000.00
Decreased By:		
Appropriation to Finance Improvement Authorization	D-18	\$ <u>7,000.00</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, 2024</u>
2125-14	Acquisition of Generators	\$ 69,770.63
2213-18	Improvements to Goffie Hill and Mary Street Water Tanks	57,794.35
2256-20	Improvements to SCADA System Upgrades, Valve and Pump Replacements	175,000.00
2286-22	Water System Infrastructure Improvements, Purchase & Installation of PFOA/PFAS Equipment	1,863,571.00
2319-23	Water System Infrastructure Improvements	2,555,000.00
2341-24	Rehabilitation of Peach Tree Water Tank	1,450,000.00
2345-24	Water System Infrastructure Improvements	<u>5,300,000.00</u>
		<u>\$ 11,471,135.98</u>

BOROUGH OF HAWTHORNE
WATER UTILITY OPERATING FUND
SCHEDULE OF LIENS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2023 and December 31, 2024	D	\$ <u><u>2,585.49</u></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, 2023	D	\$ 97,873.90
Decreased by:		
Cash Disbursements	D-5	<u>69,980.00</u>
Balance, December 31, 2024	D	<u>\$ 27,893.90</u>

"D-15"

WATER UTILITY CAPITAL FUND

SCHEDULE OF LOAN PROCEEDS RECEIVABLE

Balance, December 31, 2023 and December 31, 2024	D	\$ <u>97,911.00</u>
---	---	---------------------

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>TRANSFER FROM FIXED CAPITAL AUTHORIZED AND UNCOMPLETED</u>	<u>BALANCE DECEMBER 31, 2024</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>195,000.00</u>	<u>4,371,678.20</u>
	<u>\$ 15,276,311.55</u>	<u>\$ 195,000.00</u>	<u>\$ 15,471,311.55</u>
<u>REF.</u>	D	D-17	D

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ACCOUNT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>TRANSFER TO</u> <u>FIXED CAPITAL</u>	<u>NEW</u> <u>AUTHORIZATIONS</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2024</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			7,600,000.00
Ord 2310-23 Water System Infrastructure Improvements including Replacement Lines	2,900,000.00			2,900,000.00
Ord 2319-23 Water System Infrastructure Repairs including Depe Voll Water Main	250,000.00	195,000.00	195,000.00	250,000.00
Ord 2340-24 Purchase of Jet Vac Truck for DPW & Water Departments			1,450,000.00	1,450,000.00
Ord 2341-24 Rehabilitation of Peach Tree Water Tank			5,300,000.00	5,300,000.00
Ord 2345-24 Water System Infrastructure Improvements				
	<u>\$ 14,175,000.00</u>	<u>\$ 195,000.00</u>	<u>\$ 6,945,000.00</u>	<u>\$ 20,925,000.00</u>

REF.

D

D-16

D-18

D

BOROUGH OF HAWTHORNE
WATER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE DECEMBER 31, 2023		2024 AUTHORIZATION	PAID OR CHARGED	BALANCE DECEMBER 31, 2024	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
	General Improvements:								
2125-14	Acquisition of Generators	10/15/2014	\$ 400,000.00	\$	3,234.50	\$	\$ (15,527.50)	\$	18,762.00
2142-15	DPW Garage	8/12/2015	200,000.00				(214.40)	214.40	
2186-17	Improvements to Goffie Hill & Mary Street Water Tanks	5/17/2017	1,150,000.00				(380.64)	380.64	
2213-18	Rehabilitation & Other Improvements to Mary Street Tank & Goffie Hill Tank	7/11/2018	1,785,000.00				(67,606.00)	9,811.65	57,794.35
2256-20	Various Improvements including SCADA System Upgrades, Pump & Valve Replacements	8/12/2020	575,000.00	162,029.59	175,000.00			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		21,395.57		(0.01)		21,395.58
2284-21	Water System Infrastructure Improvements	11/15/2021	2,500,000.00		318,220.87		318,220.87		
2286-22	Water System Infrastructure Improvements, Purchase and Installation of PFOA/PFAS Equipment	2/2/2022	7,600,000.00		1,345,099.74		48,351.49		1,296,748.25
2310-23	Water System Infrastructure Improvements including Replacement of Water Service Lines	3/1/2023	2,900,000.00		1,243,642.21		810,499.42		433,142.79
2319-23	Water System Infrastructure Repairs including Depo Voll Water Main	7/12/2023	250,000.00	244,876.77			237,892.09	6,984.68	
2340-24	Purchase of Jet Vac Truck for DPW & Water Depts.	5/1/2024	195,000.00			195,000.00	194,590.99	409.01	
2341-24	Rehabilitation of Peach Tree Water Tank	5/1/2024	1,450,000.00			1,450,000.00	128,775.00		1,321,225.00
2345-24	Water System Infrastructure Improvements	7/10/2024	5,300,000.00			5,300,000.00	1,201.11		5,298,798.89
			\$	406,906.36	\$ 3,106,592.89	\$ 6,945,000.00	\$ 1,655,802.42	\$ 179,829.97	\$ 8,622,866.86
	REF.			D	D			D	D
	Debt Authorized				\$ 6,750,000.00				
	Capital Improvement Fund				188,000.00				
	Capital Outlay Reserve				7,000.00				
					6,945,000.00				
	Cash Disbursements				\$ 3,752,251.56				
	Prior Year Encumbrances Payable				(3,357,883.81)				
	Current Year Contracts Payable				1,261,434.67				
					\$ 1,655,802.42				

"D-19"

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2023	D		\$ 12,954,746.57
Increased by:			
Serial Bonds Paid by Operating Budget	D-23	\$ 495,000.00	
Transferred from Reserve for Deferred Amortization	D-21	<u>195,000.00</u>	
			<u>690,000.00</u>
Balance, December 31, 2024	D		\$ <u>13,644,746.57</u>

"D-20"

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2023	D		\$ 275,067.34
Decreased by:			
Anticipated in Utility Operating Budget	D-5		<u>169,000.00</u>
Balance, December 31, 2024	D		\$ <u>106,067.34</u>

"D-21"

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

	<u>REF.</u>	
Balance, December 31, 2023	D	\$ 157,500.00
Increased by:		
Fixed Capital Authorized	D-17	\$ <u>195,000.00</u>
		352,500.00
Decreased by:		
Transferred to Reserve for Amortization	D-19	\$ <u>195,000.00</u>
Balance, December 31, 2024	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, 2023	D	\$ 163,836.60
Increased by:		
2024 Budget Appropriation	D-5	\$ <u>25,000.00</u>
		188,836.60
Decreased by:		
Appropriation to Finance Improvement Authorizations	D-18	<u>188,000.00</u>
Balance, December 31, 2024	D	\$ <u><u>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, 2023	DECREASED	BALANCE DECEMBER 31, 2024
			DATE	AMOUNT				
General Water Improvement Bonds	7/10/12	\$ 1,154,000.00	7/15/25	\$ 90,000.00	2.250%	\$ 379,000.00	\$ 90,000.00	\$ 289,000.00
			7/15/26	100,000.00	2.500%			
			7/15/27	99,000.00	2.500%			
General Water Improvement Bonds	10/15/16	300,000.00	10/15/25	30,000.00	4.000%	90,000.00	30,000.00	60,000.00
			10/15/26	30,000.00	2.000%			
General Water Improvement Bonds	7/17/19	2,685,000.00	7/15/25	300,000.00	3.000%	1,785,000.00	300,000.00	1,485,000.00
			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%			
			7/15/30	300,000.00	3.000%			
General Water Improvement Bonds, Series 2023B	9/8/23	2,340,000.00	9/1/25	60,000.00	5.000%	2,280,000.00	60,000.00	2,220,000.00
			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	9/1/25	15,000.00	7.000%	400,000.00	15,000.00	385,000.00
			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	25,000.00	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%				

REF.

D

D-19

D

\$

REF.

D

"D-24"

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>INCREASED</u>	<u>BALANCE DECEMBER 31, 2024</u>
2284-21	Water System Infrastructure Improvements	09/26/24	09/26/24	09/25/25	3.750%	\$ 397,500.00	\$ 397,500.00
2286-22	Water System Infrastructure Improvements	09/26/24	09/26/24	09/25/25	3.750%	102,500.00	102,500.00
2310-23	Water System Infrastructure Improvements	09/26/24	09/26/24	09/25/25	3.750%	200,000.00	200,000.00
						<u>\$ 700,000.00</u>	<u>\$ 700,000.00</u>

REF.

D-5

D

"D-25"

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2023	D	\$	3,357,883.81
Increased by:			
Encumbrances Issued	D-18	\$	<u>1,655,802.42</u>
			5,013,686.23
Decreased by:			
Cash Disbursed	D-5		<u>3,752,251.56</u>
Balance, December 31, 2024	D	\$	<u><u>1,261,434.67</u></u>

"D-26"

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF MISCELLANEOUS RECEIVABLES

REF.

Balance, December 31, 2023 and
December 31, 2024

D

\$ 30,000.00

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

	<u>REF.</u>		
Increased by:			
Cash Receipts	D-5	\$	971.64
Decreased by:			
Cash Disbursed	D-5	\$	<u>971.64</u>

BOROUGH OF HAWTHORNE

WATER UTILITY OPERATING FUND

SCHEDULE OF DEFERRED CHARGES

<u>PURPOSE</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>CANCELED</u>	<u>RECEIPTS</u>	<u>RAISED IN 2024 BUDGET</u>
Deficit in Operations	\$ 0.15		\$	\$ 0.15
Emergency Authorization - Depe Voll Water Main	<u>250,000.00</u>	<u>15,524.58</u>	<u>234,475.42</u>	
	<u>\$ 250,000.15</u>	<u>\$ 15,524.58</u>	<u>\$ 234,475.42</u>	<u>\$ 0.15</u>
<u>REF.</u>	D	D-1	D-5	D-4

"D-30"

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF TEMPORARY I-BANK NOTE PAYABLE

	<u>REF.</u>	
Balance, December 31, 2023	D	\$ 1,634,434.00
Increased by: Note Issued	D-5	<u>4,349,495.00</u>
Balance, December 31, 2024	D	<u><u>\$ 5,983,929.00</u></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, 2023	E	\$ <u>4,986.39</u>	\$ <u>4,986.39</u>
Increased by Receipts:			
Receipts	E-2	<u>175.00</u>	<u>175.00</u>
<u>Total Receipts</u>		<u>175.00</u>	<u>175.00</u>
		<u>5,161.39</u>	<u>5,161.39</u>
Balance, December 31, 2024	E	\$ <u><u>5,161.39</u></u>	\$ <u><u>5,161.39</u></u>

BOROUGH OF HAWTHORNE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF RESERVE FOR EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2023	E	\$	4,986.39
Increased by:			
Revenues	E-1		<u>175.00</u>
Balance, December 31, 2024	E	\$	<u><u>5,161.39</u></u>

BOROUGH OF HAWTHORNE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF CASH AND RECONCILIATION
AS OF MAY 31, 2025

	<u>REF.</u>		
Balance, December 31, 2024	E-1	\$	5,161.39
Increased by:			
Cash Receipts			<u>85.12</u>
			5,246.51
Decreased by:			
Cash Disbursements:			<u>60.12</u>
Balance May 31, 2024	E-3	\$	<u>5,186.39</u>

Reconciliation, May 31, 2025

Balance on Deposit per Statement of:
Columbia Bank
#24804356

		<u>P.A.T.F. I</u>		<u>TOTAL</u>
		<u>ACCOUNT</u>		
	E-3	\$ <u>5,186.39</u>	\$	<u>5,186.39</u>
Balance May 31, 2025		\$ <u>5,186.39</u>	\$	<u>5,186.39</u>

PART II

BOROUGH OF HAWTHORNE

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2024

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

	YEAR 2024		YEAR 2023	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 2,964,203.47	3.23%	\$ 3,131,201.65	3.53%
Miscellaneous-From Other Than Local				
Property Tax Levies	7,022,203.30	7.66%	6,086,430.21	6.85%
Collection of Delinquent Taxes and				
Tax Title Liens	574,940.14	0.63%	617,522.96	0.70%
Collection of Current Tax Levy	<u>81,168,181.36</u>	<u>88.49%</u>	<u>78,984,154.85</u>	<u>88.93%</u>
<u>TOTAL INCOME</u>	<u>91,729,528.27</u>	<u>100.00%</u>	<u>88,819,309.67</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	25,747,803.64	29.27%	24,424,536.95	28.47%
County Taxes	17,142,539.29	19.49%	17,237,031.93	20.10%
School Taxes	44,952,907.00	51.10%	44,113,255.00	51.43%
Other	<u>124,787.45</u>	<u>0.14%</u>	<u>958.55</u>	<u>0.00%</u>
<u>TOTAL EXPENDITURES</u>	<u>87,968,037.38</u>	<u>100.00%</u>	<u>85,775,782.43</u>	<u>100.00%</u>
Excess in Revenue	3,761,490.89		3,043,527.24	
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	3,761,490.89		3,093,527.24	
Fund Balance, January 1	<u>8,010,507.95</u>		<u>8,048,182.36</u>	
	11,771,998.84		11,141,709.60	
Less: Utilization as Anticipated Revenue	<u>2,964,203.47</u>		<u>3,131,201.65</u>	
Fund Balance, December 31	\$ <u>8,807,795.37</u>		\$ <u>8,010,507.95</u>	

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

	YEAR 2024		YEAR 2023	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 2,964,203.47	3.23%	\$ 3,131,201.65	3.53%
Miscellaneous-From Other Than Local				
Property Tax Levies	7,022,203.30	7.66%	6,086,430.21	6.85%
Collection of Delinquent Taxes and Tax Title Liens	574,940.14	0.63%	617,522.96	0.70%
Collection of Current Tax Levy	<u>81,168,181.36</u>	<u>88.49%</u>	<u>78,984,154.85</u>	<u>88.93%</u>
<u>TOTAL INCOME</u>	<u>91,729,528.27</u>	<u>100.00%</u>	<u>88,819,309.67</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	25,747,803.64	29.27%	24,424,536.95	28.47%
County Taxes	17,142,539.29	19.49%	17,237,031.93	20.10%
School Taxes	44,952,907.00	51.10%	44,113,255.00	51.43%
Other	<u>124,787.45</u>	<u>0.14%</u>	<u>958.55</u>	<u>0.00%</u>
<u>TOTAL EXPENDITURES</u>	<u>87,968,037.38</u>	<u>100.00%</u>	<u>85,775,782.43</u>	<u>100.00%</u>
Excess in Revenue	3,761,490.89		3,043,527.24	
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	3,761,490.89		3,093,527.24	
Fund Balance, January 1	<u>8,010,507.95</u>		<u>8,048,182.36</u>	
	11,771,998.84		11,141,709.60	
Less: Utilization as Anticipated Revenue	<u>2,964,203.47</u>		<u>3,131,201.65</u>	
Fund Balance, December 31	\$ <u>8,807,795.37</u>		\$ <u>8,010,507.95</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Tax Rate	<u>\$3.042</u>	<u>\$3.000</u>	<u>\$2.950</u>
Appointment of Tax Rate:			
Municipal	0.670	0.643	0.610
Municipal Library	0.042	0.039	0.036
County	0.638	0.648	0.687
Local School	<u>1.692</u>	<u>1.670</u>	<u>1.617</u>

Assessed Valuations:

Year 2024	\$ <u>2,656,278,200.00</u>		
Year 2023		\$ <u>2,642,466,163.00</u>	
Year 2022			\$ <u>2,629,141,319.00</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 COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2024	\$ 81,754,160.90	\$ 81,168,181.36	99.28%
2023	\$ 79,706,734.71	\$ 78,984,154.85	99.09%
2022	\$ 77,805,455.12	\$ 77,175,446.34	99.19%

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>
2024	\$ 2,135,011.34	\$ 510,347.89	\$ 2,645,359.23	3.24%
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%

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>
2024	\$34,980.00
2023	\$34,980.00
2022	\$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	2024	\$8,807,795.37	\$2,735,896.00
	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
Water Utility Operating Fund	2024	\$1,660,931.56	\$1,439,807.00
	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-

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	*	
Mike Sciarra	Council Vice President	*	
Rayna Laiosa	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:

Franklin Field Bleacher Improvements	Various Road Improvements
Curbing and Ramp Replacements	Downtown Revitalization
Lead Service Line Phase III Repairs	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 2024 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:

Police Vehicles

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 3, 2024 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 4, 2024 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>
2024	7
2023	7
2022	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.

Treasurer

We noted an overexpenditure in the Grant Fund.

RECOMMENDATIONS

That sufficient appropriation balances be available prior to the commitment or expenditure of funds.

