

*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, 2014*



BOROUGH OF HAWTHORNE

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BOROUGH OF HAWTHORNE

PART I

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

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2014 AND 2013



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

## ***Report on the Financial Statements***

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Hawthorne, as of December 31, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

## ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

## ***Auditor's Responsibility***

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with 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 (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough of Hawthorne's preparation and fair presentation of the financial statements 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 of Hawthorne's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the regulatory financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the 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 of Hawthorne as of December 31, 2014 and 2013, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2014.

***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, 2014 and 2013, 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, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

**Other Matters**

*Other Information*

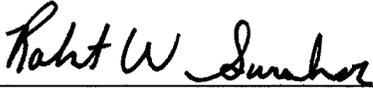
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Hawthorne's regulatory financial statements. The supplementary information and data and schedules of federal awards and state financial assistance listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory 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, schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2015 on our consideration of the Borough of Hawthorne's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Hawthorne's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 25, 2015

CURRENT FUND

BOROUGH OF HAWTHORNE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>BALANCE DECEMBER 31, 2013</u>
<u>ASSETS</u>			
Cash	A-4	\$ 15,504,126.36	\$ 14,768,928.68
Change Fund	A-5	310.00	310.00
Grants Receivable	A-11	33,283.27	19,330.50
		<u>15,537,719.63</u>	<u>14,788,569.18</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	1,045,581.46	997,224.08
Tax Title Liens Receivable	A-9	1,092,871.05	975,788.64
Foreclosed Property	A-10	34,980.00	34,980.00
Revenue Accounts Receivable	A-8	13,988.01	21,373.36
Due Assessment Trust Fund	B-7	2,193.51	2,048.29
Due Trust Fund	B-16	8,368.89	
Due Water Utility Operating Fund	D-13	435.62	
		<u>2,198,418.54</u>	<u>2,031,414.37</u>
Deferred Charges:			
Emergency Appropriations 40A:4-46	A-23	21,500.00	
		<u>21,500.00</u>	
		\$ <u>17,757,638.17</u>	\$ <u>16,819,983.55</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</u> <u>DECEMBER</u> <u>31, 2014</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-14	\$ 588,657.56	\$ 451,495.35
Encumbrances Payable	A-17	670,885.58	759,973.93
Prepaid Taxes	A-15	312,575.46	202,659.98
County Taxes Payable	A-12	33,328.88	34,857.12
Tax Overpayments	A-16		17,111.02
Local District School Taxes Payable	A-13	9,211,629.00	8,875,095.00
Accounts Payable	A-18	14,009.70	11,282.91
Fees Payable	A-19	20,682.00	33,889.00
Due State of New Jersey-Chapter 20, PL 1971	A-7	83,550.40	72,392.30
Due Other Trust Fund	B-14		4,648.00
LOSAP Contributions Payable	A-20	165,065.34	162,988.07
Unappropriated Reserves for Grants	A-22	34,554.93	31,671.57
Appropriated Reserves for Grants	A-21	262,451.24	234,661.12
		<u>11,397,390.09</u>	<u>10,892,725.37</u>
Reserve for Receivables and Other Assets	A	2,198,418.54	2,031,414.37
Fund Balance	A-1	4,161,829.54	3,895,843.81
		\$ <u>17,757,638.17</u> \$	<u>16,819,983.55</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

	REF.	YEAR 2014	YEAR 2013
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 1,641,000.00	\$ 1,402,500.00
Miscellaneous Revenue Anticipated	A-2	3,657,307.49	3,605,572.51
Receipts From Delinquent Taxes	A-2	968,583.47	1,035,806.03
Receipts From Current Taxes	A-2	64,643,969.00	63,683,298.32
Non-Budget Revenue	A-2	533,571.38	457,579.13
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	501,082.68	376,212.57
Interfunds Returned			112.04
<u>Total Income</u>		<u>71,945,514.02</u>	<u>70,561,080.60</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	12,283,238.00	11,571,544.00
Deferred Charges and Statutory Expenditures	A-3	1,285,559.00	1,299,990.00
Operations Excluded From "CAPS":			
Operating	A-3	2,678,654.93	2,624,088.20
Capital Improvements	A-3	100,000.00	100,000.00
Municipal Debt Service	A-3	2,182,735.37	2,144,152.36
Deferred Charges	A-3		177,500.00
County Taxes	A-12	16,000,392.78	15,885,447.53
Local District School Tax	A-13	35,441,966.00	34,766,609.00
Interfunds Advanced		8,949.73	
Prior Year Accounts Payable	A-18	12,963.73	
Grants Receivable Cancelled			2,768.90
Refund of Prior Year Revenue	A-4	65,568.75	109,884.84
<u>Total Expenditures</u>		<u>70,060,028.29</u>	<u>68,681,984.83</u>
Excess in Revenue		1,885,485.73	1,879,095.77
Adjustments to Income Before Fund Balance			
Expenditures Included Above Which are by Statute			
Deferred Charges to the Budget of the Succeeding Year	A-3	21,500.00	
Statutory Excess to Fund Balance		1,906,985.73	1,879,095.77
<u>Fund Balance</u>			
Balance, January 1	A	3,895,843.81	3,419,248.04
		5,802,829.54	5,298,343.81
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	1,641,000.00	1,402,500.00
Fund Balance, December 31	A	\$ <u>4,161,829.54</u>	\$ <u>3,895,843.81</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, 2014

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	SPECIAL N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$ 1,641,000.00	\$	\$ 1,641,000.00	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	40,000.00		40,450.00	450.00
Other	A-2	16,000.00		16,569.00	569.00
Fees and Permits:	A-2	115,000.00		141,415.68	26,415.68
Fines and Costs					
Municipal Court	A-8	255,000.00		265,057.68	10,057.68
Interest and Costs on Taxes	A-8	100,000.00		170,486.80	70,486.80
Interest on Investments and Deposits	A-2	30,000.00		26,434.92	(3,565.08)
Swimming Pool Admission Fees	A-8	145,000.00		140,215.00	(4,785.00)
Energy Receipts Taxes	A-8	1,404,686.00		1,393,725.17	(10,960.83)
Consolidated Municipal Property Tax					
Relief Aid	A-8	63,592.00		60,412.40	(3,179.60)
Rentals - Board of Education	A-8	20,000.00		20,000.00	
Rentals - Cellular Phone	A-8	280,000.00		366,852.66	86,852.66
Sewer Charges	A-8	50,000.00		68,211.19	18,211.19
Cable Television Franchise Fees	A-8	240,000.00		263,454.38	23,454.38
Commuter Parking	A-8	20,000.00		33,380.00	13,380.00
Uniform Construction Code Fees	A-8	226,398.00		218,047.00	(8,351.00)
State and Federal Revenues Offset With Appropriations:					
Municipal Alliance Program	A-11	34,684.00		34,684.00	
Recycling Tonnage Grant	A-11	22,381.00		22,381.00	
Clean Communities Program	A-11		29,958.39	29,958.39	
Click It or Ticket	A-11		4,000.00	4,000.00	
Municipal Alcohol Education	A-11		1,122.52	1,122.52	
Drunk Driving Enforcement Fund	A-11	3,365.00	2,793.02	6,158.02	
Drive Sober or Get Pulled Over	A-11		5,000.00	5,000.00	
Body Armor Replacement Fund	A-11	3,925.00		3,925.00	
Sustainable NJ	A-11	2,000.00		2,000.00	
Emergency Management Grant	A-11	5,000.00		5,000.00	
Passaic County Community Garden	A-11	2,500.00		2,500.00	
Distracted Driving	A-11	5,000.00		5,000.00	
Uniform Fire Safety Act - Life Hazard	A-8	33,000.00		35,866.68	2,866.68
Reserve for Payment of Debt Service	A-8	275,000.00		275,000.00	
<b>Total Miscellaneous Revenues</b>		<b>3,392,531.00</b>	<b>42,873.93</b>	<b>3,657,307.49</b>	<b>221,902.56</b>
Receipts From Delinquent Taxes	A-1	775,000.00		968,583.47	193,583.47
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2	13,547,400.11		14,069,309.33	521,909.22
Minimum Library Tax	A-2	752,300.89		752,300.89	
		14,299,701.00		14,821,610.22	521,909.22
<b>Budget Totals</b>		<b>\$ 20,108,232.00</b>	<b>\$ 42,873.93</b>	<b>\$ 21,088,501.18</b>	<b>\$ 937,395.25</b>
Non-Budget Revenue	A-2			533,571.38	
				\$ 21,622,072.56	
	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, 2014

	<u>REF.</u>	
Allocation of Current Tax Collections:		
Revenue From Collections	A-6	\$ 64,643,969.00
Allocated to:		
School and County Taxes		<u>51,442,358.78</u>
Balance for Support of Municipal Budget Appropriations		13,201,610.22
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3	<u>1,620,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-1	\$ <u><u>14,821,610.22</u></u>
Licenses - Other:		
Borough Clerk	A-8	\$ 13,373.00
Board of Health	A-8	<u>3,196.00</u>
	A-2	\$ <u><u>16,569.00</u></u>
Fees and Permits		
Police Department	A-8	\$ 3,703.44
Board of Health/Registrar of Vital Statistics	A-8	32,195.00
Public Works Department	A-8	2,235.17
Planning Board	A-8	200.00
Zoning Board of Adjustment	A-8	16,480.00
Fire Prevention	A-8	43,760.00
Other	A-8	34,281.07
Building Department	A-8	<u>8,561.00</u>
	A-2	\$ <u><u>141,415.68</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, 2014

REF.

Non Budget Revenues		
Recreation	\$	58,544.57
Administrative Fee - Off Duty Police		37,072.50
Copies, Maps and List		1,288.14
Administrative Fee - Senior Citizens/Veterans Deductions		2,908.10
DMV Vehicle Fines/Charges		12,444.50
Tax Searches/Duplicate Tax Bills		2,490.00
Insurance Dividend		220,969.93
Prior Year Reimbursement BOE Fuel		11,765.48
Leadership Camp 2014		370.00
Prospect Park Library Cards		7,750.00
FEMA		42,755.67
Rental of Property		31,050.00
Other Miscellaneous		<u>104,162.49</u>
	A-4	\$ <u><u>533,571.38</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, 2014

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 162,502.00	\$ 164,502.00	\$ 164,501.99	\$ 0.01	
Other Expenses	31,940.00	31,940.00	26,530.43	5,409.57	
Other Expenses - Postage	26,500.00	26,500.00	26,488.77	11.23	
Mayor and Council:					
Salaries and Wages	36,500.00	36,500.00	35,423.67	1,076.33	
Other Expenses	1,665.00	1,665.00	1,658.00	7.00	
Municipal Clerk:					
Salaries and Wages	101,763.00	100,263.00	97,058.52	3,204.48	
Other Expenses	31,170.00	32,670.00	30,751.10	1,918.90	
Financial Administration:					
Salaries and Wages	161,424.00	161,424.00	161,418.97	5.03	
Other Expenses	42,150.00	42,150.00	42,108.10	41.90	
Audit Services:					
Other Expenses	26,175.00	26,175.00	26,175.00		
Revenue Administration (Tax Collection):					
Salaries and Wages	64,965.00	64,965.00	64,962.84	2.16	
Other Expenses	15,940.00	15,940.00	15,923.92	16.08	
Tax Assessment Administration:					
Salaries and Wages	42,758.00	42,758.00	42,757.72	0.28	
Other Expenses	23,005.00	23,005.00	23,002.41	2.59	
Legal Services:					
Salaries and Wages	91,744.00	91,744.00	87,483.05	4,260.95	
Other Expenses	69,000.00	59,000.00	53,759.50	5,240.50	
Engineering Services:					
Other Expenses	118,000.00	118,000.00	112,000.00	6,000.00	
Future of Hawthorne:					
Other Expenses	2,000.00	2,000.00		2,000.00	
<u>LAND USE ADMINISTRATION</u>					
Planning Board:					
Salaries and Wages	23,379.00	23,379.00	23,377.90	1.10	
Other Expenses	5,962.00	5,962.00	3,111.87	2,850.13	

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, 2014

	APPROPRIATIONS		EXPENDED		<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>					
<u>LAND USE ADMINISTRATION (CONTINUED)</u>					
Zoning Board of Adjustments:					
Salaries and Wages	\$ 20,618.00	\$ 15,618.00	\$ 15,145.73	472.27	
Other Expenses	1,412.00	6,412.00	6,310.98	101.02	
Computerized Data Processing:	84,640.00	94,640.00	91,611.31	3,028.69	
<u>PUBLIC SAFETY</u>					
Police:					
Salaries and Wages	3,844,726.00	3,921,726.00	3,921,726.00		
Other Expenses	148,487.00	152,987.00	152,874.59	112.41	
Police Dispatchers:					
Salaries and Wages	145,673.00	148,673.00	148,673.00		
Occupational Safety Health Act (NJS 40A:4-45.3):					
Salaries and Wages	21,530.00	21,530.00	21,290.73	239.27	
Other Expenses	9,939.00	9,939.00	9,696.94	242.06	
Emergency Management Services:					
Salaries and Wages	2,000.00	2,000.00	2,000.00		
Other Expenses	5,620.00	5,620.00	130.00	5,490.00	
Ambulance Corps:					
Other Expenses	4,900.00	4,900.00	4,743.00	157.00	
Prosecutor					
Salaries and Wages	31,392.00	31,392.00	31,391.11	0.89	
Domestic Violence Response:					
Other Expenses	500.00	500.00		500.00	
Fire:					
Salaries and Wages	18,000.00	18,000.00	18,000.00		
Other Expenses	3,608.00	3,608.00	3,353.95	254.05	
Other Expenses - Fire Hydrant Service	89,100.00	89,100.00	89,100.00		
Uniform Fire Safety Act:					
Salaries and Wages	116,359.00	116,359.00	116,359.00		
Other Expenses	185,758.00	185,758.00	175,301.10	10,456.90	
Municipal Court:					
Salaries and Wages	112,646.00	112,646.00	104,465.78	8,180.22	
Other Expenses	10,401.00	10,401.00	7,031.57	3,369.43	

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, 2014

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>PUBLIC WORKS</u>					
Road Repair and Maintenance:					
Salaries and Wages	\$ 680,451.00	\$ 680,451.00	\$ 649,651.00	30,800.00	
Other Expenses	293,615.00	293,615.00	291,599.65	2,015.35	
Sewer System Maintenance:					
Salaries and Wages	166,434.00	166,434.00	166,434.00		
Other Expenses	72,075.00	72,075.00	56,421.18	15,653.82	
Shade Tree Commission:					
Salaries and Wages	3,000.00	3,000.00	1,236.15	1,763.85	
Other Expenses	115,945.00	115,945.00	90,966.75	24,978.25	
Solid Waste Collection:					
Other Expenses - Recycling	271,200.00	258,200.00	250,154.41	8,045.59	
Other Expenses - Garbage Removal - Contractual	301,500.00	301,500.00	296,868.00	4,632.00	
Buildings and Grounds:					
Salaries and Wages	94,378.00	94,378.00	63,047.31	31,330.69	
Other Expenses	92,335.00	97,335.00	93,858.91	3,476.09	
Maintenance of Parks:					
Other Expenses	55,515.00	55,515.00	41,060.89	14,454.11	
Vehicle Maintenance:					
Other Expenses	231,615.00	234,615.00	231,134.91	3,480.09	\$
Community Services Act:					
Other Expenses	40,000.00	40,000.00	40,000.00		
<u>HEALTH AND HUMAN SERVICES</u>					
Board of Health:					
Salaries and Wages	104,138.00	104,138.00	104,059.01	78.99	
Other Expenses	26,296.00	26,296.00	25,842.44	453.56	
Environmental Commission:					
Other Expenses	2,600.00	2,600.00	2,554.36	45.64	
Animal Control Services:					
Other Expenses	9,000.00	9,000.00	9,000.00		
Board of Recreation:					
Salaries and Wages	90,184.00	90,184.00	88,081.58	2,102.42	
Other Expenses	69,570.00	69,570.00	57,036.82	12,533.18	
Swimming Pool:					
Salaries and Wages	87,000.00	87,000.00	84,070.52	2,929.48	
Other Expenses	46,995.00	80,995.00	58,513.48	22,481.52	

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, 2014

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>OTHER COMMON OPERATING FUNCTIONS</u>					
Unused Comp Time:					
Salaries and Wages	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00		
Celebration of Public Events:					
Other Expenses	25,950.00	25,950.00	25,167.19	782.81	
Bond Fees:					
Other Expenses	6,348.00	6,348.00	4,808.75	1,539.25	
<u>CODE ENFORCEMENT AND ADMINISTRATION</u>					
Uniform Construction Code Enforcement Functions:					
Building Inspector:					
Salaries and Wages	165,666.00	165,666.00	151,923.84	13,742.16	
Other Expenses	60,732.00	60,732.00	60,732.00		
Property Code Enforcement:					
Salaries and Wages	61,986.00	61,986.00	61,986.00		
Other Expenses	6,006.00	6,006.00	4,631.72	1,374.28	
<u>UTILITY EXPENSES AND BULK PURCHASES</u>					
Electricity	193,000.00	193,000.00	187,705.42	5,294.58	
Street Lighting	152,000.00	152,000.00	152,000.00		
Telephone	63,600.00	58,600.00	58,475.00	125.00	
Gasoline	200,750.00	179,750.00	172,645.42	7,104.58	
Landfill/Solid Waste Disposal Costs:					
Dumping Fees	489,325.00	459,325.00	425,670.13	33,654.87	
Salary Adjustment Account	5,000.00	5,000.00	5,000.00		
Insurance:					
General Insurance	212,358.00	212,358.00	174,779.30	37,578.70	
Worker's Compensation Insurance	135,000.00	135,000.00	135,000.00		
Group Insurance for Employees	1,493,720.00	1,450,720.00	1,350,043.73	100,676.27	
Public Defender:					
Salaries and Wages	3,600.00	3,600.00	3,300.00	300.00	
Total Operations Within "CAPS"	12,264,738.00	12,281,238.00	11,833,158.42	448,079.58	
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, 2014

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>Total Operations Including Contingent Within "CAPS"</u>	<u>12,266,738.00</u>	<u>12,283,238.00</u>	<u>11,833,158.42</u>	<u>450,079.58</u>	
Detail:					
Salaries and Wages	\$ 6,419,824.00	\$ 6,495,324.00	\$ 6,395,134.31	100,189.69	
Other Expenses:	5,846,914.00	5,787,914.00	5,438,024.11	349,889.89	
Municipal Within "CAPS":					
Statutory Charges:					
Social Security System (O.A.S.I)	243,600.00	233,600.00	226,842.48	6,757.52	
Public Employees' Retirement System of NJ	253,297.00	253,297.00	253,297.00		
Police and Fireman's Retirement System of NJ	762,172.00	762,172.00	762,172.00		
DCRP	1,500.00	2,000.00	1,613.81	386.19	
Unemployment Insurance	5,000.00	5,000.00	5,000.00		
Pension Adjustment	14,990.00	29,490.00	28,430.95	1,059.05	
<u>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</u>	<u>1,280,559.00</u>	<u>1,285,559.00</u>	<u>1,277,356.24</u>	<u>8,202.76</u>	
<u>Total General Appropriations for Municipal Purposes Within "CAPS"</u>	<u>13,547,297.00</u>	<u>13,568,797.00</u>	<u>13,110,514.66</u>	<u>458,282.34</u>	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Planning Board:					
Other Expenses - Affordable Housing	5,000.00	5,000.00		5,000.00	
Length of Service Award Program (LOSAP)	113,100.00	113,100.00	113,100.00		
Recycling Tax	19,000.00	19,000.00	19,000.00		

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, 2014

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS EXCLUDED FROM "CAPS"(CONTINUED)</u>					
Maintenance of Free Public Library:					
Salaries and Wages	623,789.00	623,789.00	590,766.14	33,022.86	
Other Expenses - Contribution	262,701.00	262,701.00	262,701.00		
Other Expenses - Other Costs	364,300.00	364,300.00	364,300.00		
Sewer Processing and Disposal:					
Other Expenses - Passaic Valley Sewer Rental	1,130,414.00	1,130,414.00	1,130,413.13	0.87	
Other Expenses - Other Municipal Projects	20,000.00	20,000.00	19,753.02	246.98	
NJDEP Stormwater Permits	9,950.00	9,950.00	4,975.00	4,975.00	
Total Other Operations Excluded from "CAPS"	<u>2,548,254.00</u>	<u>2,548,254.00</u>	<u>2,505,008.29</u>	<u>43,245.71</u>	
<u>Public and Private Programs Offset by Revenues</u>					
Click or Ticket Grant (40A:4-87 \$4,000.00)		4,000.00		4,000.00	
Drive Sober Grant (40A:4-87 \$5,000.00)		5,000.00	5,000.00		
Police Body Armor Fund	3,925.00	3,925.00	2,225.85	1,699.15	
Municipal Alliance::					
Grant Funds	34,684.00	34,684.00	18,550.57	16,133.43	
Local Match	8,672.00	8,672.00		8,672.00	
Emergency Management Grant	5,000.00	5,000.00	2,995.00	2,005.00	
City Green Grant Program	2,500.00	2,500.00	2,500.00		
Drunk Driving Enforcement Fund (40A:4-87 \$2,793.02)	3,365.00	6,158.02		6,158.02	
Distracted Driving Grant	5,000.00	5,000.00	5,000.00		
Recycling Tonnage Grant	22,381.00	22,381.00		22,381.00	
Alcohol Rehab Grant (40A:4-87 \$1,122.52)		1,122.52		1,122.52	
Sustainable NJ	2,000.00	2,000.00	2,000.00		
Clean Communities Program (40A:4-87 \$29,958.39)		29,958.39	5,000.00	24,958.39	
Total Public and Private Programs Offset by Revenues	<u>87,527.00</u>	<u>130,400.93</u>	<u>43,271.42</u>	<u>87,129.51</u>	
<u>Total Other Operations Excluded from "CAPS"</u>	<u>2,635,781.00</u>	<u>2,678,654.93</u>	<u>2,548,279.71</u>	<u>130,375.22</u>	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$	
Total Capital Improvements - Excluded from "CAPS"	<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</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, 2014

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	1,495,000.00	1,495,000.00	1,495,000.00		
Interest on Bonds	392,698.00	392,698.00	392,693.76		4.24
Interest on Notes	28,000.00	28,000.00	27,359.99		640.01
Loan Repayments for Principal and Interest	289,456.00	289,456.00	267,681.62		21,774.38
Total Municipal Debt Service - Excluded from "CAPS"	<u>2,205,154.00</u>	<u>2,205,154.00</u>	<u>2,182,735.37</u>		<u>22,418.63</u>
Total General Appropriations Excluded from "CAPS"	<u>4,940,935.00</u>	<u>4,983,808.93</u>	<u>4,831,015.08</u>	<u>130,375.22</u>	<u>22,418.63</u>
<u>Subtotal General Appropriations</u>	<u>18,488,232.00</u>	<u>18,552,605.93</u>	<u>17,941,529.74</u>	<u>588,657.56</u>	<u>22,418.63</u>
Reserve for Uncollected Taxes	<u>1,620,000.00</u>	<u>1,620,000.00</u>	<u>1,620,000.00</u>		
Total General Appropriations	<u>\$ 20,108,232.00</u>	<u>\$ 20,172,605.93</u>	<u>\$ 19,561,529.74</u>	<u>\$ 588,657.56</u>	<u>\$ 22,418.63</u>
	REF.	A-3	A-1	A:A-1	
Budget as Adopted	A-2	\$ 20,108,232.00			
Added by N.J.S. 40A:4-46	A-23	21,500.00			
Added by N.J.S. 40A:4-87	A-2	42,873.93			
		<u>\$ 20,172,605.93</u>			
Cash Disbursed	A-4		\$ 17,640,011.28		
Encumbrances Payable	A-17		670,885.58		
Length of Service Award Program Contributions Payable	A-20		113,100.00		
Reserve for Uncollected Taxes	A-2		1,620,000.00		
			<u>20,043,996.86</u>		
Cash Receipts	A-4		482,467.12		
			<u>\$ 19,561,529.74</u>		

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

TRUST FUND

BOROUGH OF HAWTHORNE

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
<u>ASSETS</u>			
Assessment Trust Fund:			
Cash	B-2	\$ 617,262.54	\$ 523,051.67
Assessments Receivable	B-4	210,250.96	228,839.48
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	<u>237,137.30</u>	<u>370,137.30</u>
Amount to be Raised by Taxation- Canceled Assessments	B-10	<u>6,253.21</u>	<u>5,794.58</u>
		<u>1,083,978.01</u>	<u>1,140,897.03</u>
Animal Control Trust Fund:			
Cash	B-2	34,555.03	30,971.43
Due From State of New Jersey	B-13	<u>1.20</u>	<u></u>
		<u>34,556.23</u>	<u>30,971.43</u>
Other Trust Funds:			
Cash	B-2	971,727.98	1,147,990.90
Due Current Fund	B-16	<u></u>	<u>4,648.00</u>
		<u>971,727.98</u>	<u>1,152,638.90</u>
		<u>\$ 2,090,262.22</u>	<u>\$ 2,324,507.36</u>

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

BOROUGH OF HAWTHORNE

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Assessment Trust Fund:			
Due General Capital Fund	B-8	\$ 540,218.74	\$ 540,218.74
Due Current Fund	B-7	2,193.51	2,048.29
Assessment Bonds Notes Payable	B-15	480,000.00	540,000.00
Reserve for:			
Assessments Receivable	B-4	2,935.76	
Assessment Liens Receivable	B-5	10,331.00	10,331.00
Prospective Assessments Funded	B-9	45,550.00	45,550.00
Assessment Lien Interest and Costs	B-6	2,743.00	2,743.00
Fund Balance	B-1	<u>6.00</u>	<u>6.00</u>
		<u>1,083,978.01</u>	<u>1,140,897.03</u>
Animal Control Trust Fund:			
Reserve for Animal Control Fund Expenditures	B-12	<u>34,556.23</u>	<u>30,971.43</u>
		<u>34,556.23</u>	<u>30,971.43</u>
Other Funds:			
Reserve For:			
Due Current Fund	B-16	8,368.89	
Due to State of NJ - Unemployment Claims	B-14	121,003.44	136,325.35
Various Reserves and Deposits	B-11	<u>842,355.65</u>	<u>1,016,313.55</u>
		<u>971,727.98</u>	<u>1,152,638.90</u>
		<u>\$ 2,090,262.22</u>	<u>\$ 2,324,507.36</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>	YEAR ENDED DECEMBER <u>31, 2014</u>	YEAR ENDED DECEMBER <u>31, 2013</u>
Balance, January 1	B	\$ <u>6.00</u>	\$ <u>6.00</u>
Balance, December 31	B	\$ <u><u>6.00</u></u>	\$ <u><u>6.00</u></u>

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

GENERAL CAPITAL FUND

BOROUGH OF HAWTHORNEGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 2,768,014.72	\$ 1,393,602.01
Grants Receivable	C-8	1,921,116.26	1,799,856.26
Due Assessment Trust Fund	C-7	540,218.74	540,218.74
Loans Proceeds Receivable	C-6	270,464.00	270,464.00
Prospective Assessments Raised by Taxation	C-9	18,750.00	17,750.00
Deferred Charges to Future Taxation:			
Funded	C-4	11,448,349.28	13,209,330.58
Unfunded	C-5	6,636,076.93	4,780,661.25
		<u>\$ 23,602,989.93</u>	<u>\$ 22,011,882.84</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-10	\$ 10,580,000.00	\$ 12,075,000.00
NJ Environmental Infrastructure Loans Payable	C-11	868,349.28	1,134,330.58
Bond Anticipation Notes	C-13	5,252,000.00	1,824,000.00
Improvement Authorizations:			
Funded	C-14	198,708.43	535,813.44
Unfunded	C-14	2,544,274.94	2,383,426.86
Capital Improvement Fund	C-15	133,130.03	235,130.03
Encumbrances Payable	C-16	1,087,893.47	1,139,089.92
Various Reserves and Deposits	C-12	1,116,650.75	1,060,464.98
Reserve for Receivables	C-8	1,692,944.43	1,527,944.43
Reserve for Prospective Assessments	C-9	18,750.00	17,750.00
Fund Balance	C-1	110,288.60	78,932.60
		<u>\$ 23,602,989.93</u>	<u>\$ 22,011,882.84</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, 2013	C	\$	78,932.60
Increased by:			
Premium on Sale of Notes	C-2		31,356.00
		\$	<u>110,288.60</u>
Balance, December 31, 2014	C	\$	<u><u>110,288.60</u></u>

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

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WATER UTILITY FUND

BOROUGH OF HAWTHORNE

WATER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER <u>31, 2014</u>	BALANCE DECEMBER <u>31, 2013</u>
Operating Fund:			
Cash	D-5	\$ 1,093,831.79	\$ 698,127.13
Change Fund	D	<u>100.00</u>	<u>100.00</u>
		<u>1,093,931.79</u>	<u>698,227.13</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	<u>489,755.92</u>	<u>436,186.26</u>
Deferred Charges:			
Operating Deficit	D-1	<u></u>	<u>5,131.50</u>
<u>Total Operating Fund</u>		<u>1,583,687.71</u>	<u>1,139,544.89</u>
Capital Fund:			
Cash	D-5	342,879.15	375,435.43
Loan Proceeds Receivable	D-15	307,803.00	307,803.00
Fixed Capital	D-16	10,318,746.57	10,318,746.57
Fixed Capital Authorized and Uncompleted	D-17	<u>1,615,000.00</u>	<u>1,215,000.00</u>
<u>Total Capital Fund</u>		<u>12,584,428.72</u>	<u>12,216,985.00</u>
		<u>\$ 14,168,116.43</u>	<u>\$ 13,356,529.89</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, 2014</u>	<u>BALANCE DECEMBER 31, 2013</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-9	\$ 60,522.22	\$ 185,517.19
Encumbrances Payable	D-10	132,470.66	109,915.93
Due Current Fund	D-13	435.62	
Water Rent Overpayments	D-8	3,298.53	4,157.02
Accrued Interest on Bonds and Loans	D-14	23,928.00	23,928.00
		<u>220,655.03</u>	<u>323,518.14</u>
Reserve for Receivables	D-7	489,755.92	436,186.26
Fund Balance	D-1	873,276.76	379,840.49
		<u>1,583,687.71</u>	<u>1,139,544.89</u>
<u>Total Operating Fund</u>		<u>1,583,687.71</u>	<u>1,139,544.89</u>
Capital Fund:			
Serial Bonds Payable	D-24	1,344,000.00	1,459,000.00
Water Loans Payable	D-11	1,145,634.43	1,291,151.52
Improvement Authorizations:			
Funded	D-18	254,794.19	286,793.43
Unfunded	D-18	399,692.96	250.00
Capital Improvement Fund	D-22	3,851.00	3,851.00
Reserve For:			
Payment of Debt	D-20	390,966.00	390,966.00
Amortization	D-19	8,983,112.14	8,722,595.05
Deferred Amortization	D-21	60,750.00	60,750.00
Fund Balance	D-2	1,628.00	1,628.00
		<u>12,584,428.72</u>	<u>12,216,985.00</u>
<u>Total Capital Fund</u>		<u>12,584,428.72</u>	<u>12,216,985.00</u>
		<u>\$ 14,168,116.43</u>	<u>\$ 13,356,529.89</u>

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

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, 2014</u>	YEAR ENDED DECEMBER <u>31, 2013</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-3	\$ 224,014.50	\$ 175,482.00
Water Rents	D-3	3,119,046.70	2,608,056.86
Fire Hydrant Service	D-3	102,900.00	108,750.00
Miscellaneous	D-3	34,647.81	20,059.46
Non-Budget Revenue	D-3:D-5	5,631.70	4,935.07
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-9	148,611.20	65,744.92
Cancel Encumbrances Payable	D-10	2,876.00	
		<u>3,637,727.91</u>	<u>2,983,028.31</u>
<u>TOTAL INCOME</u>			
<u>EXPENDITURES</u>			
Operating	D-4	2,443,193.00	2,416,602.00
Capital Improvements	D-4	11,500.00	79,300.00
Debt Service	D-4	318,690.42	311,051.04
Statutory Expenditures and Deferred Charges	D-4	145,631.50	140,500.00
Refund of Prior Year Revenue	D-5	1,262.22	
		<u>2,920,277.14</u>	<u>2,947,453.04</u>
<u>TOTAL EXPENDITURES</u>			
Excess in Revenue to Fund Balance		717,450.77	35,575.27
<u>Fund Balance</u>			
Balance, January 1	D	379,840.49	519,747.22
		<u>1,097,291.26</u>	<u>555,322.49</u>
Decreased by:			
Utilization by Swimming Pool Operating Budget	D-1:D-3	224,014.50	175,482.00
Balance, December 31	D	<u>\$ 873,276.76</u>	<u>\$ 379,840.49</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

	<u>REF.</u>	YEAR ENDED DECEMBER <u>31, 2014</u>	YEAR ENDED DECEMBER <u>31, 2013</u>
Balance, January 1		\$ <u>1,628.00</u>	\$ <u>1,628.00</u>
Balance, December 31	D	\$ <u><u>1,628.00</u></u>	\$ <u><u>1,628.00</u></u>

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, 2014

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>(DEFICIT)</u>
Fund Balance Anticipated	D-1	\$ 224,014.50	\$ 224,014.50	\$
Water Rents	D-1	2,608,000.00	3,119,046.70	511,046.70
Fire Hydrant Service	D-1:D-5	89,100.00	102,900.00	13,800.00
Miscellaneous	D-1:D-5	<u>20,000.00</u>	<u>34,647.81</u>	<u>14,647.81</u>
	D-4	\$ <u>2,941,114.50</u>	\$ <u>3,480,609.01</u>	\$ <u>539,494.51</u>
Non-Budget Revenue	D-5		<u>5,631.70</u>	
			\$ <u>3,486,240.71</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, 2014

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Operating:					
Salaries and Wages	\$ 1,043,222.00	\$ 1,043,222.00	\$ 1,042,715.59	\$ 506.41	\$
Other Expenses	891,591.00	891,591.00	843,075.19	48,515.81	
General Insurance	177,600.00	177,600.00	177,600.00		
Group Insurance for Employees	296,400.00	296,400.00	296,400.00		
Laboratory Testing and Safe Water Act	34,380.00	34,380.00	34,380.00		
<u>Total Operating</u>	<u>2,443,193.00</u>	<u>2,443,193.00</u>	<u>2,394,170.78</u>	<u>49,022.22</u>	
Capital Improvements:					
Capital Outlay	11,500.00	11,500.00		11,500.00	
<u>Total Capital Improvements</u>	<u>11,500.00</u>	<u>11,500.00</u>		<u>11,500.00</u>	
Debt Service:					
Payment of Bond Principal	115,000.00	115,000.00	115,000.00		
Interest on Bonds	35,800.00	35,800.00	35,800.00		
Payment Of Loan Principal & Interest	189,990.00	189,990.00	167,890.42		22,099.58
<u>Total Debt Service</u>	<u>340,790.00</u>	<u>340,790.00</u>	<u>318,690.42</u>		<u>22,099.58</u>
Statutory Expenditures:					
Contributions To:					
Public Employees Retirement System	57,000.00	57,000.00	57,000.00		
Social Security System (O.A.S.I.)	83,500.00	83,500.00	83,500.00		
Deficit in Operations in Prior Years	5,131.50	5,131.50	5,131.50		
<u>Total Deferred Charges &amp; Statutory Expenditures</u>	<u>145,631.50</u>	<u>145,631.50</u>	<u>145,631.50</u>		
	\$ <u>2,941,114.50</u>	\$ <u>2,941,114.50</u>	\$ <u>2,858,492.70</u>	\$ <u>60,522.22</u>	\$ <u>22,099.58</u>
REF.	D-3			D	
Cash Disbursements	D-5		\$ 2,722,160.54		
Encumbrances Payable	D-10		131,200.66		
Deferred Charge: Deficit in Operations in Prior Years			5,131.50		
			\$ <u>2,858,492.70</u>		

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

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PUBLIC ASSISTANCE FUND

BOROUGH OF HAWTHORNE  
PUBLIC ASSISTANCE FUND  
BALANCE SHEETS - REGULATORY BASIS

		<u>DECEMBER</u> <u>31, 2014</u>	<u>DECEMBER</u> <u>31, 2013</u>
	<u>A S S E T S</u>		
Cash	REF. E-1	\$ <u>15,618.59</u>	\$ <u>11,398.59</u>
		\$ <u>15,618.59</u>	\$ <u>11,398.59</u>
	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Reserve for Public Assistance	E-5	\$ <u>15,618.59</u>	\$ <u>11,398.59</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF HAWTHORNE

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	<u>DECEMBER</u> <u>31, 2014</u>	<u>DECEMBER</u> <u>31, 2013</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>11,485,268.00</u>	<u>10,729,851.00</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 32,095,268.00</u>	<u>\$ 31,339,851.00</u>
Investment in General Fixed Assets	<u>\$ 32,095,268.00</u>	<u>\$ 31,339,851.00</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, 2014 AND 2013

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.

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).

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:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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.

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

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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 - 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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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.

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

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

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits

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, 2014:

Fund Type	Bank	Reconciling Items		Reconciled
	Balance	Additions	Deletions	Balance
Current Fund	\$15,626,429.66	\$15,368.24	\$137,671.54	\$15,504,126.36
Animal Control Trust Fund	34,555.03			34,555.03
Assessment Trust Fund	617,308.27		45.73	617,262.54
Other Trust Fund	985,467.94		13,739.96	971,727.98
General Capital Fund	2,841,463.22		73,448.50	2,768,014.72
Public Assistance Fund	15,618.59			15,618.59
Water Utility:				
Operating Fund	1,096,837.31		3,005.52	1,093,831.79
Capital Fund	343,009.98		130.83	342,879.15
<b>TOTAL DECEMBER 31, 2014</b>	<b>\$21,560,690.00</b>	<b>\$15,368.24</b>	<b>\$228,042.08</b>	<b>\$21,348,016.16</b>

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, 2014, 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 \$20,417,752.83 was covered under the provisions of NJGUDPA. \$892,937.17 invested in the New Jersey Cash Management fund (cash equivalents) is uninsured.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

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;
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury 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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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, 2014, the Borough has \$892,937.17 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.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2014</u>	<u>YEAR 2013</u>	<u>YEAR 2012</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 16,700,349.28	\$ 15,033,330.58	\$ 14,901,351.61
Assessment:			
Bonds and Notes	480,000.00	540,000.00	600,000.00
Water Utility:			
Bonds, Loans and Notes	<u>2,489,634.43</u>	<u>2,750,151.52</u>	<u>2,999,755.64</u>
	19,669,983.71	18,323,482.10	18,501,107.25
Less: Funds Temporarily held to pay Bond and Notes - General Debt	<u>1,114,246.75</u>	<u>1,058,060.98</u>	<u>1,233,060.98</u>
<u>Net Debt Issued</u>	<u>18,555,736.96</u>	<u>17,265,421.12</u>	<u>17,268,046.27</u>
Authorized But Not Issued:			
General - Bonds and Notes	1,386,379.57	2,956,661.25	989,478.82
Assessment- Bonds and Notes	32,046.95	32,046.95	32,046.95
Water Utility - Bonds and Notes	<u>423,594.00</u>	<u>23,594.00</u>	<u>23,594.00</u>
<u>Total Authorized But Not Issued</u>	<u>1,842,020.52</u>	<u>3,012,302.20</u>	<u>1,045,119.77</u>
 NET BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	 \$ <u>20,397,757.48</u>	 \$ <u>20,277,723.32</u>	 \$ <u>18,313,166.04</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 0.758% as of December 31, 2014.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local District School Debt	\$ 8,256,000.00	\$ 8,256,000.00	
Water Utility Debt	2,913,228.43	2,913,228.43	
General Debt	<u>18,598,775.80</u>	<u>1,114,246.75</u>	\$ <u>17,484,529.05</u>
	 \$ <u>29,768,004.23</u>	 \$ <u>12,283,475.18</u>	 \$ <u>17,484,529.05</u>

NET DEBT \$17,854,810.73 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$2,305,544,335.30 EQUALS 0.758%.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

Equalized Valuation Basis* - December 31, 2014	\$	<u>2,305,544,335.30</u>
3-1/2% of Equalized Valuation Basis	\$	80,694,051.74
Net Debt		<u>17,484,529.05</u>
Remaining Borrowing Power	\$	<u>63,209,522.69</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, 2014

Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus		\$3,480,609.01
Deduction:		
Operating and Maintenance Cost	\$2,583,693.00	
Debt Service Per Water Utility Account	<u>318,690.42</u>	
		<u>2,902,383.42</u>
Excess in Revenue		<u>\$578,225.59</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Long-Term Debt

General Capital Fund

**General Serial Bonds:**

\$3,285,000.00 of 2005 Refunding Bonds due in an annual installment of \$300,000.00 through August 2015, at an interest rate of 4.00%.	\$ 300,000.00
\$3,510,000.00 of 2008 General Improvement Bonds due in annual installments of \$210,000.00 through February 2026 at interest rates of 4.00% to 5.00%.	2,520,000.00
\$1,585,000.00 of 2009 Refunding Bonds due in annual installments of \$215,000.00 to \$220,000.00 through October 2016, at interest rates of 2.50% to 3.50%.	435,000.00
\$4,235,000.00 of 2012 General Improvement Bonds due in annual installments of \$200,000.00 to \$350,000.00 through July 2028 at interest rates of 2.00% to 3.00%.	3,860,000.00
\$4,110,000.00 of 2012 Refunding Bonds due in annual installments of \$595,000.00 to \$745,000.00 through June 2019, at interest rates of 2.00% to 4.00%.	<u>3,465,000.00</u>
	<u>\$ 10,580,000.00</u>

Assessment Trust Fund

**Assessment Serial Bonds:**

\$600,000.00 of 2012 Assessment Bonds due in annual installments of \$60,000.00 through July 2022 at interest rates of 2.00% to 3.00%.	\$ <u>480,000.00</u>
--	----------------------

Water Utility Capital Fund

**Water Serial Bonds:**

\$3,510,000.00 of 2012 Water Improvement Bonds due in annual installments of \$60,000.00 to \$100,000.00 through July 2028 at interest rates of 2.00% to 3.00%.	\$ 1,039,000.00
\$365,000.00 of 2012 Refunding Bonds due in annual installments of \$60,000.00 to \$65,000.00 through June 2019, at interest rates of 2.00% to 4.00%.	<u>305,000.00</u>
	<u>\$ 1,344,000.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Long-Term Debt

Intergovernmental Loans:

**General Capital Fund**

Environmental Infrastructure Loans:

\$1,850,450 of 2004 Loans:

Fund Loan due in annual installments of principal only of  
\$ 47,033.53 to \$48,949.25 through August 2018, interest free \$ 190,500.42

Trust Loan due in annual installments of principal of  
\$25,000.00 to \$65,000.00 interest at 3.0% to 5.0% 370,000.00

\$513,750 of 2010 Fund Loan due in annual installments  
of principal of \$12,670.38 to \$27,522.31 through August  
2023 interest-free 232,848.86

\$175,000 of 2010 Trust Loan due in annual installments  
of principal of \$5,000.00 to \$10,000.00 through August  
2022 at interest rates of 4.0% to 5.0% 75,000.00

\$ 868,349.28

**Water Capital Fund**

Environmental Infrastructure Loans:

\$1,425,000 of 2003 Trust Loan due in annual installments  
of principal of \$75,000.00 to \$105,000.00 through August  
2023 at interest rates of 3.0% to 4.75%. \$ 820,000.00

\$1,299,259 of 2003 Fund Loan due in annual installments  
of principal of \$49,025.52 to \$70,547.53 through August  
2019 interest-free 325,634.43

\$ 1,145,634.43

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Bonds and Notes Authorized But Not Issued

At December 31, 2014 the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	\$ <u>1,386,379.57</u>
Assessment Fund	\$ <u>32,046.95</u>
Water Utility Capital Fund	\$ <u>423,594.00</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2014

General Capital Fund

Calendar Year	Principal	Interest	Total
2015	\$ 1,525,000.00	\$ 336,793.76	\$ 1,861,793.76
2016	1,335,000.00	286,468.76	1,621,468.76
2017	1,145,000.00	243,825.00	1,388,825.00
2018	1,165,000.00	203,575.00	1,368,575.00
2019	1,205,000.00	159,075.00	1,364,075.00
2020	460,000.00	128,675.00	588,675.00
2021	460,000.00	115,275.00	575,275.00
2022	485,000.00	101,875.00	586,875.00
2023	510,000.00	85,225.00	595,225.00
2024	510,000.00	67,825.00	577,825.00
2025	535,000.00	50,162.50	585,162.50
2026	560,000.00	33,925.00	593,925.00
2027	350,000.00	17,125.00	367,125.00
2028	<u>335,000.00</u>	<u>8,375.00</u>	<u>343,375.00</u>
Total	\$ <u>10,580,000.00</u>	<u>1,838,200.02</u>	\$ <u>12,418,200.02</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2014

Water Utility Capital Fund

Calendar Year	Principal	Interest	Total
2015	\$ 120,000.00	\$ 33,450.00	\$ 153,450.00
2016	130,000.00	30,750.00	160,750.00
2017	130,000.00	27,550.00	157,550.00
2018	130,000.00	24,050.00	154,050.00
2019	135,000.00	20,150.00	155,150.00
2020	80,000.00	17,450.00	97,450.00
2021	80,000.00	15,850.00	95,850.00
2022	80,000.00	14,250.00	94,250.00
2023	80,000.00	11,850.00	91,850.00
2024	90,000.00	9,450.00	99,450.00
2025	90,000.00	6,750.00	96,750.00
2026	100,000.00	4,725.00	104,725.00
2027	<u>99,000.00</u>	<u>2,475.00</u>	<u>101,475.00</u>
Total	\$ <u>1,344,000.00</u>	\$ <u>218,750.00</u>	\$ <u>1,562,750.00</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR LOANS ISSUED AND OUTSTANDING DECEMBER 31, 2014

CALENDAR YEAR	NJ EIT LOANS - GENERAL CAPITAL		
	PRINCIPAL	INTEREST	TOTAL
2015	\$ 104,391.03	\$ 25,275.00	\$ 129,666.03
2016	86,471.56	24,025.00	110,496.56
2017	135,171.23	23,525.00	158,696.23
2018	139,555.84	20,525.00	160,080.84
2019	92,522.31	17,275.00	109,797.31
2020	97,522.31	14,125.00	111,647.31
2021	97,522.31	10,625.00	108,147.31
2022	102,522.31	7,325.00	109,847.31
2023	<u>12,670.38</u>	<u>3,675.00</u>	<u>16,345.38</u>
	\$ <u>868,349.28</u>	\$ <u>146,375.00</u>	\$ <u>1,014,724.28</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR LOANS ISSUED AND OUTSTANDING DECEMBER 31, 2014

CALENDAR YEAR	NJ EIT LOANS - WATER CAPITAL		
	PRINCIPAL	INTEREST	TOTAL
2015	\$ 143,234.65	\$ 37,107.50	\$ 180,342.15
2016	149,451.95	34,107.50	183,559.45
2017	155,547.53	30,907.50	186,455.03
2018	153,374.78	27,337.50	180,712.28
2019	139,025.52	23,725.00	162,750.52
2020	95,000.00	19,225.00	114,225.00
2021	100,000.00	14,475.00	114,475.00
2022	105,000.00	9,975.00	114,975.00
2023	105,000.00	4,987.50	109,987.50
	<u>\$ 1,145,634.43</u>	<u>\$ 201,847.50</u>	<u>\$ 1,347,481.93</u>

BOND ANTICIPATION NOTE

	Interest Rate	Maturity Date	Amount
General Capital	1.00%	10/30/2015	\$ <u>5,252,000.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2014, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015, were as follows:

Current Fund	\$1,941,000.00
Swimming Pool Operating Fund	-0-

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 31, 2014	BALANCE DECEMBER 31, 2013
Prepaid Taxes	<u>\$312,575.46</u>	<u>\$202,659.98</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 Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at [www.nj.gov/treasury/pensions/annrpts.shtml](http://www.nj.gov/treasury/pensions/annrpts.shtml).

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

NOTE 6: PENSION PLANS (CONTINUED)

Plan Descriptions (Continued)

Police and Fireman's Retirement System (PFRS) - The Police and Fireman'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 alter 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 invested 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 invested. 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 New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. During 2013 PERS provides for employee contributions of 6.78% of employees' annual compensation. 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. During 2013,

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 \$1,015,469 for 2014 \$1,204,290.00 for 2013 and \$1,152,461.00 for 2012.

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

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.

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, 2014.

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 2014. 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.

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, 2014, 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 the 2014 and the previous two years:

NOTE 11: RISK MANAGEMENT (CONTINUED)

<u>Fiscal Year</u>		<u>Interest Earned</u>		<u>Employee Contributions</u>		<u>Amount Reimbursed</u>		<u>Ending Balance</u>
2014	\$	129.85	\$	15,995.69	\$	31,447.45	\$	121,003.44
2013		114.03		11,145.40		14,552.19		136,325.35
2012		76.39		10,949.41		39,387.17		139,618.11

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2014:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current Fund	\$ 10,998.02	
Assessment Trust Fund		\$ 542,412.25
Trust Funds		8,368.89
General Capital Fund	540,218.74	
Water Utility Operating Fund		435.62
	<u>\$ 551,216.76</u>	<u>\$ 551,216.76</u>

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

NOTE 13: POST-EMPLOYMENT BENEFITS (GASB 45)

Plan Description: The Borough provides post-employment healthcare for eligible retirees and their spouses in accordance with established collective bargaining contracts and Borough Code. Employees who retire at age 59 and who have completed 25 years of service with the Borough are eligible to participate. The Borough contributes 50% of the cost of the plan with the remaining 50% of the cost borne by the retiree.

Funding Policy: Medical benefits are funded on a pay-as-you-go basis.

Disclosure Requirements: Under current New Jersey budget and financial reporting requirements, the Borough is not required to recognize any long-term obligations resulting from OPEB on the balance sheets; however, OPEB obligations are required to be disclosed in the Notes to the Financial Statements as required by Local Finance Notice 2009-13.

NOTE 13: POST-EMPLOYMENT BENEFITS (GASB 45) (CONTINUED)

Contributions to pay for the health premiums of participating retirees in the plan are billed to the Borough on a monthly basis. The Borough's contributions to the plan for the years ended December 31, 2014, 2013 and 2012, were \$4,020.90, \$6,057.00 and \$5,046.50, respectively, which equaled the required pay-as-you-go contributions for each year.

NOTE 14: DEFERRED SCHOOL TAXES

School taxes raised in the calendar year for the school fiscal year (July 1 to June 30) which remain unpaid at December 31 may be deferred to current fund balance in an amount not exceeding fifty percent (50%) of the levy providing the school district has not requisitioned the funds. As of December 31, 2014 the unpaid levy was \$17,163,113.00. The Borough has deferred \$7,951,484.00. The balance of \$9,211,629.00 is reported as a liability as of December 31, 2014.

NOTE 15: 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. Contributions are made solely by the Borough on behalf of those volunteers who meet the eligibility criteria established by Ordinance.

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 Borough's costs amounted to \$113,100.00.

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 16: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through June 25, 2015 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that there are no material subsequent events needed to be disclosed.

BOROUGH OF HAWTHORNE  
SUPPLEMENTARY SCHEDULES – ALL FUNDS  
YEAR ENDED DECEMBER 31, 2014

BOROUGH OF HAWTHORNE  
CURRENT FUND  
SCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	
Balance, December 31, 2013	A	\$	14,768,928.68
Increased by Receipts:			
Taxes Receivable	A-6	\$ 65,276,196.24	62,933,703.25
Tax Overpayments	A-16	25,192.82	
State of New Jersey-Chapter 20, P.L. 1971	A-7	144,812.98	
Revenue Accounts Receivable	A-8	3,535,578.56	
Miscellaneous Revenue Not Anticipated	A-2	533,571.38	
Prepaid Taxes	A-15	312,575.46	
Grants Unappropriated	A-22	34,554.36	
Grants Receivable	A-11	76,105.16	
Appropriation Refunds	A-3	482,467.12	
Fees Payable	A-19	31,433.00	
Interfunds	A-24	933,138.63	
			<u>71,385,625.71</u>
			86,154,554.39
Decreased by Disbursements:			
2014 Appropriations	A-3	17,640,011.28	
2013 Appropriation Reserves	A-13	654,657.49	
Accounts Payable	A-18	10,236.94	
Tax Overpayments Refunded	A-16	42,262.47	
County Taxes	A-12	16,001,921.02	
Local District School Tax	A-13	35,105,432.00	
LOSAP Contributions Payable	A-20	111,022.73	
Reserve for Grants Appropriated	A-21	27,938.99	
Interfunds	A-24	946,736.36	
Fees Payable	A-19	44,640.00	
Refund of Prior Year Revenues	A-1	65,568.75	
			<u>70,650,428.03</u>
Balance, December 31, 2014	A	\$	<u>15,504,126.36</u>

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

<u>OFFICE</u>	BALANCE DECEMBER 31, 2014	BALANCE DECEMBER 31, 2013
Tax Office	\$ 100.00	\$ 100.00
Municipal Court	150.00	150.00
Borough Clerk	25.00	25.00
Board of Health/Registrar	25.00	25.00
Library	10.00	10.00
	<u>\$ 310.00</u>	<u>\$ 310.00</u>
<u>REF.</u>	A	A

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE	2014 LEVY	COLLECTED		OVERPAYMENTS APPLIED	TRANSFER TO TAX TITLE LIENS	CANCELED	BALANCE
	DECEMBER 31, 2013		IN 2013	IN 2014				DECEMBER 31, 2014
2013	\$ 997,224.08	\$	\$	\$ 968,542.10	41.37	\$ 27,885.00	\$ 755.61	
	997,224.08			968,542.10	41.37	27,885.00	755.61	
2014		65,904,261.96	202,659.98	64,441,309.02		85,113.41	129,598.09	\$ 1,045,581.46
	\$ 997,224.08	\$ 65,904,261.96	\$ 202,659.98	\$ 65,409,851.12	\$ 41.37	\$ 112,998.41	\$ 130,353.70	\$ 1,045,581.46
REF.	A		A-2:A-15	A-2	A-2:A-18	A-9		A
Cash Receipts	A-4			\$ 65,276,196.24				
Due from State of New Jersey	A-7			133,654.88				
				\$ 65,409,851.12				

ANALYSIS OF 2014 PROPERTY TAX LEVY

TAX YIELD

General Purpose Tax	\$ 65,716,369.41
Added Taxes (54:4-63.1 et. seq.)	187,892.55
	<u>\$ 65,904,261.96</u>

TAX LEVY

Local District School Tax (Abstract)	A-13	\$ 35,441,966.00
County Taxes:		
County Tax (Abstract)	\$ 15,967,073.20	
Due County for Added Taxes (54:4-63.1 et. seq.)	33,319.58	
Total County Taxes	A-12	16,000,392.78
Local Tax for Municipal Purposes (Abstract)	A-2	13,547,400.11
Minimum Library Tax	A-2	752,300.89
Add: Additional Tax Levied		162,202.18
		<u>14,461,903.18</u>
		<u>\$ 65,904,261.96</u>

BOROUGH OF HAWTHORNECURRENT FUNDSCHEDULE OF DUE STATE OF NEW JERSEY  
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2013 (Due To)	A		\$ 72,392.30
Increased by:			
Deductions Disallowed:			
Current Year Deductions		\$ 8,845.12	
Prior Year Deductions		3,500.00	
Received From State of New Jersey	A-4	<u>144,812.98</u>	
			<u>157,158.10</u>
			<u>229,550.40</u>
Decreased by:			
Deductions Per Tax Duplicate:			
Senior Citizens		25,750.00	
Veterans		120,000.00	
Allowed by Tax Collector:			
Senior Citizens and Veterans-Prior Year			
Senior Citizens and Veterans-Current Year		<u>250.00</u>	
			<u>146,000.00</u>
Balance, December 31, 2014 (Due To)	A		\$ <u><u>83,550.40</u></u>

SUMMARY OF 2014 EXEMPTIONS

Senior Citizens and Veterans Exemptions Per Tax Billings		\$ 145,750.00	
Senior Citizens and Veterans Exemptions Allowed by Tax Collector		250.00	
Senior Citizens and Veterans Exemptions Disallowed by Tax Collector- 2014		(8,845.12)	
Disallowed by Collector: 2013 Taxes	A-6	<u>3,500.00</u>	\$ <u><u>133,654.88</u></u>

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>ACCRUED</u> <u>IN 2014</u>	<u>COLLECTED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>
Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 40,450.00	\$ 40,450.00	\$
Licenses-Other	A-2		13,373.00	13,373.00	
Building Code Official:					
Fees and Permits	A-2		8,561.00	8,561.00	
Municipal Court:					
Fines and Costs	A-2	21,373.36	257,672.33	265,057.68	13,988.01
Board of Health/Registrar:					
Licenses-Other	A-2		3,196.00	3,196.00	
Fees and Permits	A-2		32,195.00	32,195.00	
Police Department:					
Fees and Permits	A-2		3,703.44	3,703.44	
Public Works Department:					
Fees and Permits	A-2		2,235.17	2,235.17	
Planning Board:					
Fees and Permits	A-2		200.00	200.00	
Zoning Board:					
Fees and Permits	A-2		16,480.00	16,480.00	
Fire Prevention:					
Fees and Permits	A-2		43,760.00	43,760.00	
Other					
Fees and Permits	A-2		34,281.07	34,281.07	
Uniform Construction Code Fees	A-2		218,047.00	218,047.00	
Rentals- Board of Education	A-2		20,000.00	20,000.00	
Interest and Costs on Taxes	A-2		170,486.80	170,486.80	
Interest on Investments	A-2		26,434.92	26,434.92	
Cellular Phone Tower Leases					
Rentals - Board of Education	A-2		366,852.66	366,852.66	
Cable Television Franchise Fee	A-2		263,454.38	263,454.38	
Swimming Pool Admission Fees	A-2		140,215.00	140,215.00	
Commuter Parking Permits	A-2		33,380.00	33,380.00	
Sewer Charges	A-2		68,211.19	68,211.19	
Reserve for Debt Service	A-2		275,000.00	275,000.00	
Consolidated Municipal Property Tax Relief Act	A-2		60,412.40	60,412.40	
Energy Receipts Tax	A-2		1,393,725.17	1,393,725.17	
Uniform Fire Safety Act	A-2		35,866.68	35,866.68	
		\$ 21,373.36	\$ 3,528,193.21	\$ 3,535,578.56	\$ 13,988.01
<u>REF.</u>		<u>A</u>		<u>A-4</u>	<u>A</u>

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2013	A		\$ 975,788.64
Increased by:			
Interest and Costs on Tax Sale	A-12	\$ 4,084.00	
Transfer from Taxes Receivable	A-7	<u>112,998.41</u>	
			<u>117,082.41</u>
Balance, December 31, 2014	A		\$ <u><u>1,092,871.05</u></u>

SCHEDULE OF FORECLOSED PROPERTY

Balance, December 31, 2013 and December 31, 2014	A		\$ <u><u>34,980.00</u></u>
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BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>GRANT</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>2014 REVENUE ANTICIPATED</u>	<u>CASH RECEIPTS</u>	<u>UNAPPROPRIATED GRANT RESERVE APPLIED</u>	<u>BALANCE DECEMBER 31, 2014</u>
Municipal Alliance	\$ 12,680.50	\$ 34,684.00	\$ 20,731.23	\$	\$ 26,633.27
Emergency Management Grant		5,000.00	5,000.00		
Drunk Driving Enforcement Fund		6,158.02	2,793.02	3,365.00	
Recycling Tonnage Grant		22,381.00		22,381.00	
Body Armor Replacement Fund		3,925.00		3,925.00	
Sustainable NJ		2,000.00		2,000.00	
Clean Communities Grant		29,958.39	29,958.39		
Click It or Ticket Grant		4,000.00	4,000.00		
Distracted Driving Grant		5,000.00	5,000.00		
Drive Sober or Get Pulled Over		5,000.00	5,000.00		
Passaic County Community Garden		2,500.00	2,500.00		
Open Space Grant - Passaic County	6,650.00				6,650.00
Alcohol Education and Rehabilitation Fund					
	<u>6,650.00</u>	<u>1,122.52</u>	<u>1,122.52</u>		
	<u>\$ 19,330.50</u>	<u>\$ 121,728.93</u>	<u>\$ 76,105.16</u>	<u>\$ 31,671.00</u>	<u>\$ 33,283.27</u>
<u>REF.</u>	A	A-2	A-4	A-22	A

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2013	A		\$ 34,857.12
2014 Tax Levy:			
County Taxes	A-1:A-6	\$ 15,740,402.23	
County Open Space Taxes	A-1:A-6	226,670.97	
County Share of Added Taxes	A-1:A-6	<u>33,319.58</u>	
			\$ <u>16,000,392.78</u>
			16,035,249.90
Decreased by:			
Cash Disbursements	A-4		<u>16,001,921.02</u>
Balance, December 31, 2014	A		\$ <u><u>33,328.88</u></u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Balance, December 31, 2013			
Taxes Deferred		\$ 7,951,484.00	
Taxes Payable	A	<u>8,875,095.00</u>	
			\$ 16,826,579.00
Increased by:			
2014 Levy	A-1:A-6		<u>35,441,966.00</u>
			52,268,545.00
Decreased by:			
Cash Disbursements	A-4		<u>35,105,432.00</u>
Balance, December 31, 2014			
Taxes Deferred		7,951,484.00	
Taxes Payable	A	<u>9,211,629.00</u>	
			\$ <u><u>17,163,113.00</u></u>
<u>Amount Charged to 2014 Operations:</u>			
Taxes Paid			\$ 35,105,432.00
Add: Current Year Taxes Payable			9,211,629.00
Less: Prior Year Taxes Payable			<u>(8,875,095.00)</u>
			\$ <u><u>35,441,966.00</u></u>

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF 2013 APPROPRIATION RESERVES

	BALANCE DECEMBER <u>31, 2013</u>	ENCUMBRANCES <u>PAYABLE</u>	BALANCE AFTER <u>TRANSFERS</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 208.42	\$	\$ 208.42	\$	\$ 208.42
Other Expenses	1,884.65	2,948.43	4,833.08	1,201.93	3,631.15
Mayor and Council:					
Salaries and Wages	0.04		0.04		0.04
Other Expenses	360.00		360.00		360.00
Municipal Clerk:					
Salaries and Wages	423.94	1,000.00	1,423.94	170.00	1,253.94
Other Expenses	1,422.86	5,327.73	6,750.59	2,515.42	4,235.17
Financial Administration:					
Other Expenses	1.62	7,102.25	7,103.87	5,831.98	1,271.89
Audit Services:					
Other Expenses		26,650.00	26,650.00	26,650.00	
Revenue Administration (Tax Collection):					
Salaries and Wages	733.93		733.93		733.93
Other Expenses	39.12	5,600.00	5,639.12	5,413.80	225.32
Tax Assessment Administration:					
Other Expenses	93.85	12,800.00	12,893.85	3,821.84	9,072.01
Legal Services:					
Salaries and Wages	3,006.37	3,000.00	6,006.37	930.00	5,076.37
Other Expenses	6,452.41	3,000.00	4,452.41	693.00	3,759.41
Engineering Services:					
Other Expenses		8,136.50	8,136.50	5,923.25	2,213.25
Future of Hawthorne:					
Other Expenses	2,000.00		2,000.00		2,000.00
<u>LAND USE ADMINISTRATION</u>					
Planning Board:					
Salaries and Wages	1.03		1.03		1.03
Other Expenses		2,300.31	9,900.31	6,873.83	3,026.48
Zoning Board of Adjustments:					
Other Expenses	23.39	50.00	73.39	49.43	23.96
Computerized Data Processing:	6,469.73	5,064.44	11,534.17	4,329.89	7,204.28

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF 2013 APPROPRIATION RESERVES

<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>ENCUMBRANCES PAYABLE</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
<u>PUBLIC SAFETY</u>					
Police:					
Salaries and Wages	\$ 5,197.37	\$ 9,027.40	\$ 19,627.40	\$ 19,582.02	\$ 45.38
Other Expenses		47,889.44	53,086.81	46,154.99	6,931.82
Police Dispatchers:					
Salaries and Wages	897.20		3,697.20	910.95	2,786.25
Occupational Safety Health Act (NJS 40A:4-45.3):					
Salaries and Wages	0.14		0.14		0.14
Other Expenses	3,791.71	335.00	1,126.71	82.00	1,044.71
Emergency Management Services:					
Other Expenses	1,808.12	1,061.88	2,870.00	1,061.88	1,808.12
Ambulance Corps:					
Other Expenses	57.00		57.00		57.00
Domestic Violence Response:					
Other Expenses	500.00		500.00		500.00
Fire:					
Salaries and Wages		543.49	543.49	330.77	212.72
Other Expenses	11,805.77	41,221.99	53,027.76	38,222.08	14,805.68
Uniform Fire Safety Act:					
Salaries and Wages	3,204.72	3,000.00	6,204.72	2,173.18	4,031.54
Other Expenses	335.96	3,095.00	3,430.96	2,762.77	668.19
Municipal Court:					
Salaries and Wages	8,267.27	1,000.00	9,267.27	307.33	8,959.94
Other Expenses	76.04	439.16	1,515.20	504.65	1,010.55
<u>PUBLIC WORKS</u>					
Road Repair and Maintenance:					
Salaries and Wages	117.61	3,528.64	3,646.25	3,646.25	
Other Expenses	1,139.94	51,371.59	52,511.53	39,087.16	13,424.37
Sewer System Maintenance:					
Salaries and Wages			2,600.00		2,600.00
Other Expenses	23,397.19	14,229.27	33,626.46	13,308.97	20,317.49
Shade Tree Commission:					
Salaries and Wages	1,124.49	150.00	1,274.49	97.88	1,176.61
Other Expenses	4,418.39	45,310.00	49,728.39	44,610.00	5,118.39

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF 2013 APPROPRIATION RESERVES

	BALANCE DECEMBER <u>31, 2013</u>	ENCUMBRANCES <u>PAYABLE</u>	BALANCE AFTER <u>TRANSFERS</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>
<u>PUBLIC WORKS (CONTINUED)</u>					
Solid Waste Collection:					
Salaries and Wages - Recycling					
Other Expenses - Recycling	\$ 21,750.00	\$ 10,725.00	\$ 32,475.00	\$ 10,725.00	\$ 21,750.00
Other Expenses - Garbage Removal - Contractual	9,264.00		9,264.00		9,264.00
Buildings and Grounds:					
Salaries and Wages	5,534.53	3,000.00	8,534.53	3,557.81	4,976.72
Other Expenses	444.51	16,911.48	22,355.99	11,363.47	10,992.52
Maintenance of Parks:					
Other Expenses	8,239.98	28,610.16	46,850.14	32,775.00	14,075.14
Vehicle Maintenance:					
Other Expenses	18,598.23	42,921.60	68,519.83	38,092.60	30,427.23
Community Services Act:					
Other Expenses		30,000.00	30,000.00	26,281.92	3,718.08
<u>HEALTH AND HUMAN SERVICES</u>					
Board of Health:					
Salaries and Wages		546.29	846.29	800.93	45.36
Other Expenses	1,786.68	831.59	2,618.27	1,528.35	1,089.92
Environmental Commission:					
Other Expenses	64.30		64.30		64.30
Board of Recreation:					
Salaries and Wages	2,008.92	10,000.00	12,008.92	495.00	11,513.92
Other Expenses	8,535.84	6,214.62	14,750.46	7,122.70	7,627.76
Swimming Pool:					
Other Expenses	6,690.23	7,920.71	14,610.94	7,114.25	7,496.69
<u>OTHER COMMON OPERATING FUNCTIONS</u>					
Celebration of Public Events:					
Other Expenses	15.63	23,852.03	23,867.66	22,066.03	1,801.63
Bond Fees:					
Other Expenses		3,436.75	3,436.75		3,436.75
<u>CODE ENFORCEMENT AND ADMINISTRATION</u>					
Uniform Construction Code Enforcement Functions:					
Building Inspector:					
Salaries and Wages	2,127.84	4,000.00	6,127.84	1,525.03	4,602.81

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF 2013 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2013	ENCUMBRANCES PAYABLE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>CODE ENFORCEMENT AND ADMINISTRATION (CONTINUED)</u>					
Property Code Enforcement:					
Salaries and Wages	\$ 29.55	\$	\$ 29.55	\$ 29.55	\$
Other Expenses	1,163.01	194.99	1,358.00	694.31	663.69
Salary Adjustments		11,829.81	11,829.81	11,829.81	
<u>UTILITY EXPENSES AND BULK PURCHASES</u>					
Electricity	10,429.06	35,000.00	45,429.06	28,822.85	16,606.21
Street Lighting	717.54	30,000.00	30,717.54	26,837.85	3,879.69
Telephone	10,299.16	11,080.15	21,379.31	2,200.22	19,179.09
Gasoline	13,982.04	39,707.65	53,689.69	20,844.04	32,845.65
Landfill/Solid Waste Disposal Costs:					
Dumping Fees	5,093.67	103,188.92	108,282.59	70,362.96	37,919.63
Insurance:					
General Insurance	23,802.40	1,700.00	14,502.40	8,073.50	6,428.90
Group Insurance for Employees	126,891.80	15,000.00	107,991.80	7,138.52	100,853.28
Total Operations Within "CAPS"	366,729.20	741,854.27	1,098,583.47	617,528.95	481,054.52
Contingent	2,000.00		2,000.00		2,000.00
Total Operations Including Contingent Within "CAPS"	368,729.20	741,854.27	1,100,583.47	617,528.95	483,054.52
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":					
Statutory Charges:					
Social Security System (O.A.S.I.)	1,908.91		1,908.91		1,908.91
DCRP	936.90		936.90	52.59	884.31
Consolidated Police and Firemen's Pension			10,000.00	9,646.89	353.11
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	2,845.81		12,845.81	9,699.48	3,146.33
Total General Appropriations for Municipal Purposes Within "CAPS"	371,575.01	741,854.27	1,113,429.28	627,228.43	486,200.85

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF 2013 APPROPRIATION RESERVES

	BALANCE DECEMBER <u>31, 2013</u>	ENCUMBRANCES <u>PAYABLE</u>	BALANCE AFTER <u>TRANSFERS</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Planning Board:					
Other Expenses - Affordable Housing	\$ 5,000.00	\$	\$ 5,000.00	\$	\$ 5,000.00
Maintenance of Free Public Library:					
Salaries and Wages	13,427.27	10,000.00	23,427.27	19,608.11	3,819.16
Sewer Processing and Disposal:					
Other Expenses - Passaic Valley Sewer Rental	0.29		0.29		0.29
Other Expenses - Other Municipal Projects	587.38		587.38		587.38
NJDES Stormwater Permits	5,475.00		5,475.00		5,475.00
	<u>24,489.94</u>	<u>10,000.00</u>	<u>34,489.94</u>	<u>19,608.11</u>	<u>14,881.83</u>
Total Other Operations Excluded from "CAPS"					
<u>Public and Private Programs Offset by Revenues</u>					
Municipal Alliance:					
Grant Funds	1,038.56	7,264.54	8,303.10	8,303.10	
Local Match	27.78	855.12	882.90	882.90	
Alcohol Rehab Grant	791.62		791.62	791.62	
Drunk Driving Enforcement Fund	974.85		974.85	974.85	
Recycling Tonnage Grant	25,520.00		25,520.00	25,520.00	
Clean Communities Program					
Other Expenses	27,077.59		27,077.59	27,077.59	
	<u>55,430.40</u>	<u>8,119.66</u>	<u>63,550.06</u>	<u>63,550.06</u>	
Total Public and Private Programs Offset by Revenues					
<u>Total Other Operations Excluded from "CAPS"</u>	<u>79,920.34</u>	<u>18,119.66</u>	<u>98,040.00</u>	<u>83,158.17</u>	<u>14,881.83</u>

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF 2013 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2013	ENCUMBRANCES PAYABLE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Total General Appropriations Excluded from "CAPS"	\$ 79,920.34	\$ 18,119.66	\$ 98,040.00	\$ 83,158.17	\$ 14,881.83
<u>Subtotal General Appropriations</u>	<u>451,495.35</u>	<u>759,973.93</u>	<u>1,211,469.28</u>	<u>710,386.60</u>	<u>501,082.68</u>
Total General Appropriations	<u>\$ 451,495.35</u>	<u>\$ 759,973.93</u>	<u>\$ 1,211,469.28</u>	<u>\$ 710,386.60</u>	<u>\$ 501,082.68</u>
<u>REF.</u>	A	A-17			A-1
Appropriated Grant Reserves	A-21			\$ 55,729.11	
Cash Disbursements	A-4			<u>654,657.49</u>	
				<u>\$ 710,386.60</u>	

"A-15"

BOROUGH OF HAWTHORNE  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2013 (2014 Taxes)	A	\$	202,659.98
Increased by:			
Collection of 2015 Taxes	A-4		312,575.46
		\$	<u>515,235.44</u>
Decreased by:			
Application to 2014 Taxes Receivable	A-6		<u>202,659.98</u>
Balance, December 31, 2014	A	\$	<u><u>312,575.46</u></u>

"A-16"

SCHEDULE OF RESERVE FOR TAX OVERPAYMENTS

Balance, December 31, 2013	A	\$	17,111.02
Increased by:			
Cash Receipts	A-4		25,192.82
		\$	<u>42,303.84</u>
Decreased by:			
Cash Disbursements	A-4	\$	42,262.47
Applied to Taxes Receivable	A-6		<u>41.37</u>
		\$	<u><u>42,303.84</u></u>

"A-17"

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2013	A	\$ 759,973.93
Increased by:		
Charged to 2014 Appropriations	A-3	670,885.58
		\$ <u>1,430,859.51</u>
Decreased by:		
Transfer to Appropriation Reserves	A-14	<u>759,973.93</u>
Balance, December 31, 2014	A	\$ <u><u>670,885.58</u></u>

"A-18"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2013	A	\$ 11,282.91
Increased by:		
Prior Year Accounts Payable to Operations	A-1	12,963.73
		\$ <u>24,246.64</u>
Decreased by:		
Cash Disbursements	A-4	<u>10,236.94</u>
Balance, December 31, 2014	A	\$ <u><u>14,009.70</u></u>

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF FEES PAYABLE

<u>GRANT/PROGRAM</u>	BALANCE DECEMBER 31, 2013	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2014
DCA State Training Fees	\$ 10,653.00	\$ 10,928.00	\$ 15,535.00	\$ 6,046.00
Miscellaneous	13,880.00	16,880.00	25,480.00	5,280.00
Sales Tax	7,936.00			7,936.00
Marriage License Fees	1,420.00	3,625.00	3,625.00	1,420.00
	<u>\$ 33,889.00</u>	<u>\$ 31,433.00</u>	<u>\$ 44,640.00</u>	<u>\$ 20,682.00</u>
<u>REF.</u>	A	A-4	A-4	A

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE LOSAP CONTRIBUTIONS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2013	A	\$ 162,988.07
Increased by:		
Transfers from 2014 Appropriations	A-3	<u>113,100.00</u>
		276,088.07
Decreased by:		
LOSAP Plan Contributions Made	A-4	<u>111,022.73</u>
Balance, December 31, 2014	A	<u>\$ 165,065.34</u>

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF RESERVES FOR GRANTS APPROPRIATED

<u>GRANT</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>TRANSFERRED FROM 2013 APPROPRIATION RESERVES</u>	<u>EXPENDED</u>	<u>BALANCE DECEMBER 31, 2014</u>
Municipal Alliance	\$ 425.32	\$ 3,160.12	\$	\$ 3,585.44
Livable Communities Grant	16,287.00			16,287.00
Emergency Management Grant	8,506.28			8,506.28
Clean Communities Grant	61,488.99	25,955.02	24,550.00	62,894.01
Alcohol Education and Rehabilitation Fund	2,340.58	791.62	2,000.00	1,132.20
Shade Tree Grant	3,716.00			3,716.00
Recycling Grant	28,732.00			28,732.00
Drunk Driving Enforcement Fund		302.35		302.35
Domestic Violence Prevention Grant	107.00			107.00
Stormwater Grant	7,863.00		1,209.00	6,654.00
Audio/Visual Grant	284.01		179.99	104.02
Recycling Tonnage Grant	103,962.59	25,520.00		129,482.59
NJ Clean Energy Grant	948.35			948.35
	<u>\$ 234,661.12</u>	<u>\$ 55,729.11</u>	<u>\$ 27,938.99</u>	<u>\$ 262,451.24</u>
<u>REF.</u>	A	A-14	A-4	A

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

<u>GRANT</u>	BALANCE DECEMBER 31, 2013	CASH RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2014
Body Armor Replacement Fund	3,924.99	\$ 3,114.89	\$ 3,925.00	\$ 3,114.88
Recycling Tonnage Grant	22,381.40	31,439.47	22,381.00	31,439.87
Drunk Driving Enforcement Fund	3,365.18		3,365.00	0.18
Sustainable NJ	2,000.00		2,000.00	
	<u>31,671.57</u>	<u>34,554.36</u>	<u>31,671.00</u>	<u>34,554.93</u>
	\$	\$	\$	\$
<u>REF.</u>	A	A-4	A-11	A

BOROUGH OF HAWTHORNE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	<u>INCREASE</u>	<u>BALANCE DECEMBER 31, 2014</u>
Special Emergency Appropriations 40A:4-46	\$ <u>21,500.00</u>	\$ <u>21,500.00</u>
	\$ <u>21,500.00</u>	\$ <u>21,500.00</u>
<u>REF.</u>	A-1:A-3	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, 2013	B	\$ <u>523,051.67</u>	\$ <u>30,971.43</u>	\$ <u>1,147,990.90</u>
Increased by Receipts:				
Assessments Receivable	B-4	154,065.65		
Animal Control License Fees	B-12		23,050.80	
Due State of New Jersey	B-13		2,113.20	
Various Reserves and Deposits	B-11			11,006,188.13
Unemployment	B-14			16,125.54
Due Current Fund	B-7:B-16	<u>2,193.51</u>		<u>13,481.68</u>
		<u>156,259.16</u>	<u>25,164.00</u>	<u>11,035,795.35</u>
Decreased by Disbursements:				
Expenditures Under R.S.4:19-15.11	B-12		19,466.00	
Due State of New Jersey	B-13		2,114.40	
Unemployment Claims	B-14			31,447.45
Various Reserves and Deposits	B-11			11,180,146.03
Assessment Bonds	B-15	60,000.00		
Due Current Fund	B-7:B-16	<u>2,048.29</u>		<u>464.79</u>
		<u>62,048.29</u>	<u>21,580.40</u>	<u>11,212,058.27</u>
Balance, December 31, 2014	B	\$ <u><u>617,262.54</u></u>	\$ <u><u>34,555.03</u></u>	\$ <u><u>971,727.98</u></u>

"B-3"

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

ANALYSIS OF CASH

	BALANCE DECEMBER <u>31, 2014</u>
Due Current Fund	\$ 2,193.51
Due General Capital Fund	566,161.26
Fund Balance	6.00
<u>Assessment Serial Bonds</u>	
Ord 2009	50,901.77
<u>Unfinanced Assessments</u>	
Ord 1734/1757- Sanitary Sewers - Highview/Charwalt	<u>(2,000.00)</u>
	 \$ <u><u>617,262.54</u></u>

REF.

B:B-2

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DECEMBER 31, 2013	ASSESSMENTS CONFIRMED	ASSESSMENTS COLLECTED	CANCELLED	BALANCE DECEMBER 31, 2014	BALANCE PLEDGED TO		
							RESERVE	ASSESSMENT BONDS	DUE GENERAL CAPITAL FUND
1734/1757	Sanitary Sewers - Highview Charwalt	\$ 14,000.00	\$	\$ 12,000.00	\$	\$ 2,000.00	\$	\$	\$ 2,000.00
1939	VanWinkle Ave - Sidewalks/Driveways								
1948	Tuxedo Ave - Sidewalks/Driveways	3,415.00		860.00		2,555.00		2,555.00	
1972	Central Ave - Sidewalks/Driveways	4,073.00		1,085.00		2,988.00		2,988.00	
1989	Road and Stormwater Improvements	148,510.00		22,960.00		125,550.00		125,550.00	
2009	Sidewalk Improvements	20,117.00		14,749.00		5,368.00		5,368.00	
2047	Reconstruction of Sidewalk	38,724.48		17,750.48	458.63	20,515.37		20,515.37	
2063	Reconstruction of Sidewalk		135,935.76	84,661.17		51,274.59	2,935.76	48,338.83	
		<u>\$ 228,839.48</u>	<u>\$ 135,935.76</u>	<u>\$ 154,065.65</u>	<u>458.63</u>	<u>\$ 210,250.96</u>	<u>\$ 2,935.76</u>	<u>\$ 205,315.20</u>	<u>\$ 2,000.00</u>
	<u>REF.</u>	B		B-2		B	B		
	Prospective Assessments Funded		\$ 133,000.00						
	Reserve for Assessments		<u>2,935.76</u>						
			<u>\$ 135,935.76</u>						

"B-5"

BOROUGH OF HAWTHORNE  
ASSESSMENT TRUST FUND  
SCHEDULE OF ASSESSMENTS LIENS

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2013</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2014</u>	<u>BALANCE</u> <u>PLEDGED TO</u> <u>RESERVE</u>
1370	Central Avenue Sidewalks	\$ 1,019.00	\$ 1,019.00	\$ 1,019.00
1607/1682	Lafayette Ave - Curbs and Sidewalks	6,679.00	6,679.00	6,679.00
1636/1684	Lafayette Ave - Brick Pavers	<u>2,633.00</u>	<u>2,633.00</u>	<u>2,633.00</u>
		<u>\$ 10,331.00</u>	<u>\$ 10,331.00</u>	<u>\$ 10,331.00</u>
	<u>REF.</u>	B	B	B

"B-6"

SCHEDULE OF ASSESSMENTS LIEN INTEREST AND COSTS

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2013</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2014</u>	<u>BALANCE</u> <u>PLEDGED TO</u> <u>RESERVE</u>
	Prior Year Unallocated	\$ 121.00	\$ 121.00	\$ 121.00
1607/1682	Lafayette Ave - Curbs and Sidewalks	1,881.00	1,881.00	1,881.00
1636/1684	Lafayette Ave - Brick Pavers	<u>741.00</u>	<u>741.00</u>	<u>741.00</u>
		<u>\$ 2,743.00</u>	<u>\$ 2,743.00</u>	<u>\$ 2,743.00</u>
	<u>REF.</u>	B	B	B

"B-7"

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2013 (Due to)	B	\$ 2,048.29
Increased by:		
Cash Receipts	B-2	2,193.51
		<u>\$ 4,241.80</u>
Decreased by:		
Cash Disbursements	B-2	2,048.29
		<u>2,048.29</u>
Balance, December 31, 2014 (Due to)	B	<u>\$ 2,193.51</u>

"B-8"

ASSESSMENT TRUST FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND

Balance, December 31, 2013 and December 31, 2014 (Due to)	B	<u>\$ 540,218.74</u>
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BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DECEMBER 31, 2013	ASSESSMENTS CONFIRMED	BALANCE DECEMBER 31, 2014	BALANCE PLEGGED TO BONDS	BALANCE PLEGGED TO RESERVE
1506	Construction of Curbs on Royal Ave.	\$ 40,800.00	\$	\$ 40,800.00	\$	\$ 40,800.00
1939	Van Winkle Avenue	10,000.00		10,000.00	10,000.00	
1948	Sidewalk and Driveway Improvements	20,000.00		20,000.00	20,000.00	
1972	Road Reconstruction	40,000.00		40,000.00	40,000.00	
1989	Road and Stormwater Improvements	12,600.00		12,600.00	12,600.00	
2009	Sidewalk Improvements	89,932.96		89,932.96	89,932.96	
2047	Reconstruction of Sidewalk	19,054.34		19,054.34	19,054.34	
2063/2070	Sidewalk and Driveway Improvements	133,000.00	133,000.00			
2082/2094	Sidewalk and Driveway Improvements	4,750.00		4,750.00		4,750.00
		<u>\$ 370,137.30</u>	<u>\$ 133,000.00</u>	<u>\$ 237,137.30</u>	<u>\$ 191,587.30</u>	<u>\$ 45,550.00</u>
<u>REF.</u>		B	B-4	B		B

BOROUGH OF HAWTHORNE

ASSESSMENT TRUST FUND

SCHEDULE OF AMOUNT TO BE RAISED BY TAXATION FOR CANCELED ASSESSMENTS

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>ASSESSMENTS RECEIVABLE CANCELED</u>	<u>BALANCE DECEMBER 31, 2014</u>
1939	Van Winkle Avenue	\$ 4,292.31	\$	\$ 4,292.31
1948	Sidewalk and Driveway Improvements	841.60	458.63	1,300.23
2009	Sidewalk Improvements	<u>660.67</u>		<u>660.67</u>
		<u>\$ 5,794.58</u>	<u>\$ 458.63</u>	<u>\$ 6,253.21</u>
	<u>REF.</u>	B		B

BOROUGH OF HAWTHORNE

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

<u>Description</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2013</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2014</u>
<u>Reserve for:</u>				
Recycling Expenditures	\$ 340,016.69	\$ 80,491.49	\$ 240,488.75	\$ 180,019.43
UCC Penalties	81,632.59	41,862.00	81,109.14	42,385.45
Municipal Alliance Program	22,335.65	4,700.00	2,649.00	24,386.65
Relocation Fund	21,836.00	5,000.00	4,480.00	22,356.00
Snow Removal		38,900.00	2,558.11	36,341.89
Public Events		24,000.00		24,000.00
Third Party Liens	31,241.00	152,737.34	182,066.15	1,912.19
Fire Code Penalties	27,327.26	9,060.00		36,387.26
Public Defender Fees	19,999.00	3,133.00	2,700.00	20,432.00
POAA	2,569.78	592.00		3,161.78
Off-Duty Municipal Police Pay	54,144.05	270,391.75	258,070.43	66,465.37
911 Memorial	17,229.39		2,210.15	15,019.24
Builders Escrow Deposits	52,329.85	108,608.25	93,830.72	67,107.38
Antenna Plan Reviews		6,000.00		6,000.00
Tax Sale Premiums	235,000.00		94,300.00	140,700.00
Performance Deposits	20,350.00	35,862.00	31,662.00	24,550.00
PCUA - EIC	552.00			552.00
Sidewalk Replacements	5,659.00			5,659.00
Other Escrow Deposits	32,331.17	417.31	3,221.73	29,526.75
Security Deposits	22,066.66	44,120.00		66,186.66
Housing Trust	28,865.50	43.32		28,908.82
Pre-Tax Medical Payments	368.19	1,551.01	1,813.04	106.16
Payroll Deductions Payable	459.77	10,178,718.66	10,178,986.81	191.62
	<u>\$ 1,016,313.55</u>	<u>\$ 11,006,188.13</u>	<u>\$ 11,180,146.03</u>	<u>\$ 842,355.65</u>

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, 2013	B	\$	30,971.43
Increased by:			
Animal Control License Fees Collected	B-2	\$	<u>23,050.80</u>
			54,022.23
Decreased by:			
Expenditures Under R.S.4:19-15.11:			
Cash Disbursements	B-2		<u>19,466.00</u>
Balance, December 31, 2014	B	\$	<u><u>34,556.23</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>		<u>AMOUNT</u>
2013	\$	24,922.00
2012		<u>20,761.40</u>
	\$	<u><u>45,683.40</u></u>

"B-13"

ANIMAL CONTROL FUND

SCHEDULE OF DUE STATE OF NEW JERSEY

Increased by:			
Cash Receipts	B-2	\$	2,113.20
Decreased by:			
Cash Disbursements	B-2		<u>2,114.40</u>
Balance, December 31, 2014 (Due From)	B	\$	<u><u>1.20</u></u>

BOROUGH OF HAWTHORNE

TRUST FUND

SCHEDULE OF DUE STATE - UNEMPLOYMENT CLAIMS

	<u>REF.</u>	
Balance, December 31, 2013	B	\$ 136,325.35
Increased by:		
Cash Receipts	B-2	16,125.54
		<u>\$ 152,450.89</u>
Decreased by:		
Cash Disbursements	B-2	<u>31,447.45</u>
Balance, December 31, 2014	B	<u><u>\$ 121,003.44</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, 2013</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2014</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Various Curb, Sidewalk and Driveway Improvements	7/15/2013	600,000.00	7/1/15	\$ 60,000.00	2.000%	\$	\$	\$
			7/1/16	60,000.00	2.000%			
			7/1/17	60,000.00	2.000%			
			7/1/18	60,000.00	2.000%			
			7/1/19	60,000.00	2.000%			
			7/1/20	60,000.00	2.000%			
			7/1/21	60,000.00	2.000%			
			7/1/22	60,000.00	3.000%			
					<u>540,000.00</u>	<u>60,000.00</u>	<u>480,000.00</u>	
					<u>\$ 540,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ 480,000.00</u>	
				<u>REF.</u>	B	B-2	B	

BOROUGH OF HAWTHORNE  
OTHER TRUST FUND  
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2013 (Due From)	B	\$ 4,648.00
Decreased by:		
Cash Disbursements	B-2	464.79
		\$ <u>5,112.79</u>
Increased by:		
Cash Receipts	B-2	<u>13,481.68</u>
Balance, December 31, 2014 (Due To)	B	\$ <u><u>8,368.89</u></u>

BOROUGH OF HAWTHORNE

OTHER TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS RECEIVABLE

	<u>REF.</u>		
Increased by:			
Excess Assessment Costs	B-4	\$	2,935.76
Balance, December 31, 2014	B	\$	<u>2,935.76</u>

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2013	C		\$ 1,393,602.01
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-15	\$ 100,000.00	
Grants Receivable	C-8	193,740.00	
Due Current Fund	C-17	900,000.00	
Premium on Sale of Notes	C-1	31,356.00	
Bond Anticipation Notes	C-13	<u>5,252,000.00</u>	
			<u>6,477,096.00</u>
			\$ <u>7,870,698.01</u>
Decreased by Disbursements:			
Encumbrances Payable	C-16	\$ 2,103,683.29	
Bond Anticipation Notes	C-13	1,824,000.00	
Various Reserves and Deposits	C-12	275,000.00	
Due Current Fund	C-17	<u>900,000.00</u>	
			<u>5,102,683.29</u>
Balance, December 31, 2014	C:C-3		\$ <u><u>2,768,014.72</u></u>

"C-3"

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	BALANCE DECEMBER 31, 2013
Capital Improvement Fund	\$ 133,130.03
Fund Balance	110,288.60
Encumbrances Payable	1,087,893.47
Improvement Authorizations:	
Funded Improvements Listed on "C-14"	198,708.43
Improvements Expended Set Forth on "C-5"	(1,301,345.36)
Unexpended Note Proceeds Listed on "C-5"	2,461,543.37
Various Reserves and Deposits	1,116,650.75
Due Assessment Trust Fund	(540,218.74)
Loan Proceeds Receivable	(270,464.00)
Grants Receivable	(228,171.83)
	<u>2,768,014.72</u>
	\$ <u>2,768,014.72</u>

REF.

C:C-2

"C-4"

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2013	C	\$ 13,209,330.58
Decreased by:		
Payment of :		
Bond Principal	C-10	\$ 1,495,000.00
Loan Payable	C-11	<u>265,981.30</u>
		<u>1,760,981.30</u>
Balance, December 31, 2014	C	\$ <u>11,448,349.28</u>

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	BALANCE DECEMBER 31, 2013	2014			BALANCE DECEMBER 31, 2014	ANALYSIS OF BALANCE DECEMBER 31, 2014		
		AUTHORIZATIONS	GRANT	CANCELLED		BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED BALANCE
<u>General Improvements:</u>								
1591	Construction of Roadway - Sherman Avenue	\$ 786.00	\$	\$ 136.16	\$ 649.84	\$	649.84	\$
1634/1663	Resurfacing and Reconstruction of Grand Avenue	3,844.00			3,844.00		3,844.00	
1908	Repairs and Renovation to Municipal Pool							
1938	Improvement of Van Winkle Avenue	933.76			933.76		933.76	
1949	Road Resurfacing, Curbing and Drainage	617.74			617.74		617.74	
1956	Drainage and Stormwater Improvements	264,000.00			264,000.00		252,019.34	11,980.66
1817/1959	Recreation Facility at Wagaraw Road	126.48			126.48		126.48	
1885/1970	Repairs and Renovation to Municipal Pool	4,736.29			4,736.29		4,736.29	
1975	Road Reconstruction and Improvements - Central Avenue	18,084.55			18,084.55		18,084.55	
2032	Rehabilitation of Substandard Housing	100.00		100.00				
2044/2057	Library Roof Repairs	67,500.00			67,500.00		40,749.09	26,750.91
2048	Reconstruction, Resurfacing, Drainage, Driveway Aprons, Curb and Sidewalk Improvements-Mohawk	91,342.43		91,342.43				
1765	Acq. and Installation of Public Safety Communication Equipment	323,000.00		4,953.09	318,046.91		318,046.91	
2067/2078	Improvements to Forest Ave	23,750.00		23,750.00				
2073	Installation of Lighting Wagaraw Field	147,250.00		2,302.64	144,947.36	147,250.00	(2,302.64)	
2081	2013 Road Program	665,000.00			665,000.00	665,000.00		
2083	Purchase of Dump Truck	190,000.00			190,000.00	190,000.00		
2095	May Street Road improvements	76,000.00			76,000.00	76,000.00		
2096	Sanitary sewer line improvements	95,000.00			95,000.00	95,000.00		
2100	Acquisition of Fire Dept Capital Equipment	560,500.00			560,500.00	560,500.00		
2101	Property Buy-outs CDBG-DR	1,100,000.00			1,100,000.00	500,000.00	600,000.00	
2102	NJDOT Streetscape	950,000.00			950,000.00	950,000.00		

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	DESCRIPTION	BALANCE				ANALYSIS OF BALANCE DECEMBER 31, 2014			
		DECEMBER 31, 2013	2014 AUTHORIZATIONS	GRANT	CANCELLED	DECEMBER 31, 2014	BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED BALANCE
2103	Construction of Band Shell at Pool Complex	\$	\$ 280,250.00	\$	\$	\$ 280,250.00	\$ 280,250.00	\$	
2105	2014 Road Program		760,000.00			760,000.00	760,000.00		
2116	Washington Avenue Road Improvements		266,000.00	150,000.00		116,000.00	116,000.00		
2122	DPW Dump Truck, Chipper		332,500.00			332,500.00	332,500.00		
2123	Library Roof Repair		71,250.00			71,250.00	71,250.00		
2124	Acquisition of Fire Equipment		266,000.00			266,000.00	266,000.00		
Local Improvements:									
1427/1462	Mountain Ave Sanitary Sewers		4,343.00			4,343.00		4,343.00	
1540	Curbs - Van Winkle Avenue		974.00			974.00		974.00	
1554	Sanitary Sewers - Highview Terrace		15,870.00			15,870.00		15,870.00	
1564	Curbs/Aprons/Sidewalks - Rock and Goffle		3,119.00			3,119.00		3,119.00	
1607/1682	Curbs and Sidewalks - Lafayette Avenue		3,800.00			3,800.00		3,800.00	
1636/1684	Pavers on Lafayette Ave.		3,450.00			3,450.00		3,450.00	
1726	Curbs/Aprons/Sidewalks - Post Avenue		4,124.00			4,124.00		4,124.00	
1733	Curbs/Aprons/Sidewalks - Bamford Avenue		3,563.00			3,563.00		3,563.00	
1734/1757	Sanitary Sewers- Highview/Charwalt		22,187.00			22,187.00		22,187.00	
1810	Curbs/Aprons/Sidewalks - Hutchinson, Roosevelt and Van Winkle		2,410.00			2,410.00		2,410.00	
2047	Reconstruction of Sidewalks and Driveway Aprons Pasadena and Mohawk		44,000.00			44,000.00			44,000.00
2082/2094	Local Improvements		90,250.00			90,250.00	90,250.00		
2152	Reconstruction or Replacement of Sidewalks			152,000.00		152,000.00	152,000.00		
		\$	<u>4,780,661.25</u>	\$	<u>2,128,000.00</u>	\$	<u>150,000.00</u>	\$	<u>122,584.32</u>
		\$		\$		\$	<u>6,636,076.93</u>	\$	<u>5,252,000.00</u>
		\$		\$		\$		\$	<u>1,301,345.36</u>
		\$		\$		\$		\$	<u>82,731.57</u>
REF.		C	C-14		C-14	C		C-3	
Improvement Authorizations - Unfunded		C-14							\$ 2,544,274.94
Unexpended Proceeds of Bond Anticipation Notes		C-3							<u>2,461,543.37</u>
									\$ <u>82,731.57</u>

"C-6"

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE  
LOAN PROCEEDS RECEIVABLE

REF.

Balance, December 31, 2013 and  
December 31, 2014

C

\$ 270,464.00

"C-7"

SCHEDULE OF DUE ASSESSMENT TRUST FUND

Balance, December 31, 2013 and  
December 31, 2014 (Due From)

C

\$ 540,218.74

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

ORDINANCE NUMBER	PROJECT	BALANCE DECEMBER 31, 2013	GRANTS AWARDED	CASH RECEIPTS	BALANCE DECEMBER 31, 2014	BALANCE PLEDGED TO:	
						IMPROVEMENT AUTHORIZATION	RESERVE
<u>State Department of Transportation:</u>							
2048	Reconstruction, Resurfacing, Drainage, Driveway Aprons Curb and Sidewalk Improvements-Mohawk	\$ 2,842.43	\$	\$	\$ 2,842.43	\$	2,842.43
2067	Forest Avenue Improvements						
2068	Improvements at NYS & W Railroad Crossing	65,000.00		43,740.00	21,260.00	21,260.00	
2095	May Street Road Improvements	196,553.00			196,553.00	196,553.00	
2102	NJDOT Streetscape	600,000.00			600,000.00		600,000.00
2116	Washington and Royal Avenues		200,000.00	150,000.00	50,000.00		50,000.00
2101	DCA-Property Buy-outs CDBG-DR	821,602.00			821,602.00		821,602.00
<u>Passaic County Open Space Trust Fund:</u>							
2103	County Open Space	53,500.00			53,500.00		53,500.00
2103	County Open Space		65,000.00		65,000.00		65,000.00
<u>Community Development Block Grant:</u>							
1974	Handicapped Accessible Grants	1,000.00			1,000.00	1,000.00	
2081	2013 Road Program-CDBG	9,358.83			9,358.83	9,358.83	
2081	2013 Road Program-CDBG	50,000.00			50,000.00		50,000.00
2105	2014 Road Program		50,000.00		50,000.00		50,000.00
		<u>\$ 1,799,856.26</u>	<u>\$ 315,000.00</u>	<u>\$ 193,740.00</u>	<u>\$ 1,921,116.26</u>	<u>\$ 228,171.83</u>	<u>\$ 1,692,944.43</u>
<u>REF.</u>		C		C-2	C	C-3	C

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, 2013</u>	<u>FINANCED BY CAPITAL IMPROVEMENT FUND</u>	<u>ASSESSMENTS CONFIRMED</u>	<u>BALANCE DECEMBER 31, 2014</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
2063/2070	Reconstruction of Sidewalks and Driveway	140,000.00	7,000.00	\$ 7,000.00		7,000.00	
2082/2094	Reconstruction of Sidewalks and Driveway	95,000.00	4,750.00	\$ 4,750.00			4,750.00
2106	Reconstruction of Sidewalks and Driveway	160,000.00	8,000.00		8,000.00		8,000.00
				<u>\$ 17,750.00</u>	<u>\$ 8,000.00</u>	<u>\$ 7,000.00</u>	<u>\$ 18,750.00</u>
			<u>REF.</u>	C			C

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2014</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2014</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Refunding Bonds of 2005	4/1/2005	3,285,000.00	8/15/2015	\$ 300,000.00	4.000%	\$ 605,000.00	\$ 305,000.00	\$ 300,000.00
General Improvement Bonds of 2008	9/1/2008	3,510,000.00	3/1/2015	210,000.00	5.000%			
			3/1/2016	210,000.00	5.000%			
			3/1/2017	210,000.00	5.000%			
			3/1/2018	210,000.00	5.000%			
			3/1/2019	210,000.00	5.000%			
			3/1/2020	210,000.00	4.000%			
			3/1/2021	210,000.00	4.000%			
			3/1/2022	210,000.00	4.000%			
			3/1/2023	210,000.00	4.000%			
			3/1/2024	210,000.00	4.125%			
			3/1/2025	210,000.00	4.250%			
			3/1/2026	210,000.00	4.250%			
Refunding Bonds of 2009	10/15/2009	1,585,000.00	10/15/2015	20,000.00	3.000%			
			10/15/2015	200,000.00	3.500%			
			10/15/2016	215,000.00	3.125%			

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2014		INTEREST RATE	BALANCE DECEMBER 31, 2013	DECREASED	BALANCE DECEMBER 31, 2014
			DATE	AMOUNT				
General Improvement Bonds of '12	7/10/2012	\$ 4,235,000.00	7/15/2015	\$ 200,000.00	2.000%	\$	\$	\$
			7/15/2016	225,000.00	2.000%			
			7/15/2017	225,000.00	2.000%			
			7/15/2018	225,000.00	2.000%			
			7/15/2019	250,000.00	2.000%			
			7/15/2020	250,000.00	2.000%			
			7/15/2021	250,000.00	2.000%			
			7/15/2022	275,000.00	3.000%			
			7/15/2023	300,000.00	3.000%			
			7/15/2024	300,000.00	3.000%			
			7/15/2025	325,000.00	2.250%			
			7/15/2026	350,000.00	2.250%			
			7/15/2027	350,000.00	2.500%			
			7/15/2028	335,000.00	2.500%			
					4,060,000.00	200,000.00	3,860,000.00	
Refunding Bonds of '12	3/29/2012	4,110,000.00	6/1/2015	595,000.00	2.000%			
			6/1/2016	685,000.00	3.000%			
			6/1/2017	710,000.00	3.000%			
			6/1/2018	730,000.00	4.000%			
			6/1/2019	745,000.00	4.000%			
					<u>4,025,000.00</u>	<u>560,000.00</u>	<u>3,465,000.00</u>	
					<u>\$ 12,075,000.00</u>	<u>\$ 1,495,000.00</u>	<u>\$ 10,580,000.00</u>	
				<u>REF.</u>	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, 2013	C	\$ 1,134,330.58
Decreased by:		
Paid by Budget Appropriation	C-4	<u>265,981.30</u>
Balance, December 31, 2014	C	<u>\$ 868,349.28</u>

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2013	IMPROVEMENT AUTHORIZATIONS	DECREASE BUDGET REVENUE	BALANCE DECEMBER 31, 2014
Reserve for Bond Sale Issuance Costs	\$ 2,404.00	\$	\$	\$ 2,404.00
Reserve for Payment of Debt	<u>1,058,060.98</u>	<u>331,185.77</u>	<u>275,000.00</u>	<u>1,114,246.75</u>
	<u>\$ 1,060,464.98</u>	<u>\$ 331,185.77</u>	<u>\$ 275,000.00</u>	<u>\$ 1,116,650.75</u>
<u>REF.</u>	C	C-14	C-2	C

BOROUGH OF HAWTHORNE  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2014</u>
<u>General Improvements:</u>									
2073	Installation of Lighting Wagaraw Field	10/31/2013	10/31/2013	10/31/2014	1.50%	\$ 147,250.00		\$ 147,250.00	
	Installation of Lighting Wagaraw Field	10/31/2013	10/31/2014	10/30/2015	1.00%		147,250.00		147,250.00
2083	Purchase of Dump Truck	10/31/2013	10/31/2013	10/31/2014	1.50%	190,000.00		190,000.00	
	Purchase of Dump Truck	10/31/2013	10/31/2014	10/30/2015	1.00%		190,000.00		190,000.00
2095	May Street Road Improvements	10/31/2013	10/31/2013	10/31/2014	1.50%	76,000.00		76,000.00	
	May Street Road Improvements	10/31/2013	10/31/2014	10/30/2015	1.00%		76,000.00		76,000.00
2096	Sanitary sewer line improvements	10/31/2013	10/31/2013	10/31/2014	1.50%	95,000.00		95,000.00	
	Sanitary sewer line improvements	10/31/2013	10/31/2014	10/30/2015	1.00%		95,000.00		95,000.00
2100	Acquisition of Fire Dept Capital Equipment	10/31/2013	10/31/2013	10/31/2014	1.50%	560,500.00		560,500.00	
	Acquisition of Fire Dept Capital Equipment	10/31/2013	10/31/2014	10/30/2015	1.00%		560,500.00		560,500.00
2081	2013 Road Program	10/31/2013	10/31/2013	10/31/2014	1.50%	665,000.00		665,000.00	
	2013 Road Program	10/31/2013	10/31/2014	10/30/2015	1.00%		665,000.00		665,000.00
2082/2094	Local Improvements	10/31/2013	10/31/2013	10/31/2014	1.50%	90,250.00		90,250.00	
	Local Improvements	10/31/2013	10/31/2014	10/30/2015	1.00%		90,250.00		90,250.00
2101	Property Buy-outs CDBG DR	10/31/2014	10/31/2014	10/30/2015	1.00%		500,000.00		500,000.00
2102	NJDOT Streetscape	10/31/2014	10/31/2014	10/30/2015	1.00%		950,000.00		950,000.00
2103	Construction of Bandshell at Pool	10/31/2014	10/31/2014	10/30/2015	1.00%		280,250.00		280,250.00
2105	14 Road Program	10/31/2014	10/31/2014	10/30/2015	1.00%		760,000.00		760,000.00
2116	Washington Avenue Road Improvements	10/31/2014	10/31/2014	10/30/2015	1.00%		116,000.00		116,000.00
2122	DPW Dump Truck, Chipper	10/31/2014	10/31/2014	10/30/2015	1.00%		332,500.00		332,500.00
2123	Library Roof Repair	10/31/2014	10/31/2014	10/30/2015	1.00%		71,250.00		71,250.00
2124	Acquisition of Fire Equipment	10/31/2014	10/31/2014	10/30/2015	1.00%		266,000.00		266,000.00
2106	Reconstruction or Replacement of Sidewalks	10/31/2014	10/31/2014	10/30/2015	1.00%		152,000.00		152,000.00
						<u>\$ 1,824,000.00</u>	<u>\$ 5,252,000.00</u>	<u>\$ 1,824,000.00</u>	<u>\$ 5,252,000.00</u>
<u>REF.</u>						C	C-2	C-2	C

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013		2014 AUTHORIZATIONS	PAID OR CHARGED	CANCELED	BALANCE DECEMBER 31, 2014	
		FUNDED	UNFUNDED				FUNDED	UNFUNDED
<u>General Improvements:</u>								
1588	Handicapped Curb Cuts	\$ 29,908.20	\$	\$	\$	\$	\$ 29,908.20	\$
1591	Fuel Storage Tanks		136.16			136.16		
1594	ADA Compliant Equipment	39,497.64					39,497.64	
1765	Acq. & Install. of Public Safety Commun. System		30,151.09		25,198.00	4,953.09		
1956	Drainage & Stormwater Imprv. Various Locations		10,615.81		(1,364.85)			11,980.66
2032	Rehabilitation of Substandard Housing	1,335.16	100.00			1,435.16		
2043	Sanitary Sewer Main Improvements	112,916.75			12,325.00		100,591.75	
2044/2057	Library Roof Repairs		21,911.72					21,911.72
2046	Various Road Reconstruction, Curbing	66,073.87			750.00	65,323.87		
2048	Reconstruction, Resurfacing, Drainage, Driveway Aprons, Curbs and Sidewalk Improvements	62,229.33	91,342.43			153,571.76		
2062	Road Reconstruction, Curb and Drainage	467.32				467.32		
2067/2078	Road Reconstruction, Curb and Drainage - Forest	21,971.42	23,750.00		684.24	45,037.18		
2068	Improvements at NYS & W Railroad Crossing	45,903.28				45,903.28		
2073	Installation of Lighting Wagaraw Field		3,202.64		100.00	2,302.64		800.00
2081	2013 Road Program		46,759.38		(71,083.87)			117,843.25
2083	Purchase of Dump Truck		3,623.25		200.00			3,423.25
2095	May Street Road Improvements		8,168.80		(18,582.11)			26,750.91
2096	Sanitary sewer line improvements		14,674.12		(1,420.00)			16,094.12
2100	Acquisition of Fire Dept Capital Equipment		38,182.11		12,042.00			26,140.11
2101	Property Buy-outs CDBG-DR		1,094,382.26		17,123.48			1,077,258.78
2102	NJDOT Streetscape		948,953.36		208,600.00			740,353.36

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013		2014 AUTHORIZATIONS	PAID OR CHARGED	CANCELED	BALANCE DECEMBER 31, 2014		
		FUNDED	UNFUNDED				FUNDED	UNFUNDED	
2103	Construction of Band Shell at Pool Complex			295,000.00	26,529.20			268,470.80	
2105	2014 Road Program			800,000.00	753,169.88			46,830.12	
2116	Washington Ave Road Improvements			280,000.00	275,754.17			4,245.83	
2122	DPW Dump Truck, Chipper			350,000.00	344,200.77			5,799.23	
2123	Library Roof Repair			75,000.00	65,206.14			9,793.86	
2124	Acquisition of Fire Equipment			280,000.00	161,066.90			118,933.10	
2126	Finance Department Software			90,000.00	81,688.88		8,311.12		
<u>Local Improvements:</u>									
2009	Imprv., Curbing & Other Imprv. Brockhuizen Lane	\$ 10,280.00	\$	\$	\$	\$ 10,280.00	\$	\$	
2047	Sidewalk Improvements - Various Streets	124,359.63				124,359.63			
2082/2094	Reconstruction of Sidewalks and Driveway								
2106	Aprons-Pasadena and Mohawk	20,870.84	44,000.00		471.12		20,399.72	44,000.00	
2106	Local Improvements		3,473.73		3,208.95			264.78	
2106	Reconstruction of Replacement of Sidewalks			160,000.00	156,618.94			3,381.06	
		<u>\$ 535,813.44</u>	<u>\$ 2,383,426.86</u>	<u>\$ 2,330,000.00</u>	<u>\$ 2,052,486.84</u>	<u>\$ 453,770.09</u>	<u>\$ 198,708.43</u>	<u>\$ 2,544,274.94</u>	
REF.		C	C		C-16		C:C-3	C:C-5	
	Capital Improvement Fund			\$ 202,000.00					
	Deferred Charges to Future Taxation Unfunded			2,128,000.00		122,584.32			
	Reserve for Debt Service					<u>331,185.77</u>			
				<u>\$ 2,330,000.00</u>		<u>453,770.09</u>			

"C-15"

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2013	C	\$	235,130.03
Increased by:			
2014 Budget Appropriation	C-2		100,000.00
		\$	<u>335,130.03</u>
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-14	\$	<u>202,000.00</u>
Balance, December 31, 2014	C	\$	<u><u>133,130.03</u></u>

"C-16"

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, December 31, 2013	C	\$	1,139,089.92
Increased by:			
Encumbrances Issued	C-14		2,052,486.84
		\$	<u>3,191,576.76</u>
Decreased by:			
Cash Disbursements	C-2		<u>2,103,683.29</u>
Balance, December 31, 2014	C	\$	<u><u>1,087,893.47</u></u>

BOROUGH OF HAWTHORNE  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Increased by:		
Cash Disbursements	C-2	\$ <u>900,000.00</u> <u>900,000.00</u>
Decreased by:		
Cash Receipts	C-2	\$ <u>900,000.00</u>

BOROUGH OF HAWTHORNE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2014</u>	
		<u>CAPITAL</u>	<u>ASSESSMENT</u>
	<u>General Improvements:</u>		
1591	Construction of Roadway - Sherman Avenue	\$ 649.84	\$
1634/1663	Resurfacing and Reconstruction of Grand Avenue	3,844.00	
1938	Improvement of Van Winkle Avenue	933.76	
1949	Road Resurfacing, Curbing and Drainage	617.74	
1956	Drainage and Stormwater Improvements	264,000.00	
1959	Recreation Facility at Wagaraw Road	126.48	
1885/1970	Repairs and Renovation to Municipal Pool	4,736.29	
1975	Road Reconstruction and Improvements - Central Avenue	18,084.55	
2044/2057	Library Roof Repairs	67,500.00	
2058	Refunding Bond Ordinance		
	Acq. and Installation of Public Safety Communication Equipment	318,046.91	
2101	Property Buy-outs CDBG-DR	600,000.00	
	<u>Local Improvements:</u>		
1427/1462	Mountain Ave Sanitary Sewers	4,343.00	
1540	Curbs - Van Winkle Avenue	974.00	
1554	Sanitary Sewers- Highview Terrace	15,870.00	
1564	Curbs/Aprons/Sidewalks - Rock & Goffle	3,119.00	
1607/1682	Curbs and Sidewalks- Lafayette Avenue	3,800.00	
1636/1684	Pavers on Lafayette Ave.	3,450.00	
1726	Curbs/Aprons/Sidewalks - Post Avenue	4,124.00	
1733	Curbs/Aprons/Sidewalks - Bamford Avenue	3,563.00	200.20
1734/1757	Sanitary Sewers - Highview/Charwalt	22,187.00	31,846.75
1810	Curbs/Aprons/Sidewalks - Hutchinson, Roosevelt and Van Winkle	2,410.00	
2047	Reconstruction of Sidewalks and Driveway Aprons - Pasadena and Mohawk	44,000.00	
		<u>\$ 1,386,379.57</u>	<u>\$ 32,046.95</u>

BOROUGH OF HAWTHORNE  
WATER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>		<u>CAPITAL</u>	
Balance, December 31, 2013	D	\$	\$ 698,127.13	\$	375,435.43
Increased by Receipts:					
Water Rents Receivable	D-7		3,114,889.68		
Fire Hydrant Service	D-3		102,900.00		
Non-Budget Revenue	D-3		5,631.70		
Water Rent Overpayments	D-8		3,298.53		
Due Current Fund	D-13		31,061.17		
Miscellaneous	D-3		34,647.81		
			<u>3,292,428.89</u>		
			3,990,556.02		<u>375,435.43</u>
Decreased by Disbursements:					
Appropriations	D-4		2,722,160.54		
Appropriation Reserves	D-9		117,421.92		
Encumbrances	D-10		25,254.00		
Improvement Authorizations	D-18			32,556.28	
Refund of Prior Year Revenue	D-1		1,262.22		
Due Current Fund	D-13		30,625.55		
			<u>2,896,724.23</u>		<u>32,556.28</u>
Balance, December 31, 2014	D	\$	<u>1,093,831.79</u>	\$	<u>342,879.15</u>

"D-6"

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

ANALYSIS OF CASH

BALANCE  
DECEMBER 31,  
2014

Fund Balance	\$	1,628.00
Capital Improvement Fund		3,851.00
Reserve for Payment of Debt		390,966.00
Loan Proceeds Receivable		(307,803.00)
Improvement Authorizations:		
Ord. 1994 - Various Improvements and Equipment		<u>254,237.15</u>
	\$	<u><u>342,879.15</u></u>

REF.

D

"D-7"

BOROUGH OF HAWTHORNE  
WATER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2013	D	\$	436,186.26
Increased by:			
Water Rents Levied			3,172,616.36
		\$	<u>3,608,802.62</u>
Decreased by:			
Collections	D-5	\$	3,114,889.68
Overpayments Applied	D-8		<u>4,157.02</u>
			<u>3,119,046.70</u>
Balance, December 31, 2014	D	\$	<u><u>489,755.92</u></u>

"D-8"

WATER UTILITY OPERATING FUND  
SCHEDULE OF WATER RENT OVERPAYMENTS

Balance, December 31, 2013	D	\$	4,157.02
Increased by:			
Overpayments Collected	D-5		3,298.53
		\$	<u>7,455.55</u>
Decreased by:			
Applied	D-7		<u>4,157.02</u>
Balance, December 31, 2014	D	\$	<u><u>3,298.53</u></u>

BOROUGH OF HAWTHORNE  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2013	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating:				
Salaries and Wages	\$	\$ 1,613.47	\$ 1,611.63	\$ 1.84
Other Expenses	109,222.09	180,119.65	87,633.89	92,485.76
Laboratory Testing and Safe Water Act		5,000.00	3,276.50	1,723.50
Capital Improvement: Capital Outlay	<u>76,295.10</u>	<u>79,300.00</u>	<u>24,899.90</u>	<u>54,400.10</u>
	<u>\$ 185,517.19</u>	<u>\$ 266,033.12</u>	<u>\$ 117,421.92</u>	<u>\$ 148,611.20</u>
<u>REF.</u>	D		D-5	D-1
Balance, December 31, 2013	D	\$ 185,517.19		
Encumbrances Payable	D-10	80,515.93		
Cash Disbursements	D-5		\$ 117,421.92	
		<u>\$ 266,033.12</u>	<u>\$ 117,421.92</u>	

BOROUGH OF HAWTHORNE  
WATER UTILITY OPERATING FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2013	D	\$	109,915.93
Increased by:			
Charges to 2014 Budget Appropriations	D-4		131,200.66
		\$	<u>241,116.59</u>
Decreased by:			
Cash Disbursements	D-5	\$	25,254.00
Canceled	D-1		2,876.00
Transferred to Appropriation Reserves	D-9		<u>80,515.93</u>
			<u>108,645.93</u>
Balance, December 31, 2014	D	\$	<u><u>132,470.66</u></u>

"D-11"

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF WATER LOANS PAYABLE

<u>PURPOSE</u>	<u>Ord. No.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>PAID BY BUDGET</u>	<u>BALANCE DECEMBER 31, 2014</u>
Replacement of Various Water Mains	1811	\$ <u>1,291,151.52</u>	\$ <u>145,517.09</u>	\$ <u>1,145,634.43</u>
		\$ <u><u>1,291,151.52</u></u>	\$ <u><u>145,517.09</u></u>	\$ <u><u>1,145,634.43</u></u>
	<u>REF.</u>	D	D-19	D

"D-12"

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, 2014</u>
1575	Acquisition of Two Pickup Trucks	\$ 23,344.00
2069	Various Water Department Equipment	250.00
2125-14	Acquisition of Generators	<u>400,000.00</u>
		<u>\$ 423,594.00</u>

"D-13"

WATER UTILITY OPERATING FUND

SCHEDULE OF DUE CURRENT FUND

Increased by:			
Cash Receipts	D-5	\$	31,061.17
Decreased by:			
Cash Disbursements	D-5		<u>30,625.55</u>
Balance, December 31, 2014 (Due To)	D	\$	<u>435.62</u>

"D-14"

BOROUGH OF HAWTHORNE

WATER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

REF.

Balance, December 31, 2013 and  
December 31, 2014

D

\$ 23,928.00

"D-15"

WATER UTILITY CAPITAL FUND

SCHEDULE OF LOAN PROCEEDS RECEIVABLE

Balance, December 31, 2013 and  
December 31, 2014

D

\$ 307,803.00

"D-16"

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	BALANCE DECEMBER 31, 2013	BALANCE DECEMBER 31, 2014
Land and Wells	\$ 525,041.00	\$ 525,041.00
Storage Reservoirs, Tanks and Standpipes, Distribution Mains and Accessories	4,194,599.00	4,194,599.00
Water System and Distribution System	3,637,199.00	3,637,199.00
Other Tangible Capital	<u>1,961,907.57</u>	<u>1,961,907.57</u>
	<u>\$ 10,318,746.57</u>	<u>\$ 10,318,746.57</u>
<u>REF.</u>	D	D

"D-17"

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ACCOUNT</u>	BALANCE DECEMBER 31, 2013	DEFERRED CHARGES TO FUTURE REVENUE	BALANCE DECEMBER 31, 2014
Ord 1994/2069 Various Improvements and Equipment	\$ <u>1,215,000.00</u>	\$ <u>400,000.00</u>	\$ <u>1,615,000.00</u>
	<u>\$ 1,215,000.00</u>	<u>\$ 400,000.00</u>	<u>\$ 1,615,000.00</u>
<u>REF.</u>	D	D-18	D

BOROUGH OF HAWTHORNE  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2013		2014 AUTHORIZATION	PAID OR CHARGED	BALANCE DECEMBER 31, 2014	
		DATE	AMOUNT	FUNDED	UNFUNDED			FUNDED	UNFUNDED
General Improvements:									
1994/2069	Various Improvement and Equipment	11/7/2010	\$ 495,000.00	\$ 286,793.43	\$ 250.00	\$	\$ 31,999.24	\$ 254,794.19	\$ 250.00
2125-14	Acquisition of Generators	10/15/2014	400,000.00			400,000.00	557.04		399,442.96
				<u>\$ 286,793.43</u>	<u>\$ 250.00</u>	<u>\$ 400,000.00</u>	<u>\$ 32,556.28</u>	<u>\$ 254,794.19</u>	<u>\$ 399,692.96</u>
		REF.		D	D		D-5	D	D
Debt Authorized			D-17			<u>\$ 400,000.00</u>			
			D-15			<u>\$ 400,000.00</u>			

"D-19"

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2013	D		\$ 8,722,595.05
Increased by:			
Serial Bonds Paid by Operating Budget	D-24	\$ 115,000.00	
NJ EIT Loans Paid by Operating Budget	D-11	<u>145,517.09</u>	
			<u>260,517.09</u>
			<u>8,983,112.14</u>
Balance, December 31, 2014	D		\$ <u>8,983,112.14</u>

"D-20"

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2013 and December 31, 2014	D		\$ <u>390,966.00</u>
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"D-21"

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

REF.

Balance, December 31, 2013 and  
December 31, 2014

D

\$ 60,750.00

Analysis of Balance:

Ordinance 1994/2069

\$ 60,750.00

"D-22"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2013 and  
December 31, 2014

D

\$ 3,851.00

BOROUGH OF HAWTHORNE

WATER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

<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, 2013</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2014</u>
			<u>DATE</u>	<u>AMOUNT</u>				
General Water Improvement Bonds	7/10/12	1,154,000.00	7/15/15	60,000.00	2.000%	\$ 1,099,000.00	\$ 60,000.00	\$ 1,039,000.00
			7/15/16	70,000.00	2.000%			
			7/15/17	70,000.00	2.000%			
			7/15/18	70,000.00	2.000%			
			7/15/19	70,000.00	2.000%			
			7/15/20	80,000.00	2.000%			
			7/15/21	80,000.00	2.000%			
			7/15/22	80,000.00	3.000%			
			7/15/23	80,000.00	3.000%			
			7/15/24	90,000.00	3.000%			
			7/15/25	90,000.00	2.250%			
			7/15/26	100,000.00	2.250%			
			7/15/27	99,000.00	2.500%			
			Water Utility Refunding Bonds	3/29/12	365,000.00			
6/1/16	60,000.00	3.000%						
6/1/17	60,000.00	3.000%						
6/1/18	60,000.00	4.000%						
6/1/19	65,000.00	4.000%						
						<u>\$ 1,459,000.00</u>	<u>\$ 115,000.00</u>	<u>\$ 1,344,000.00</u>
<u>REF.</u>						D	D-19	D

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

	<u>REF.</u>	<u>P.A.T.F. I ACCOUNT</u>	<u>FUND TOTAL</u>
Balance December 31, 2013	E	\$ <u>11,398.59</u>	\$ <u>11,398.59</u>
Increased by Receipts:			
Receipts	E-2	<u>4,220.00</u>	<u>4,220.00</u>
<u>Total Receipts</u>		<u>4,220.00</u>	<u>4,220.00</u>
		<u>15,618.59</u>	<u>15,618.59</u>
Balance December 31, 2014	E	\$ <u><u>15,618.59</u></u>	\$ <u><u>15,618.59</u></u>

BOROUGH OF HAWTHORNE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

	<u>REF.</u>		
Balance December 31, 2013	E	\$	11,398.59
Increased by:			
Revenues	E-1		<u>4,220.00</u>
Balance December 31, 2014	E	\$	<u><u>15,618.59</u></u>

BOROUGH OF HAWTHORNE  
PUBLIC ASSISTANCE TRUST FUND  
SCHEDULE OF PUBLIC ASSISTANCE CASH AND  
RECONCILIATION AS OF DECEMBER 31, 2014

	<u>REF.</u>		
Balance December 31, 2013	E-1	\$	11,398.59
Increased by:			
Cash Receipts	E-1		4,220.00
			<u>15,618.59</u>
Balance December 31, 2014	E-1	\$	<u><u>15,618.59</u></u>

Reconciliation, December 31, 2014

	<u>P.A.T.F. I</u> <u>ACCOUNT</u>		<u>TOTAL</u>
Balance on Deposit per Statement of: Columbia Bank #24804356	\$ <u>15,618.59</u>	\$	<u>15,618.59</u>
Balance December 31, 2014	\$ <u><u>15,618.59</u></u>	\$	<u><u>15,618.59</u></u>

BOROUGH OF HAWTHORNE

PART II

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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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, 2014, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated June 25, 2015. 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) to determine the 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

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## ***Purpose of this Report***

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

June 25, 2015

BOROUGH OF HAWTHORNE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2014

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT YEAR	GRANT AWARD AMOUNT	2014 FUNDS RECEIVED	2014 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2014
<u>Department of Housing and Urban Development</u> (Pass Through from County of Passaic)						
Community Development Block Grant	14.218	2009	\$ 147,500.00	\$	\$	\$ 147,500.00
Community Development Block Grant - Ord. 2062	14.218	2012	110,000.00			110,000.00
Community Development Block Grant - Ord. 2081	14.218	2013	74,091.00			64,732.17
Community Development Block Grant - Ord. 2081	14.218	2013	50,000.00			43,639.00
Community Development Block Grant - Ord. 2105	14.218	2014	50,000.00		50,000.00	50,000.00
				<u>50,000.00</u>	<u>50,000.00</u>	<u>415,871.17</u>
<u>Department of Homeland Security</u> Public Assistance for Presidentially Declared Disasters - Passed Through the New Jersey Office of Emergency Management Public Assistance						
	97.036	2013	184,522.46	<u>42,755.67</u>	<u>42,755.67</u>	<u>184,522.46</u>
<u>Department of Transportation</u> (Pass Through from State of NJ Dept of Law and Public Safety)						
Click It or Ticket Program	20.602		4,000.00	4,000.00	4,000.00	4,000.00
Drive Sober or Get Pulled Over	20.601		5,000.00	5,000.00	5,000.00	5,000.00
(Pass through from State of NJ Dept of Transportation)						
Highway Planning and Construction	20.205					
Road Reconstruction - Ord. 2095		2013	196,553.00			190,552.78
Streetscape - Ord. 2102		2013	600,000.00		208,600.00	209,259.38
Forest Ave - Ord. 2067		2012	200,000.00			200,000.00
Warburton NYS&W Railroad - Ord. 2068		2010	44,294.72	43,740.00		44,294.72
Mohawk Ave - Ord. 2048		2009	185,000.00			185,000.00
Washington & Royal Avenue		2014	200,000.00	150,000.00	150,000.00	150,000.00
				<u>202,740.00</u>	<u>367,600.00</u>	<u>988,106.88</u>
				<u>\$ 245,495.67</u>	<u>\$ 460,355.67</u>	<u>\$ 1,588,500.51</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

BOROUGH OF HAWTHORNE

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2014

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2014 RECEIVED	2014 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2014
		FROM	TO				
<u>Department of Environmental Protection</u>							
Clean Communities Program - Prior Years	4900-765-042-4900	Continuous		\$ 111,613.50		\$ 24,550.00	\$ 62,123.51
Clean Communities Program - 13	4900-765-042-4900	Continuous		25,955.02			12,551.00
Clean Communities Program - 14	4900-765-042-4900	Continuous		29,958.39	29,958.39	29,958.39	29,958.39
Shade Tree Grant - Prior Years	not applicable	Continuous		3,716.00			
Municipal Stormwater Grant	not applicable	Continuous		12,029.00		1,209.00	5,375.00
Recycling Tonnage Grant	4900-765-042-4900	Continuous		38,512.00			2,412.41
Recycling Tonnage Grant	4900-765-042-4900	Continuous		34,825.00			
Recycling Tonnage Grant-12	4900-765-042-4900	Continuous		33,038.00			
Recycling Tonnage Grant-13	4900-765-042-4900	Continuous		25,520.00			
Recycling Tonnage Grant-14	4900-765-042-4900	Continuous		22,381.47		22,381.47	22,381.47
					<u>29,958.39</u>	<u>55,717.39</u>	<u>112,420.31</u>
<u>Department of Law and Public Safety</u>							
Drunk Driving Enforcement Fund - 13	6400-100-078-6400-YYYY	Continuous		302.35			
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	Continuous		3,364.96		3,364.96	3,364.96
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	Continuous		2,793.02	2,793.02	2,793.02	2,793.02
Domestic Violence Grant - 02	100-066-1020-107	Continuous		107.00			
Municipal Alliance Program - Prior Years	not applicable	Continuous		49,652.00			49,226.68
Municipal Alliance Program - 13	not applicable	Continuous		3,160.12			
Municipal Alliance Program - 14	not applicable	Continuous		34,684.00	20,731.23	34,684.00	34,684.00
Alcohol Education and Rehabilitation Fund - Prior Years	9735-760-098-4900	Continuous		5,060.66		2,000.00	4,720.08
Alcohol Education and Rehabilitation Fund - 13	9735-760-098-4900	Continuous		791.62			
Alcohol Education and Rehabilitation Fund - 14	9735-760-098-4900	Continuous		1,122.52	1,122.52	1,122.52	1,122.52
Body Armor Replacement Fund - 14	1020-718-066-1020	Continuous		3,925.14		3,925.14	3,925.14
Emergency Management Grant - 10		Continuous		10,000.00			6,493.72
Emergency Management Grant - 12		Continuous		5,000.00			
					<u>24,646.77</u>	<u>47,889.64</u>	<u>106,330.12</u>
<u>Department of Community Affairs</u>							
Livable Communities Program		Continuous		75,000.00			58,713.00
Audio Visual Grant		Continuous		2,805.00		179.99	2,700.98
						<u>179.99</u>	<u>61,413.98</u>
<u>Board of Public Utilities</u>							
Clean Energy Grant		Continuous		2,300.00			1,351.65
					<u>\$ 54,605.16</u>	<u>\$ 103,787.02</u>	<u>\$ 281,516.06</u>

BOROUGH OF HAWTHORNE

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2014

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state financial awards for the Borough of Hawthorne, County of Passaic, New Jersey. All federal and state financial awards received directly from state agencies as well as federal and state financial awards passed through other governmental agencies are included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the modified accrual basis of accounting, with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. The basis of accounting is described in Note 1 to the Borough's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to differences between the grant reporting year and the Borough's fiscal year.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's regulatory basis financial statements. These amounts are reported in the Current Fund, General Capital Fund or Water Utility Fund. Reconciliations of revenues and expenses are presented on the following page.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS  
(CONTINUED)

Revenues:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 9,000.00	\$ 54,605.16	\$ 12,500.00	\$ 76,105.16
General Capital Fund	<u>193,740.00</u>	<u>                    </u>	<u>                    </u>	<u>193,740.00</u>
	<u>\$ 202,740.00</u>	<u>\$ 54,605.16</u>	<u>\$ 12,500.00</u>	<u>\$ 269,845.16</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 28,754.59	\$ 103,787.02	\$ 1,388.99	\$ 133,930.60
General Capital Fund	<u>458,600.00</u>	<u>                    </u>	<u>                    </u>	<u>458,600.00</u>
	<u>\$ 487,354.59</u>	<u>\$ 103,787.02</u>	<u>\$ 1,388.99</u>	<u>\$ 592,530.60</u>

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedules.

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PART III

BOROUGH OF HAWTHORNE

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATION

YEAR ENDED DECEMBER 31, 2014

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

	YEAR 2014		YEAR 2013	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,641,000.00	2.28%	\$ 1,402,500.00	1.99%
Miscellaneous-From Other Than Local				
Property Tax Levies	4,691,961.55	6.52%	4,439,476.25	6.29%
Collection of Delinquent Taxes and Tax Title Liens	968,583.47	1.35%	1,035,806.03	1.47%
Collection of Current Tax Levy	<u>64,643,969.00</u>	<u>89.85%</u>	<u>63,683,298.32</u>	<u>90.25%</u>
<u>TOTAL INCOME</u>	<u>71,945,514.02</u>	<u>100.00%</u>	<u>70,561,080.60</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	18,530,187.30	26.45%	17,917,274.56	26.09%
County Taxes	16,000,392.78	22.84%	15,885,447.53	23.13%
School Taxes	35,441,966.00	50.59%	34,766,609.00	50.62%
Other	<u>87,482.21</u>	<u>0.12%</u>	<u>112,653.74</u>	<u>0.16%</u>
<u>TOTAL EXPENDITURES</u>	<u>70,060,028.29</u>	<u>100.00%</u>	<u>68,681,984.83</u>	<u>100.00%</u>
Excess in Revenue	1,906,985.73		1,879,095.77	
Fund Balance, January 1	<u>3,895,843.81</u>		<u>3,419,248.04</u>	
	5,802,829.54		5,298,343.81	
Less: Utilization as Anticipated Revenue	<u>1,641,000.00</u>		<u>1,402,500.00</u>	
Fund Balance, December 31	\$ <u>4,161,829.54</u>		\$ <u>3,895,843.81</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - WATER UTILITY FUND

	YEAR 2014		YEAR 2013	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 224,014.50	6.16%	\$ 175,482.00	5.88%
Water Rents	3,119,046.70	85.74%	2,608,056.86	87.43%
Fire Hydrant Service	102,900.00	2.83%	108,750.00	3.65%
Miscellaneous	191,766.71	5.27%	90,739.45	3.04%
<u>TOTAL INCOME</u>	<u>3,637,727.91</u>	<u>100.00%</u>	<u>2,983,028.31</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	2,443,193.00	83.66%	2,416,602.00	81.99%
Capital Improvements	11,500.00	0.39%	79,300.00	2.69%
Debt Service	318,690.42	10.91%	311,051.04	10.55%
Deferred Charges and Statutory Expenditures	145,631.50	4.99%	140,500.00	4.77%
Other	1,262.22			
<u>TOTAL EXPENDITURES</u>	<u>2,920,277.14</u>	<u>99.96%</u>	<u>2,947,453.04</u>	<u>100.00%</u>
Excess in Revenue	717,450.77		35,575.27	
Fund Balance, January 1	379,840.49		519,747.22	
	1,097,291.26		555,322.49	
Less: Utilization as Anticipated Revenue	224,014.50		175,482.00	
Fund Balance, December 31	\$ <u>873,276.76</u>		\$ <u>379,840.49</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$5.373</u>	<u>\$5.284</u>	<u>\$5.177</u>
Apportionment of Tax Rate:			
Municipal	\$1.107	\$1.080	\$1.046
Library	0.061	0.064	0.068
County	1.307	1.297	1.288
Local District School	<u>2.898</u>	<u>2.843</u>	<u>2.775</u>

Assessed Valuations:

2014	\$ <u>1,222,857,642.00</u>		
2013		\$ <u>1,223,017,022.00</u>	
2012			\$ <u>1,229,305,395.00</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>
2014	\$ 65,904,261.96	\$ 64,643,969.00	98.09%
2013	64,817,270.48	63,683,298.32	98.25%
2012	63,777,400.02	62,333,388.86	97.74%

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>TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL</u>	<u>PERCENTAGE OF TAX LEVY</u>
2014	\$ 1,088,787.05	\$ 1,045,581.46	\$ 2,134,368.51	3.24%
2013	975,788.64	997,224.08	1,973,012.72	3.04%
2012	916,866.76	1,075,097.62	1,991,964.38	3.12%

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>
2014	\$34,980.00
2013	\$34,980.00
2012	\$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	2014	\$ 4,161,829.54	\$ 1,941,000.00
	2013	3,895,843.81	1,641,000.00
	2012	3,419,248.04	1,402,500.00
	2011	3,422,797.83	1,441,300.00
	2010	3,069,608.54	1,225,000.00
Water Utility Operating Fund	2014	\$ 873,276.76	\$ -
	2013	379,840.49	224,014.50
	2012	519,747.22	175,482.00
	2011	530,144.22	10,397.00
	2010	424,576.14	23,344.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Richard S. Goldberg	Mayor	*	
Bruce Bennett	Councilperson	*	
John Bertollo	Councilperson	*	
John Lane	Councilperson	*	
Frank Matthews	Councilperson	*	
Dominic Mele	Councilperson	*	
Garrett Sinning	Councilperson	*	
Joseph Wojtecki	Councilperson	*	
Eric Maurer	Borough Administrator	*	
Lori DiBella	Borough Clerk	*	
Mary Jeanne Hewitt	Chief Financial Officer/ Treasurer	\$1,000,000.00	MEL JIF
Louise Siano	Tax Collector	\$1,000,000.00	MEL JIF
Michael Pasquale, Esq.	Municipal Attorney		
John Meola	Magistrate	\$1,000,000.00	MEL JIF
Katie Viger	Court Administrator From April 2014	\$1,000,000.00	MEL JIF
Heidy Amaral	Court Administrator Up to April 2014	\$1,000,000.00	MEL JIF
Gina Brown	Violations Clerk From May 2014	\$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 RECOMMENDATION

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 January 1, 2011, the bid threshold was \$17,500.00. The Borough increased the bid threshold to \$36,000.00 by appointing a Qualified Purchasing Agent (QPA).

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:

Road Improvements	Vehicles/Dump Truck
Tennis Court Rehab.	Wood Chipper
Tree/Landscape Services	Pump Station Rehab.

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 2014 for the following professional services:

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

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 previously adopted the following resolution authorizing interest to be charged on delinquent taxes.

"WHEREAS, under the provisions of R.S. 54:4-67, the governing body of each municipality may by resolution fix interest and penalties to be charged for delinquent taxes and other municipal liens and charges, and

WHEREAS, it has been determined by the governing body that the fixing of such interest rates and penalties would be beneficial to the municipality,

NOW, THEREFORE, BE IT RESOLVED, that the governing body of the Borough of Hawthorne, County of Passaic, does hereby fix the maximum allowed under R.S. 54:4-67 to be charged against all properties who become delinquent as defined under R.S. 54:4-66 and 67.

BE IT FURTHER RESOLVED, that the charges on account of delinquent properties as set forth herein remain in effect from year to year until such time as the governing body adopts a new resolution setting forth new or different rates."

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 16, 2014 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>
2014	2
2013	2
2012	2

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

CONFIRMATION OF DELINQUENT TAXES AND OTHER CHARGES

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

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

OTHER COMMENTS

Interfunds

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

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

RECOMMENDATIONS

NONE



