

*Report of Audit*

*on the*

*Financial Statements*

*of the*

*Township of Harding*

*in the*

*County of Morris*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2011*



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TOWNSHIP OF HARDING

PART I

INDEPENDENT AUDITOR'S REPORT ON  
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YEAR ENDED DECEMBER 31, 2011 AND 2010



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements - regulatory basis of the various individual funds and the account group of the Township of Harding, County of Morris, New Jersey as of and for the years ended December 31, 2011 and 2010, and for the year ended December 31, 2011 as listed as financial statements - regulatory basis in the foregoing table of contents. These financial statements - regulatory basis are the responsibility of the management of the Township of Harding, County of Morris. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial statements contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Township of Harding, County of Morris, prepares its financial statements on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.



# SUPLEE, CLOONEY & COMPANY

In our opinion, because the Township of Harding prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with generally accepted accounting principles, the financial position of the various individual funds of the Township of Harding as of December 31, 2011 and 2010 or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2011.

However, in our opinion, the financial statements - regulatory basis present fairly, in all material respects, the financial position - regulatory basis of the various individual funds and account groups of the Township of Harding, County of Morris, as of December 31, 2011 and 2010, and the results of its operations and changes in fund balance - regulatory basis for the years then ended and the revenues, expenditures and changes in fund balance - regulatory basis for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated August 3, 2012 on our consideration of the Township of Harding's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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 the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements - regulatory basis taken as a whole. The information included in the schedules of expenditures of federal awards and state financial assistance and the other supplementary schedules and data listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended for the information of the Township of Harding, County of Morris, New Jersey, the Division of Local Government Services and federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

August 3, 2012

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CURRENT FUND

TOWNSHIP OF HARDING

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
Cash	A-4	\$ 4,338,550.41	\$ 4,446,508.19
Change Fund	A-6		250.00
Due State of New Jersey - Senior Citizens and Veterans	A-7	909.10	909.10
		<u>\$ 4,339,459.51</u>	<u>\$ 4,447,667.29</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 102,495.00	\$ 40,989.28
Revenue Accounts Receivable	A-13		17,917.10
Interfunds Receivable	A-12	106,836.97	102,907.99
	A	<u>\$ 209,331.97</u>	<u>\$ 161,814.37</u>
		<u>\$ 4,548,791.48</u>	<u>\$ 4,609,481.66</u>
Grant Fund:			
Cash	A-4	\$ 2,912.08	\$ 23,734.53
Grants Receivable	A-27	336,434.67	328,690.12
		<u>\$ 339,346.75</u>	<u>\$ 352,424.65</u>
		<u>\$ 4,888,138.23</u>	<u>\$ 4,961,906.31</u>

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

TOWNSHIP OF HARDING

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
Appropriation Reserves	A-3:A-14	\$ 656,689.58	\$ 623,770.37
Prepaid Taxes	A-16	327,668.18	277,131.85
Tax Overpayments	A-15	17,587.72	
Accounts Payable	A-11	239,201.98	202,863.22
Interfunds Payable	A-12		4,144.00
County Taxes Payable	A-24	11,548.92	20,210.54
Reserve For:			
Sale of Municipal Assets	A-23	8,482.00	8,482.00
Tax Premiums	A-17	210.63	210.63
Construction Code DCA - Due State of NJ	A-19	3,172.00	2,807.00
Tax Appeals	A-29	422,071.93	180,000.00
Garden State Trust	A-9	6,887.00	6,887.00
Due State of NJ - Marriage	A-30	125.00	
Revaluation	A-20	1,370.00	1,370.00
		<u>\$ 1,695,014.94</u>	<u>\$ 1,327,876.61</u>
Reserve for Receivables and Other Assets	A	209,331.97	161,814.37
Fund Balance	A-1	<u>2,644,444.57</u>	<u>3,119,790.68</u>
		<u>\$ 4,548,791.48</u>	<u>\$ 4,609,481.66</u>
Grant Fund:			
Reserve for Grants - Unappropriated	A-22	\$ 3,004.90	\$ 1,446.16
Reserve for Grants - Appropriated	A-21	227,423.49	211,954.63
Due Current Fund	A-28	102,868.55	98,669.79
Reserve for Accounts Payable	A-10	6,049.81	40,354.07
		<u>\$ 339,346.75</u>	<u>\$ 352,424.65</u>
		<u>\$ 4,888,138.23</u>	<u>\$ 4,961,906.31</u>

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

## TOWNSHIP OF HARDING

## CURRENT FUND

STATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2011	YEAR ENDED DECEMBER 31, 2010
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 2,030,000.00	\$ 1,870,000.00
Miscellaneous Revenue Anticipated	A-2	1,454,374.27	1,559,522.44
Receipts From Delinquent Taxes	A-2	40,956.44	148,590.30
Receipts From Current Taxes	A-2	21,619,658.59	21,140,465.00
Non-Budget Revenue	A-2	240,252.84	403,291.51
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	694,212.70	853,478.67
Cancel Reserves	A-12:A-21:A-28	1,831.12	2,410.01
<u>TOTAL REVENUE AND OTHER INCOME</u>		\$ <u>26,081,285.96</u>	\$ <u>25,977,757.93</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations Within "CAPS"	A-3	\$ 5,467,537.00	\$ 5,318,160.00
Deferred Charges and Statutory Expenditures - Municipal	A-3	777,226.00	708,764.00
Other Operations Excluded From "CAPS"	A-3	350,866.00	318,975.33
Municipal Debt Service	A-3	788,145.00	786,360.00
Capital Improvements	A-3	450,000.00	450,000.00
Deferred Charges	A-3	125,000.00	125,000.00
Open Space Tax	A-26	784,704.00	788,404.00
Added Open Space Tax	A-26	1,433.42	2,614.79
County Tax	A-24	6,317,185.85	5,987,869.63
County Share of Added Taxes	A-24	11,548.92	20,210.54
Local District School Tax	A-25	9,147,592.00	9,057,676.50
Cancel Receivables	A:12:A-27:A-28	1,464.90	1,949.00
Reserve For Tax Appeals	A-29	300,000.00	180,000.00
Interfunds Advanced		3,928.98	102,204.20
<u>TOTAL EXPENDITURES</u>		\$ <u>24,526,632.07</u>	\$ <u>23,848,187.99</u>
Excess in Revenue		\$ <u>1,554,653.89</u>	\$ <u>2,129,569.94</u>
Fund Balance, January 1	A	\$ <u>3,119,790.68</u>	\$ <u>2,860,220.74</u>
Decreased by:		\$ <u>4,674,444.57</u>	\$ <u>4,989,790.68</u>
Utilization as Anticipated Revenue	A-1:A-2	<u>2,030,000.00</u>	<u>1,870,000.00</u>
Fund Balance, December 31	A	\$ <u><u>2,644,444.57</u></u>	\$ <u><u>3,119,790.68</u></u>

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

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2011

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	NJS 40A: 4-87		
Fund Balance Anticipated	A-1	\$ 2,030,000.00		\$ 2,030,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-13	\$ 5,800.00	\$	\$ 5,126.00	\$ (674.00)
Fees and Permits:					
Construction Code Official	A-13	250,000.00		323,808.00	73,808.00
Other	A-2	85,000.00		93,027.58	8,027.58
Municipal Court:					
Fines and Costs	A-13	185,000.00		170,035.97	(14,964.03)
Interest and Costs on Taxes	A-13	15,000.00		37,956.53	22,956.53
Interest on Investments and Deposits	A-13	90,000.00		95,544.19	5,544.19
Energy Receipts Tax	A-13	447,281.00		447,281.00	
The Farm at Harding	A-13	100,000.00		100,000.00	
COAH Development Trust Fund	A-13	120,000.00		120,000.00	
Garden State Trust Fund	A-9	6,887.00		6,887.00	
Clean Communities Program	A-27		8,829.78	8,829.78	
Municipal Alliance - Supplemental	A-27		3,750.00	3,750.00	
Click It or Ticket	A-27		4,000.00	4,000.00	
Community Foundation of NJ	A-27		6,484.20	6,484.20	
Recycling Tonnage Program	A-27	3,151.82		3,151.82	
Body Armor Replacement Fund	A-27	1,446.16	1,522.49	2,968.65	
Municipal Alliance Education Rehabilitation Program	A-27	6,746.00		6,746.00	
Drunk Driving Enforcement Fund	A-27		7,104.76	7,104.76	
Bullet Proof Vest	A-27		675.00	675.00	
Drive Sober or Get Pulled Over	A-27		5,000.00	5,000.00	
Alcohol Education Rehabilitation Grant	A-27		997.79	997.79	
Over the Limit Under Arrest	A-27	5,000.00		5,000.00	
<u>Total Miscellaneous Revenues</u>	A-1	\$ 1,321,311.98	\$ 38,364.02	\$ 1,454,374.27	\$ 94,698.27
Receipts From Delinquent Taxes	A-1:A-2	\$ 15,000.00	\$	\$ 40,956.44	\$ 25,956.44
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-8	\$ 5,435,713.00	\$	\$ 6,238,809.40	\$ 803,096.40
<u>BUDGET TOTALS</u>		\$ 8,802,024.98	\$ 38,364.02	\$ 9,764,140.11	\$ 962,115.13
Non-Budget Revenues	A-2	\$	\$	\$ 240,252.84	\$ 240,252.84
		\$ 8,802,024.98	\$ 38,364.02	\$ 10,004,392.95	\$ 1,202,367.97
	REF.	A-3	A-3		

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

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2011

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A:8	\$ 21,619,658.59
Allocated To:		
County Taxes	A-8	\$ 6,328,734.77
Local District School Taxes	A-8	9,147,592.00
Municipal Open Space	A-8	<u>786,137.42</u>
Balance for Support of Municipal Budget Appropriations		\$ 5,357,194.40
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>881,615.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 6,238,809.40</u>
Other - Fees and Permits:		
Clerk	A-13	\$ 600.00
Planning		2,750.00
Board of Adjustments	A-13	20,306.00
Zoning	A-13	19,792.50
Board of Health	A-13	<u>49,579.08</u>
	A-2	<u>\$ 93,027.58</u>
Delinquent Taxes:		
Delinquent Tax Collections	A-8	\$ <u>40,956.44</u>
	A-2	<u>\$ 40,956.44</u>

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
DMV Inspections		\$ 772.28
Tax Collector		59,942.54
Cable TV Franchise Fee		15,642.00
Administrative Fee for Outside Police Overtime		648.64
Senior Citizens and Veterans Administrative Fee		60,436.00
Wildlife Refuge Revenue Sharing		42,232.93
Sale of Recyclables & Scrap		16,553.00
Construction Grading		6,142.32
Prior Year Refunds		35,013.93
Miscellaneous		<u>2,869.20</u>
Police		
<u>Total Non-Budget Revenue</u>	A-1:A-2:A-4	<u>\$ 240,252.84</u>

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



TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<u>OPERATIONS WITHIN "CAPS"</u>				
<u>GENERAL GOVERNMENT</u>				
Administrative and Executive:				
Salaries and Wages	\$ 154,000.00	\$ 154,000.00	\$ 150,185.35	\$ 3,814.65
Other Expenses	106,760.00	106,760.00	95,391.28	11,368.72
Human Resources:				
Other Expenses	4,650.00	37,650.00	2,945.23	34,704.77
Township Committee:				
Salaries and Wages	1,200.00	1,200.00		1,200.00
Other Expenses	4,200.00	4,200.00	4,107.50	92.50
Municipal Clerk:				
Salaries and Wages	46,000.00	51,000.00	49,188.54	1,811.46
Other Expenses	29,075.00	54,075.00	36,039.34	18,035.66
Election:				
Other Expenses	3,000.00	3,000.00	1,994.56	1,005.44
<u>DEPARTMENT OF FINANCE</u>				
Financial Administration:				
Salaries and Wages	90,000.00	90,000.00	80,467.14	9,532.86
Other Expenses	13,450.00	13,450.00	9,420.02	4,029.98
Audit	31,000.00	31,000.00	24,950.00	6,050.00
Collection of Taxes:				
Salaries and Wages	29,000.00	29,000.00	28,406.25	593.75
Other Expenses	2,830.00	2,830.00	1,164.90	1,665.10
Assessment of Taxes:				
Salaries and Wages	61,000.00	61,000.00	58,870.18	2,129.82
Other Expenses	2,700.00	2,700.00	1,026.76	1,673.24
Revaluation of Real Property:				
Other Expenses	36,000.00	36,000.00	34,723.60	1,276.40
Tax Map Revision:				
Other Expenses	6,500.00	6,500.00	6,004.10	495.90
<u>LEGAL SERVICES AND COSTS</u>				
Legal Services and Costs:				
Other Expenses	115,000.00	115,000.00	83,225.00	31,775.00
Municipal Prosecutor:				
Salaries and Wages	2,500.00	2,500.00	2,471.78	28.22
Engineering Services and Costs:				
Other Expenses	80,000.00	80,000.00	42,500.00	37,500.00
Planning Board:				
Salaries and Wages	25,500.00	25,500.00	24,072.96	1,427.04
Other Expenses	30,930.00	30,930.00	28,884.88	2,045.12
Board of Adjustment:				
Salaries and Wages	57,000.00	57,000.00	56,599.68	400.32
Other Expenses	22,975.00	22,975.00	10,255.00	12,720.00
<u>DEPARTMENT OF PUBLIC SAFETY</u>				
Police:				
Salaries and Wages	1,350,200.00	1,350,200.00	1,302,615.03	47,584.97
Other Expenses	60,250.00	60,250.00	27,614.02	32,635.98
Purchased Police Vehicles	28,000.00	28,000.00	25,226.90	2,773.10
Emergency Management:				
Other Expenses	1,000.00	1,000.00	94.50	905.50
Fire:				
Fire Hydrant Service	2,000.00	2,000.00		2,000.00
Aid to Vol. Companies	5,500.00	5,500.00	5,161.00	339.00
Municipal Court:				
Salaries & Wages	48,125.00	48,125.00	28,922.47	19,202.53
Other Expenses	1,095.00	1,095.00	557.98	537.02
Public Defender:				
Other Expenses	5,000.00	5,000.00		5,000.00

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<b>DEPARTMENT OF PUBLIC WORKS</b>				
Road Repairs and Maintenance:				
Salaries and Wages	\$ 329,000.00	\$ 329,000.00	\$ 325,885.64	\$ 3,114.36
Other Expenses	85,000.00	105,000.00	66,234.64	38,765.36
Solid Waste Collection:				
Salaries and Wages	2,100.00	2,100.00		2,100.00
Other Expenses	78,000.00	83,000.00	81,766.18	1,233.82
Recycling Program:				
Salaries and Wages	5,900.00	5,900.00	3,913.98	1,986.02
Other Expenses	17,650.00	17,650.00	7,593.64	10,056.36
Public Buildings & Grounds:				
Other Expenses	67,300.00	82,300.00	77,109.42	5,190.58
Vehicle Maintenance:				
Other Expenses	46,500.00	46,500.00	45,605.61	894.39
Snow Removal:				
Salaries and Wages	24,000.00	24,000.00	10,844.83	13,155.17
Other Expenses	75,750.00	75,750.00	70,682.95	5,067.05
<b>HEALTH AND HUMAN SERVICES</b>				
Board of Health:				
Salaries and Wages	213,000.00	213,000.00	207,993.96	5,006.04
Other Expenses	17,180.00	17,180.00	14,366.58	2,813.42
Dog Regulation:				
Other Expenses	3,500.00	3,500.00	926.67	2,573.33
Environmental Commission:				
Salaries and Wages	2,000.00	2,000.00	788.00	1,212.00
Other Expenses	4,150.00	4,150.00	4,094.00	56.00
Historic Preservation Commission:				
Salaries and Wages	2,000.00	2,000.00	450.00	1,550.00
Other Expenses	1,500.00	1,500.00	600.00	900.00
Open Space Commission:				
Salaries and Wages	2,000.00	2,000.00	1,500.00	500.00
Other Expenses	250.00	250.00		250.00
Wildlife Management Committee:				
Other Expenses	2,000.00	2,000.00	608.93	1,391.07
Public Assistance:				
Other Expenses	750.00	750.00		750.00
<b>PARKS AND RECREATION</b>				
Department of Recreation:				
Other Expenses - Youth Program	1,000.00	1,000.00		1,000.00
Other Expenses - Senior Citizens Program	3,000.00	3,000.00	3,000.00	
Aid to Museums:				
Other Expenses	1,000.00	1,000.00		1,000.00
Park Maintenance:				
Salaries & Wages	25,000.00			
Other Expenses	5,000.00	30,000.00	29,315.80	684.20
Aid to Library:				
Other Expenses	40,000.00	40,000.00	40,000.00	
<b>UNIFORM CONSTRUCTION CODE</b>				
Construction Code Official:				
Salaries & Wages	205,500.00	208,500.00	206,014.65	2,485.35
Other Expenses	8,310.00	8,310.00	4,012.00	4,298.00
<b>UNCLASSIFIED</b>				
Municipal Services Act - Condo Reimbursement				
Other Expenses	36,987.00	36,987.00	29,004.68	7,982.32
Accumulated Absences	5,000.00	5,000.00	5,000.00	
Insurance:				
Other Insurance Premiums	180,000.00	137,000.00	125,016.13	11,983.87
Workers Compensation	1,000.00	1,000.00		1,000.00

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

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<u>UNCLASSIFIED (Continued)</u>				
Group Insurance Plan for Employees	\$ 1,260,000.00	\$ 1,187,000.00	\$ 1,068,744.84	\$ 118,255.16
Unemployment Insurance Reserve	20,000.00	20,000.00	20,000.00	
Health Benefit Waiver	10,000.00	10,000.00	9,668.28	331.72
Motor Fuels	75,000.00	85,000.00	81,750.00	3,250.00
Electricity	65,550.00	65,550.00	46,800.92	18,749.08
Telephone	46,340.00	46,340.00	46,248.24	91.76
Water & Sewage	1,000.00	1,000.00	143.38	856.62
Natural Gas	26,400.00	26,400.00	18,500.00	7,900.00
Street Lighting	12,980.00	12,980.00	8,675.53	4,304.47
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 5,465,037.00</u>	<u>\$ 5,465,037.00</u>	<u>\$ 4,885,945.43</u>	<u>\$ 579,091.57</u>
Contingent	\$ 2,500.00	\$ 2,500.00		\$ 2,500.00
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN CAPS</u>	<u>\$ 5,467,537.00</u>	<u>\$ 5,467,537.00</u>	<u>\$ 4,885,945.43</u>	<u>\$ 581,591.57</u>
Detail:				
Salaries and Wages	\$ 2,680,025.00	\$ 2,682,025.00	\$ 2,566,452.44	\$ 140,572.56
Other Expenses	2,787,512.00	2,785,512.00	2,319,492.99	441,019.01
DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"				
Statutory Expenditures:				
Contribution to Public Employee's Retirement System	\$ 159,318.00	\$ 159,318.00	\$ 159,318.00	\$
Contribution to Police & Firemen's Retirement System	402,808.00	402,808.00	402,808.00	
Judgments	100.00	100.00		100.00
Social Security System (O.A.S.I.)	\$ 215,000.00	\$ 215,000.00	\$ 192,499.15	\$ 22,500.85
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	<u>\$ 777,226.00</u>	<u>\$ 777,226.00</u>	<u>\$ 754,625.15</u>	<u>\$ 22,600.85</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	<u>\$ 6,244,763.00</u>	<u>\$ 6,244,763.00</u>	<u>\$ 5,640,570.58</u>	<u>\$ 604,192.42</u>
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>				
Fair Share Housing Act:				
Other Expenses	\$ 35,000.00	\$ 35,000.00	\$ 5,000.00	\$ 30,000.00
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>				
Police Dispatch - Interlocal	81,000.00	81,000.00	80,501.09	498.91
Hanover Township Board of Health	58,425.00	58,425.00	58,047.25	377.75
Joint Municipal Court	105,300.00	105,300.00	97,426.00	7,874.00
Morris Township Partnership - Board of Health	1,000.00	1,000.00	1,000.00	
<u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES</u>				
Community Foundation Grant (N.J.S.A. 40A:4-87 \$6,484.20)		6,484.20	6,484.20	
Municipal Alliance				
Grant	6,746.00	6,746.00	6,746.00	
Match	1,686.50	1,686.50	1,686.50	
Supplemental (N.J.S.A. 40A:4-87 \$3,750.00)		3,750.00	3,750.00	
Body Armor Grant (N.J.S.A. 40A:4-87 \$1,522.49)	1,446.16	2,968.65	2,968.65	
Recycling Tonnage	3,151.82	3,151.82	3,151.82	
Clean Communities Program (N.J.S.A. 40A:4-87 \$8,829.78)		8,829.78	8,829.78	
Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 \$7,104.76)		7,104.76	7,104.76	
Over the Limit Under Arrest	5,000.00	5,000.00	5,000.00	
Bullet Proof Vest (N.J.S.A. 40A:4-87 \$675.00)		675.00	675.00	
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 \$5,000.00)		5,000.00	5,000.00	
Matching Funds for Grants	13,746.50	13,746.50		13,746.50
Click It Or Ticket (N.J.S.A. 40A:4-87 \$4,000.00)		4,000.00	4,000.00	
Alcohol Education Rehab Grant (N.J.S.A. 40A:4-87 \$997.79)		997.79	997.79	

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	\$ 312,501.98	\$ 350,866.00	\$ 298,368.84	\$ 52,497.16
<u>DETAIL OPERATIONS-EXCLUDED FROM "CAPS"</u>				
Other Expenses	\$ 312,501.98	\$ 350,866.00	\$ 298,368.84	\$ 52,497.16
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>				
Capital Improvement Fund	\$ 450,000.00	\$ 450,000.00	\$ 450,000.00	\$
<u>TOTAL CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>	\$ 450,000.00	\$ 450,000.00	\$ 450,000.00	\$
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>				
Payment of Bond Principal	\$ 522,720.00	\$ 522,720.00	\$ 522,720.00	\$
Interest on Bonds	265,425.00	265,425.00	265,425.00	
<u>TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>	\$ 788,145.00	\$ 788,145.00	\$ 788,145.00	\$
<u>DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM "CAPS"</u>				
Deferred Charges to Future Taxation:				
Ordinance 2006-20	\$ 62,500.00	\$ 62,500.00	\$ 62,500.00	\$
Ordinance 2007-08	62,500.00	62,500.00	62,500.00	
<u>TOTAL DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM "CAPS"</u>	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	\$ 1,675,646.98	\$ 1,714,011.00	\$ 1,661,513.84	\$ 52,497.16
<u>SUB-TOTAL GENERAL APPROPRIATIONS</u>	\$ 7,920,409.98	\$ 7,958,774.00	\$ 7,302,084.42	\$ 656,689.58
<u>RESERVE FOR UNCOLLECTED TAXES</u>	881,615.00	881,615.00	881,615.00	
<u>TOTAL GENERAL APPROPRIATIONS</u>	\$ 8,802,024.98	\$ 8,840,389.00	\$ 8,183,699.42	\$ 656,689.58
	REF.	A-2:A-3	A-1	A:A-1
Budget	A-3	\$ 8,802,024.98		
Amendment - NJSA 40A: 4-87	A-2	38,364.02		
		\$ 8,840,389.00		
Reserve for Uncollected Taxes	A-2		\$ 881,615.00	
Accounts Payable	A-11		218,725.52	
Reserve for Grants Appropriated	A-21		54,708.00	
Disbursements	A-4		7,028,650.90	
			\$ 8,183,699.42	

TRUST FUND

"B"

TOWNSHIP OF HARDING

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>A S S E T S</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
Animal Control Fund:			
Cash	B-1	\$ 8,770.87	\$ 7,440.10
	B	<u>\$ 8,770.87</u>	<u>\$ 7,440.10</u>
Other Funds:			
Cash	B-1	\$ 6,688,434.83	\$ 5,725,417.31
Green Acres Receivable	B-2		462,500.00
	B	<u>\$ 6,688,434.83</u>	<u>\$ 6,187,917.31</u>
		<u>\$ 6,697,205.70</u>	<u>\$ 6,195,357.41</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-4	\$ 7,393.43	\$ 6,390.30
Due Current Fund	B-17	3.84	
Accounts Payable	B-16	1,373.60	1,049.80
	B	<u>\$ 8,770.87</u>	<u>\$ 7,440.10</u>
Other Funds:			
Due Current Fund	B-10	\$ 3,718.12	\$ 91.67
Reserves For:			
Affordable Housing Contributions	B-12	139,381.88	179,600.06
The Farm at Harding	B-13	328,363.39	289,636.23
Payroll Trust	B-14	679.53	75.47
Flexible Spending	B-15	1,496.87	1,400.24
Tree Preservation Escrow	B-6	122,321.57	114,944.11
Various Deposits	B-3	183,205.52	184,875.32
Developers' Deposits	B-7	2,481,055.82	2,372,489.35
Unemployment Insurance Compensation	B-8	47,936.31	30,246.13
Open Space Deposits	B-9	3,373,011.55	3,006,081.10
Law Enforcement Trust Fund	B-11	7,264.27	8,477.63
	B	<u>\$ 6,688,434.83</u>	<u>\$ 6,187,917.31</u>
		<u>\$ 6,697,205.70</u>	<u>\$ 6,195,357.41</u>

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

GENERAL CAPITAL FUND

"C"

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 2,711,281.77	\$ 2,355,238.60
Deferred Charges to Future Taxation:			
Funded	C-5	9,490,719.57	10,254,449.87
Unfunded	C-7	807,897.00	1,346,812.00
Accounts Receivable	C-6	256,743.83	256,743.83
		<u>\$ 13,266,642.17</u>	<u>\$ 14,213,244.30</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-11	\$ 9,433,000.00	\$ 10,083,000.00
Loans Payable	C-12	57,719.57	171,449.87
Bond Anticipation Note Payable	C-17	500,000.00	550,000.00
Due Current Fund	C-18	243.44	2.53
Capital Improvement Fund	C-8	342,557.84	228,738.82
Improvement Authorizations:			
Funded	C-9	1,780,555.22	2,053,486.59
Unfunded	C-7:C-9	96,336.00	536,251.00
Reserve for:			
Open Space	C-15	154,500.00	154,500.00
Preliminary Costs	C-10	16,969.14	16,969.14
Contracts Payable	C-14	65,229.79	122,567.05
Debt Service	C-16	68,776.00	25,950.00
Grants Receivable	C-4	223,000.00	223,000.00
Fund Balance	C-1	527,755.17	47,329.30
		<u>\$ 13,266,642.17</u>	<u>\$ 14,213,244.30</u>

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



TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2010	C	\$ 47,329.30
Increased by:		
Authorizations Cancelled	C-9	<u>480,425.87</u>
Balance, December 31, 2011	C	<u>\$ 527,755.17</u>

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

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SEWER UTILITY FUND

"D"

TOWNSHIP OF HARDING

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>A S S E T S</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
Operating Fund:			
Cash	D-4	\$ 269,276.50	\$ 249,467.80
Due Sewer Capital Fund	D-19	39.67	
		<u>\$ 269,316.17</u>	<u>\$ 249,467.80</u>
Receivables with Full Reserves:			
Sewer Use Charges Receivable	D:D-9	\$ 4,179.62	\$ 1,811.80
<u>Total Operating Fund</u>	D	<u>\$ 273,495.79</u>	<u>\$ 251,279.60</u>
Capital Fund:			
Cash	D-4:D-5	\$ 102,445.44	\$ 94,212.87
Fixed Capital	D-7	78,565.74	78,565.74
Fixed Capital Authorized and Uncompleted	D-10	107,000.00	57,000.00
		<u>107,000.00</u>	<u>57,000.00</u>
<u>Total Capital Fund</u>	D	<u>\$ 288,011.18</u>	<u>\$ 229,778.61</u>
		<u>\$ 561,506.97</u>	<u>\$ 481,058.21</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Reserve for Prepaid Sewer Rents	D-11	\$ 2,233.28	\$ 2,589.78
Reserve for Accounts Payable	D-17	8,867.84	3,341.84
Appropriation Reserves	D-3:D-8	12,625.12	17,934.94
		<u>\$ 23,726.24</u>	<u>\$ 23,866.56</u>
Reserve for Receivables	D:D-9	4,179.62	1,811.80
Fund Balance	D-1	245,589.93	225,601.24
		<u>245,589.93</u>	<u>225,601.24</u>
<u>Total Operating Fund</u>	D	<u>\$ 273,495.79</u>	<u>\$ 251,279.60</u>
Capital Fund:			
Improvement Authorizations-Funded	D-15	\$ 46,586.77	\$ 13,655.37
Reserve for Contracts Payable	D-16	17,819.00	7,557.50
Reserve for Contribution in Aid of Construction	D-6	3,000.00	3,000.00
Reserve for Amortization	D-14	78,565.74	78,565.74
Capital Improvement Fund	D-12	35,000.00	70,000.00
Deferred Reserve for Amortization	D-13	107,000.00	57,000.00
Due Sewer Operating	D-18	39.67	
		<u>39.67</u>	<u>57,000.00</u>
<u>Total Capital Fund</u>	D	<u>\$ 288,011.18</u>	<u>\$ 229,778.61</u>
		<u>\$ 561,506.97</u>	<u>\$ 481,058.21</u>

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

TOWNSHIP OF HARDINGSEWER UTILITY FUNDSTATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER 31, <u>2011</u>	YEAR ENDED DECEMBER 31, <u>2010</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-1:D-2	\$ 50,000.00	\$ 50,000.00
Sewer Use Charges	D-2	207,899.34	178,945.39
Miscellaneous Revenue Not Anticipated	D-2	7,283.76	2,469.16
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-8	<u>20,105.59</u>	<u>14,530.25</u>
<u>Total Income</u>		<u>\$ 285,288.69</u>	<u>\$ 245,944.80</u>
<u>EXPENDITURES</u>			
Operating	D-3	\$ 198,300.00	\$ 188,000.00
Capital Outlay	D-3	15,000.00	15,000.00
Statutory Expenditures	D-3	<u>2,000.00</u>	<u>2,000.00</u>
<u>Total Expenditures</u>		<u>\$ 215,300.00</u>	<u>\$ 205,000.00</u>
Statutory Excess to Surplus		\$ 69,988.69	\$ 40,944.80
Fund Balance, January 1	D	<u>225,601.24</u>	<u>234,656.44</u>
		\$ 295,589.93	\$ 275,601.24
Decreased by:			
Utilization as Anticipated Revenue	D-1:D-2	<u>50,000.00</u>	<u>50,000.00</u>
Fund Balance, December 31	D	<u>\$ 245,589.93</u>	<u>\$ 225,601.24</u>

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

TOWNSHIP OF HARDING

SEWER UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Utilized	D-1	\$ 50,000.00	\$ 50,000.00	\$
Sewer Use Charges	D-1	<u>165,300.00</u>	<u>207,899.34</u>	<u>42,599.34</u>
<u>Budget Totals</u>		\$ 215,300.00	\$ 257,899.34	\$ 42,599.34
Non-Budget Revenue	D-1:D-4	<u></u>	<u>7,283.76</u>	<u>7,283.76</u>
<u>Budget Totals</u>	D-3	\$ <u>215,300.00</u>	\$ <u>265,183.10</u>	\$ <u>49,883.10</u>

ANALYSIS OF REALIZED REVENUE:

Non-Budget Revenue:

Interest on Deposits		\$ 1,775.55
Interest on Sewer Charges		448.21
Sewer Connections		<u>5,060.00</u>
	D-1:D-4	\$ <u>7,283.76</u>

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

TOWNSHIP OF HARDING

SEWER UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2011

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
Operating:				
Salaries and Wages	\$ 25,000.00	\$ 198,300.00	\$ 187,674.88	\$ 10,625.12
Other Expenses	<u>173,300.00</u>	<u>198,300.00</u>	<u>187,674.88</u>	<u>10,625.12</u>
<u>Total Operating</u>	<u>\$ 198,300.00</u>	<u>\$ 198,300.00</u>	<u>\$ 187,674.88</u>	<u>\$ 10,625.12</u>
Capital Improvements:				
Capital Outlay	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$
Statutory Expenditures:				
Contribution to Social Security System	\$ 2,000.00	\$ 2,000.00	\$	\$ 2,000.00
	<u>\$ 215,300.00</u>	<u>\$ 215,300.00</u>	<u>\$ 202,674.88</u>	<u>\$ 12,625.12</u>
	<u>REF.</u>	D-2	D-1	D
Disbursements	D-4		\$ 193,807.04	
Accounts Payable	D-17		<u>8,867.84</u>	
			<u>\$ 202,674.88</u>	

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

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PUBLIC ASSISTANCE TRUST FUND

TOWNSHIP OF HARDING  
PUBLIC ASSISTANCE TRUST FUND  
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER 31, 2011	BALANCE DECEMBER 31, 2010
<u>ASSETS</u>			
Cash:			
Public Assistance Trust Fund I	E-1	\$ 7,344.36	\$ 7,341.34
		<u>\$ 7,344.36</u>	<u>\$ 7,341.34</u>
<u>LIABILITIES</u>			
Reserve for Public Assistance Trust Fund I	E-2	\$ 7,341.34	\$ 7,341.34
Due Current Fund	E-3	<u>3.02</u>	<u>          </u>
		<u>\$ 7,344.36</u>	<u>\$ 7,341.34</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF HARDING

STATEMENT OF GENERAL FIXED ASSETS

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2011</u>	BALANCE DECEMBER <u>31, 2010</u>
Fixed Assets:		
Land & Land Improvements	\$ 11,912,430.00	\$ 11,912,430.00
Buildings	2,227,395.98	2,227,395.98
Machinery and Equipment	<u>1,386,479.99</u>	<u>1,386,479.99</u>
<u>Total Fixed Assets</u>	\$ <u><u>15,526,305.97</u></u>	\$ <u><u>15,526,305.97</u></u>
Reserve:		
Investments in General Fixed Assets	\$ <u><u>15,526,305.97</u></u>	\$ <u><u>15,526,305.97</u></u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HARDING

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Except as noted below, the financial statements of the Township of Harding include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Harding, as required by N.J.S.A.40A:5-5. Accordingly, the financial statements of the Township of Harding do not include the operations of the regional and local boards of education, 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 three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Township of Harding conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Township of Harding are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services the Township accounts for its financial transactions through the following individual funds and account groups:

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 grant funds

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

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

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

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

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

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows: 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. Federal and State grants are realized as revenue when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amount that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

Encumbrances - Contractual orders at December 31 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 market value.

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

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.



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6 Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$500.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage system are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund.

The Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm and updated by the Township. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Township's most recent property revaluation.

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

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

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

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

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

The Township of Harding had the following cash and cash equivalents at December 31, 2011:

<u>Fund</u>	<u>Cash In Bank</u>	<u>Reconciling Items</u>	<u>Total</u>
Current Fund	\$ 4,440,983.13	\$ (102,432.72)	\$ 4,338,550.41
Grant Fund	6,187.58	(3,275.50)	2,912.08
Animal Control Trust Fund	9,905.86	(1,134.99)	8,770.87
Trust Other Fund	6,762,047.09	(73,612.26)	6,688,434.83
General Capital Fund	2,711,281.77		2,711,281.77
Sewer Utility Operating Fund	270,866.68	(1,590.18)	269,276.50
Sewer Utility Capital Fund	102,445.44		102,445.44
Public Assistance Trust Fund	7,344.36		7,344.36
<u>Total</u>	<u>\$ 14,311,061.91</u>	<u>\$ (182,045.65)</u>	<u>\$ 14,129,016.26</u>

NOTE 2: CASH AND CASH EQUIVALENT (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2011, based upon the coverage provided by FDIC and NJGUDPA, \$36,215.95, deposited in an MBIA account, was exposed to custodial credit risk. Of the cash balance in the bank, \$548,474.13 was covered by Federal Depository Insurance and \$13,726,371.83 was covered by NJGUDPA.

B. Investments

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

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

NOTE 2: CASH AND CASH EQUIVALENT (CONTINUED)

B. Investments (Continued)

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

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

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

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds. In addition, the Township has entered into a loan agreement with the State of New Jersey. The monies received from this loan are used to finance the Blue Mill Fields acquisition by the Township.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
Issued:			
General:			
Bonds and Notes	\$ 9,933,000.00	\$ 10,633,000.00	\$ 12,741,000.00
Loans Payable	<u>57,719.57</u>	<u>171,449.87</u>	<u>282,939.24</u>
Debt Issued	\$ 9,990,719.57	\$ 10,804,449.87	\$ 13,023,939.24
Authorized But Not Issued:			
General:			
Bonds and Notes	<u>307,897.00</u>	<u>857,705.00</u>	<u>921,812.00</u>
TOTAL BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	<u>\$ 10,298,616.57</u>	<u>\$ 11,662,154.87</u>	<u>\$ 13,945,751.24</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 0.39%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 3,085,000.00	\$ 3,085,000.00	\$
General Debt	<u>10,298,616.57</u>	<u>68,776.00</u>	<u>10,229,840.57</u>
	<u>\$ 13,383,616.57</u>	<u>\$ 3,153,776.00</u>	<u>\$ 10,229,840.57</u>

Net debt \$10,229,840.57 divided by equalized valuation basis per N.J.S. 40A:2-2, \$2,593,449,242 equals 0.39%.

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

Equalized Valuation Basis - December 31, 2011	\$ <u>2,593,449,242.00</u>
3 1/2% of Equalized Valuation Basis	\$ 90,770,723.47
Net Debt	<u>10,229,840.57</u>
Remaining Borrowing Power	\$ <u>80,540,882.90</u>

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

NOTE 3: LONG-TERM DEBT (CONTINUED)

LONG-TERM DEBT

General Serial Bonds:

\$8,725,000.00 General Obligation Bonds of 2008 due in annual installments of \$320,000 to \$600,000 at a variable interest rate \$ 7,745,000.00

\$4,168,000.00 General Obligation Bonds of 2001 due in annual installments of \$185,000 to \$340,000 at an interest rate of 4.10% 1,688,000.00

\$ 9,433,000.00

Loans:

\$1,875,000 Blue Mill Fields Acquisition Loan of 1992 due in semi-annual installments of \$47,303.73 to \$57,719.55 at an interest rate of 2.00% \$ 57,719.57

BOND ANTICIPATION NOTES

<u>Fund</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital	0.990%	2/17/12	\$ <u>500,000.00</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2011, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund \$ 431,290.00

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

Cash Receipts from Fees, Rents, or Other Charges for Year and Anticipated Surplus \$ 215,183.10

Deductions:

Operations and Maintenance 187,674.88

Excess in Revenues - Self-Liquidating \$ 27,508.22

NOTE 3: LONG-TERM DEBT (CONTINUED)

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

Year	General		Open Space		Total
	Principal	Interest	Principal	Interest	
2012	\$ 543,919.77	\$ 245,036.87	\$ 131,080.23	\$ 107,739.88	\$ 1,027,776.75
2013	560,120.34	223,911.17	134,879.66	103,085.58	1,021,996.75
2014	566,320.92	202,158.45	138,679.08	98,298.30	1,005,456.75
2015	572,521.49	180,188.71	142,478.51	93,378.04	988,566.75
2016	576,722.06	158,001.95	146,277.94	88,324.80	969,326.75
2017	248,022.92	135,625.91	151,977.08	83,105.34	618,731.25
2018	257,323.78	126,782.34	157,676.22	77,686.41	619,468.75
2019	266,624.64	117,279.96	163,375.36	71,863.79	619,143.75
2020	275,925.50	107,107.15	169,074.50	65,630.35	617,737.50
2021	288,326.65	127,757.52	176,673.35	59,147.58	651,905.10
2022	300,727.79	85,482.65	184,272.21	52,379.85	622,862.50
2023	306,928.37	74,012.37	188,071.63	45,351.38	614,363.75
2024	319,329.51	62,033.64	195,670.49	38,011.36	615,045.00
2025	331,730.66	49,459.27	203,269.34	30,306.36	614,765.63
2026	344,131.81	36,149.34	210,868.19	22,150.66	613,300.00
2027	359,633.24	22,074.04	220,366.76	13,525.96	615,600.00
2028	372,034.39	7,440.69	227,965.61	4,559.31	612,000.00
	<u>\$ 6,490,343.84</u>	<u>\$ 1,960,502.03</u>	<u>\$ 2,942,656.16</u>	<u>\$ 1,054,544.95</u>	<u>\$ 12,448,046.98</u>

Schedule of Annual Debt Service for Principal and Interest for Blue Mill Field Acquisition Loan Payable

Calendar Year	Principal	Interest	Total
2012	\$ 57,719.57	\$ 577.20	\$ 58,296.77
	<u>\$ 57,719.57</u>	<u>\$ 577.20</u>	<u>\$ 58,296.77</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2011 which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2012 was \$1,870,000. for the Current Fund and \$50,000. for the Sewer Utility Operating Fund.

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

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

<u>Balance</u> <u>December 31, 2010</u>	<u>Balance</u> <u>December 31, 2011</u>
\$ <u>277,131.85</u>	\$ <u>327,668.18</u>

NOTE 6: PENSION PLANS

Township employees, who are eligible for a pension plan, are enrolled in one of two pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System and the Police and Firemen's Retirement System. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the costs are contributed by the employees. The Township's share of pension, which is based upon the annual billings received from the state, amounted to \$562,126.00 for 2011, \$468,664.00 for 2010, and \$506,358.00 for 2009.

Township employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.



NOTE 7: COMPENSATED ABSENCES

Effective January 1, 1987, the members of the Harding Township Police Department shall be entitled to compensable sick leave of eighteen (18) days per year to be cumulative up to a maximum of three hundred (300) days. For the period of January 1, 1973 through December 31, 1986, the members shall be entitled to compensable sick leave of twenty-four (24) days per year to be cumulative up to a maximum of two-hundred and seventy (270) days.

Those members who retire having attained both the required age and years of service, upon retirement shall be eligible to receive one (1) day's pay, at his or her then rate of pay, for every three (3) days of accrued unused sick leave based on the accrual rate of a maximum of eighteen (18) days per year to be cumulative up to a maximum of three hundred (300) days.

For purposes of the terminal leave payment calculation only, the eighteen (18) days per year specified above shall also apply to the period January 1, 1973 through December 31, 1986.

For all other full-time employees the following policy is in effect:

At the end of each calendar year, an employee's unused sick time is added to the allotment for the following year. Employees are entitled to accumulate up to a maximum of 100 days.

The accumulation continues indefinitely and employees will be paid for their total accumulated unused sick time based on the following table up to a maximum of \$10,000, whichever is less. Upon retirement in good standing with 15 years or more of total service with Harding Township, full time non-contractual employees will be compensated for unused accumulated sick leave, not to exceed 100 days, based upon the individual's regular rate of pay at the time of retirement according to the following payout schedule.

After 15 years of continuous service – 30% of accumulated sick time capped at \$5,000.

After 20 years of continuous service – 40% of accumulated sick time capped at \$7,000.

After 25 years of continuous service – 50% of accumulated sick time capped at \$10,000.

The Township has estimated the liability for unpaid sick pay to be \$133,141.49 and \$99,020.57 at December 31, 2011 and 2010, respectively, for the police department and \$99,019.77 and \$134,041.49, at December 31, 2011 and 2010, respectively, for other employees. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 8: DEFERRED COMPENSATION PLAN

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

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

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

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

NOTE 9: LITIGATION

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

NOTE 10: TAX APPEALS

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2011. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from current tax revenues, through the establishment of a reserve, or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 11: CONTINGENT LIABILITIES

The Township participated in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II, Report Section of the 2011 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2011, the Township does not believe that any material liabilities will result from such audits.

NOTE 12: RISK MANAGEMENT

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

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

<u>Year</u>	<u>Interest on Deposits</u>	<u>Township Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 157.66	\$ 20,000.00	\$ 2,467.48	\$ 47,936.31
2010	181.51	20,000.00	26,709.66	30,246.13
2009	240.10		1,322.10	36,774.28

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances consisted of the following at December 31, 2011:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 106,836.97	\$
Grant		102,868.55
Animal Control Fund		3.84
Trust Other		3,718.12
General Capital Fund		243.44
Sewer Utility Operating Fund	39.67	
Sewer Utility Capital Fund		39.67
Public Assistance Trust Fund		3.02
	<u>\$ 106,876.64</u>	<u>\$ 106,876.64</u>

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

NOTE 14: GASB 45 - OTHER POST-RETIREMENT BENEFITS

The Township provides Post Retirement Benefits to certain employees, per the terms of their various labor agreements. Commencing with the year ending December 31, 2011 the above noted post employment benefits require the Township to implement the note disclosure provision of GASB Statement 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement which was adopted during 2004 by the Government Accounting Standard Board (GASB) requires the Township to disclose in the notes of the financial statements the future cost of the other post employment benefits (OPEB) on a present value basis instead of the present pay as you go method. OPEB obligations are non-pension benefits that the Township has contractually agreed to provide employees once they have retired.

The future value of benefits paid is not required to be reported in the financial statements as presented and has not been determined, but is probably material. Under current New Jersey budget and financial reporting requirements, the Township will not have to provide any amounts in excess of their current cash costs or recognized any long-term obligations on their balance sheets.

The Township's expense for the post-retirement portion of health benefits billings for the years ended December 31, 2011, 2010, and 2009 were \$304,189.00, \$209,975.04, and \$220,231.41 respectively.

TOWNSHIP OF HARDING

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2011

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2010	A	\$ 4,446,508.19	\$ 23,734.53
Increased by Receipts:			
Taxes Receivable	A-8	\$ 21,346,949.65	\$
Petty Cash	A-5	300.00	
Change Fund	A-6	250.00	
State of New Jersey-Senior Citizens and Veterans Deductions	A-7	32,431.94	
Interfunds	A-12	758.74	
Revenue Accounts Receivable	A-13	1,392,779.27	
Miscellaneous Revenue Not Anticipated	A-2	240,252.84	
Tax Overpayments	A-15	66,319.56	
Prepaid Taxes	A-16	327,668.18	
Due Current Fund	A-28		3,832.54
Reserve for Grants-Appropriated	A-21		1,686.50
Reserve for Grants-Unappropriated	A-22		3,004.90
Grants Receivable	A-27		44,052.39
Construction Code DCA - Due State of NJ	A-19	9,678.00	
Reserve for Garden State Trust	A-9	6,887.00	
Reserve for Due State of NJ - Marriage	A-30	425.00	
Reserve for Redemption of Outside Liens	A-18	25,396.80	
		<u>23,450,096.98</u>	<u>52,576.33</u>
		\$ 27,896,605.17	\$ 76,310.86
Decreased by Disbursements:			
2011 Appropriations	A-3	\$ 7,028,650.90	\$
Appropriation Reserves	A-14	103,509.61	
Interfunds	A-12	8,465.50	
Petty Cash	A-5	300.00	
Local District School Taxes Payable	A-25	9,147,592.00	
County Taxes Payable	A-24	6,337,396.39	
Municipal Open Space Taxes Payable	A-26	786,137.42	
Tax Appeals	A-29	57,928.07	
Construction Code DCA - Due State of NJ	A-19	9,313.00	
Reserve for Accounts Payable	A-11	4,333.23	
Reserve for Due State of NJ - Marriage	A-30	300.00	
Tax Overpayments	A-15	48,731.84	
Reserve for Grants-Appropriated	A-21		73,398.78
Reserve for Redemption of Outside Liens	A-18	25,396.80	
		<u>23,558,054.76</u>	<u>73,398.78</u>
Balance, December 31, 2011	A	\$ <u>4,338,550.41</u>	\$ <u>2,912.08</u>

"A-5"

TOWNSHIP OF HARDING  
CURRENT FUND  
SCHEDULE OF PETTY CASH

OFFICE

Finance Department

INCREASE

DECREASE

\$ 300.00    \$ 300.00

REF.

A-4

A-4

"A-6"

SCHEDULE OF CHANGE FUND

Balance, December 31, 2010

A

\$ 250.00

Decreased by:  
Receipts

A-4

\$ 250.00

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY  
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

	<u>REF.</u>		
Balance, December 31, 2010 (Due From)	A		\$ 909.10
Increased by:			
Senior Citizens Deductions Per Tax Billing	A-7	\$ 1,500.00	
Veterans Deductions Per Tax Billing	A-7	<u>31,000.00</u>	
			\$ <u>32,500.00</u>
Decreased by:			
Received From State	A-4	\$ 32,431.94	
Senior Citizens Disallowed	A-7	<u>68.06</u>	
			\$ <u>32,500.00</u>
Balance, December 31, 2011 (Due From)	A		\$ <u><u>909.10</u></u>

ANALYSIS OF STATE SHARE OF 2011 SENIOR  
CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing	A-7	\$ 1,500.00	
Veterans Deductions Per Tax Billing	A-7	<u>31,000.00</u>	
			\$ 32,500.00
Less:			
Senior Citizens and Veterans Deductions Disallowed by Tax Collector	A-7		<u>68.06</u>
	A-8		\$ <u><u>32,431.94</u></u>



TOWNSHIP OF HARDING  
CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2010	2011 LEVY	ADDED TAX	2010 COLLECTIONS	2011 COLLECTIONS	CANCELED	BALANCE DECEMBER 31, 2011
Prior	\$ 40,989.28	\$	\$ 1.18	\$	\$ 40,956.44	\$	\$ 34.02
2011		21,721,995.35	39,600.48	277,131.85	21,342,526.74	39,476.26	102,460.98
	\$ 40,989.28	\$ 21,721,995.35	\$ 39,600.48	\$ 277,131.85	\$ 21,383,483.18	\$ 39,476.26	\$ 102,495.00

REF.

A

A-2-A-16

A-2

A

Collector  
Senior Citizens and Veterans Deductions  
Overpayments Applied

REF.

A-4

A-7

A-15

\$ 21,346,949.65

32,431.94

4,101.59

\$ 21,383,483.18

ANALYSIS OF 2011 PROPERTY TAX LEVY

TAX YIELD			
General Property Tax		\$	21,721,995.35
Added Taxes (54:4-63.1 et seq.)		\$	39,600.48
		\$	21,761,595.83
<u>TAX LEVY</u>			
Local District School Tax (Abstract)	A-2-A-25	\$	5,846,593.58
County Tax (Abstract)			470,592.27
County Open Space (Abstract)			
Due County for Added Taxes (54:4-63.1 et seq.)		\$	6,317,185.85
<u>Total County Taxes</u>			11,548.92
		\$	6,328,734.77
Municipal Open Space Tax		\$	784,704.00
Added Taxes			1,433.42
		\$	786,137.42
Local Tax for Municipal Purposes (Abstract)		\$	5,435,713.00
Add: Additional Tax Levied			63,418.64
Local Tax for Municipal Purposes Levied		\$	5,499,131.64
		\$	21,761,595.83

"A-9"

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF RESERVE FOR GARDEN STATE TRUST

	<u>REF.</u>		
Balance, December 31, 2010	A	\$	6,887.00
Increased by:			
Receipts	A-4		<u>6,887.00</u>
		\$	13,774.00
Decreased by:			
Applied to Revenue	A-2		<u>6,887.00</u>
Balance, December 31, 2011	A	\$	<u><u>6,887.00</u></u>

"A-10"

GRANT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2010	A	\$	40,354.07
Increased by:			
Current Year Accounts Payable	A-21		<u>6,049.81</u>
		\$	46,403.88
Decreased by:			
Transferred to Grants Appropriated	A-21		<u>40,354.07</u>
Balance, December 31, 2011	A	\$	<u><u>6,049.81</u></u>

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	A		\$ 202,863.22
Increased by:			
2011 Budget Appropriations	A-3		218,725.52
			<u>\$ 421,588.74</u>
Decreased by:			
Transfer to Appropriation Reserves	A-14	\$ 173,951.94	
Cancellations	A-15	4,101.59	
Disbursements	A-4	<u>4,333.23</u>	
			<u>182,386.76</u>
Balance, December 31, 2011	A		<u>\$ 239,201.98</u>

TOWNSHIP OF HARDING  
CURRENT FUND  
SCHEDULE OF INTERFUNDS

REF.	TOTAL	GRANT FUND	ANIMAL CONTROL FUND	OPEN SPACE	PAYROLL TRUST	REGULAR TRUST	TRUST OTHER FUND	TECHNICAL REVIEW	GRADING	TREE PRESERVATION	ENGINEERING ESCROW	PERF. BONDS	GENERAL CAPITAL FUND	PUBLIC ASSISTANCE FUND
Balance, December 31, 2010														
Due To	\$ 4,144.00	\$ 98,669.79	\$	\$ 4,144.00	\$ 3,465.15	\$	\$	\$	\$	\$	\$	\$ 770.52	\$ 2.53	\$
Due From	<u>102,907.99</u>													
Receipts														
Cancel Reserves	\$ 758.74	\$ 1,464.90	\$	\$	\$ 313.25	\$	\$	\$	\$	\$	\$	\$ 445.48	\$	\$
Disbursements	8,465.50	3,832.54	3.84	4,144.00	80.86	81.66	19.45	27.97	11.09	20.16			240.91	3.02
Cancel Receivables	<u>1,831.12</u>	<u>1,831.12</u>												
Balance, December 31, 2011														
Due From	\$ <u>106,836.97</u>	\$ <u>102,868.55</u>	\$ <u>3.84</u>	\$	\$ <u>3,232.76</u>	\$ <u>81.66</u>	\$ <u>19.45</u>	\$ <u>27.97</u>	\$ <u>11.09</u>	\$ <u>20.16</u>	\$ <u>325.03</u>	\$ <u>243.44</u>	\$ <u>3.02</u>	

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>ACCOUNTS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>ACCRUED IN 2011</u>	<u>COLLECTED</u>
Clerk:				
Licenses:				
Alcoholic Beverages	A-2	\$	\$ 5,126.00	\$ 5,126.00
Fees and Permits	A-2		600.00	600.00
Interest and Costs on Taxes	A-2		37,956.53	37,956.53
Interest on Investments and Deposits	A-2			
Construction Code Official	A-2		323,808.00	323,808.00
Planning Board:				
Fees and Permits	A-2		2,750.00	2,750.00
Board of Adjustment:				
Fees and Permits	A-2		20,306.00	20,306.00
Zoning:				
Fees and Permits	A-2		19,792.50	19,792.50
Board of Health:				
Fees and Permits	A-2		49,579.08	49,579.08
Municipal Court:				
Fines and Costs	A-2	17,917.10	152,118.87	170,035.97
Garden State Trust Fund	A-2		447,281.00	447,281.00
Energy Receipts Tax	A-2		95,544.19	95,544.19
The Farm at Harding	A-2		100,000.00	100,000.00
COAH Development Trust Fund	A-2		120,000.00	120,000.00
		<u>\$ 17,917.10</u>	<u>\$ 1,374,862.17</u>	<u>\$ 1,392,779.27</u>
	<u>REF.</u>	A		A-4

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2010	TRANSFERRED FROM ACCOUNTS PAYABLE	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES:</u>					
Administrative & Executive	\$ 4,002.64	\$	\$ 4,002.64	\$	\$ 4,002.64
Mayor & Council	600.00		600.00		600.00
Municipal Clerk	3,847.82		3,847.82		3,847.82
Financial Administration	20,671.60		20,671.60	341.00	20,330.60
Collection of Taxes	2,765.11		2,765.11	170.50	2,594.61
Assessment of Taxes	3,501.39		3,501.39	578.60	2,922.79
Municipal Prosecutor	2,049.20		2,049.20		2,049.20
Planning Board	1,009.07		1,009.07		1,009.07
Board of Adjustment	2,510.32		2,510.32		2,510.32
Police	46,192.17		46,192.17		46,192.17
Road Repair & Maintenance	2,341.90		2,341.90		2,341.90
Municipal Court	17,749.24		17,749.24	912.50	16,836.74
Solid Waste Collection	2,000.00		2,000.00		2,000.00
Recycling Program	2,708.62		2,708.62		2,708.62
Snow Removal	13,929.54		13,929.54	3,330.41	10,599.13
Board of Health	633.75		633.75	311.25	322.50
Historical Preservation Commission	1,550.00		1,550.00		1,550.00
Environmental Commission	1,550.00		1,550.00		1,550.00
Open Space Commission	2,000.00		2,000.00		2,000.00
Construction Code	12,248.24		12,248.24		12,248.24
<u>OTHER EXPENSES:</u>					
Administrative & Executive	8,516.64	11,646.72	20,163.36	3,391.00	16,772.36
Human Resources	2,570.00	1,000.00	3,570.00		3,570.00
Mayor & Council	1,699.84	775.00	2,474.84	1,423.14	1,051.70
Municipal Clerk	11,201.13	2,691.88	13,893.01	770.69	13,122.32
Election	682.17		682.17		682.17
Financial Administration	3,416.27		3,416.27		3,416.27
Financial Administration - Audit	1,900.00		1,900.00		1,900.00
Collection of Taxes	2,484.50		2,484.50		2,484.50
Assessment of Taxes	1,304.70	261.80	1,566.50	263.80	1,302.70
Revaluation of Real Property	5,348.19	10,844.80	16,192.99	14,161.41	2,031.58
Tax Map Revision	4,500.00	261.40	4,761.40	287.10	4,474.30
Legal Services and Costs	6,040.00	21,184.01	27,224.01	16,171.03	11,052.98
Engineering Services and Costs		22,123.51	22,123.51	8,328.33	13,795.18
Planning Board	4,303.00	12,730.45	17,033.45	950.30	16,083.15
Board of Adjustments	11,143.60	918.26	12,061.86	443.70	11,618.16
Police	27,762.21	6,406.65	34,168.86	2,526.82	31,642.04
Purchased Police Vehicles	138.34	1,931.66	2,070.00	1,931.66	138.34
Emergency Management	205.00		205.00		205.00
Aid to Volunteer Fire Companies	2,250.00		2,250.00		2,250.00
Fire: Fire Hydrant Service	500.00	464.70	964.70		964.70
Road Repair & Maintenance	25,825.89	5,436.02	31,261.91	807.89	30,454.02
Municipal Court	9,443.36	118.00	9,561.36	93.00	9,468.36
Public Defender		2,100.00	2,100.00		2,100.00
Solid Waste Collection	6,165.93		6,165.93		6,165.93
Recycling Program	16,492.25	1,972.01	18,464.26	1,614.43	16,849.83
Buildings and Grounds	35,169.16	6,231.32	41,400.48	4,169.28	37,231.20
Vehicle Maintenance	3,009.00	7,172.39	10,181.39	3,888.07	6,293.32

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2010	TRANSFERRED FROM ACCOUNTS PAYABLE	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED):</u>					
Snow Removal	\$ 2,132.19	\$ 16,456.14	\$ 18,588.33	\$ 12,990.17	\$ 5,598.16
Board of Health	6,145.89	6,823.52	12,969.41	5,214.97	7,754.44
Dog Regulation	334.10	13.12	347.22		347.22
Environmental Commission	2,430.00	486.25	2,916.25	150.00	2,766.25
Historical Preservation Commission	100.00	144.00	244.00		244.00
Open Space Commission	250.00		250.00		250.00
Wildlife Management Commission	1,653.15		1,653.15		1,653.15
Public Assistance	375.00		375.00		375.00
Department of Recreation - Youth Program	655.00	5.00	660.00		660.00
Municipal Services Act - Condo	12,850.95		12,850.95		12,850.95
Construction Code Official	4,258.98	1,820.00	6,078.98	800.00	5,278.98
Motor Fuels	16,000.00	3,764.69	19,764.69		19,764.69
Electricity	15,371.43		15,371.43		15,371.43
Telephone	1,830.17	940.00	2,770.17		2,770.17
Natural Gas	9,067.95	2,814.50	11,882.45	2,579.23	9,303.22
Street Lighting	4,018.40		4,018.40		4,018.40
Water & Sewage	826.75	31.63	858.38		858.38
Social Security System (O.A.S.I.)	41,167.10		41,167.10		41,167.10
Fair Share Housing	27,500.00	6,718.25	34,218.25		34,218.25
Police Dispatch - Interlocal	1.23		1.23		1.23
Other Insurance Premiums	17,203.24		17,203.24		17,203.24
Worker's Compensation	1,000.00		1,000.00		1,000.00
Group Insurance for Employees	93,184.60	3,164.26	96,348.86	2,802.93	93,545.93
Matching Funds for Grants	15,433.00		15,433.00		15,433.00
Hanover Township Board of Health Judgments	649.45 100.00	14,500.00	15,149.45 100.00	12,106.40	3,043.05 100.00
Morris Township - Board of Health	1,000.00		1,000.00		1,000.00
Ten Towns Great Swamp	9,800.00		9,800.00		9,800.00
Contingent	2,500.00		2,500.00		2,500.00
<b>TOTAL</b>	<b>\$ 623,770.37</b>	<b>\$ 173,951.94</b>	<b>\$ 797,722.31</b>	<b>\$ 103,509.61</b>	<b>\$ 694,212.70</b>
<u>REF.</u>	A	A-11		A-4	A-1

"A-15"

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Increased by:			
Overpayments in 2011	A-4	\$ 66,319.56	
Cancelled Accounts Payable	A-11	<u>4,101.59</u>	
			\$ <u>70,421.15</u>
Decreased by:			
Disbursements	A-4	\$ 48,731.84	
Applied to Taxes Receivable	A-8	<u>4,101.59</u>	
			\$ <u>52,833.43</u>
Balance, December 31, 2011	A		\$ <u><u>17,587.72</u></u>

"A-16"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2010	A	\$ 277,131.85
Increased by:		
Collection of 2012 Taxes	A-4	<u>327,668.18</u>
		\$ <u>604,800.03</u>
Decreased by:		
Applied to 2011 Taxes	A-8	<u>277,131.85</u>
Balance, December 31, 2011	A	\$ <u><u>327,668.18</u></u>



"A-17"

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX PREMIUMS

REF.

Balance, December 31, 2010  
and December 31, 2011

A

\$ 210.63

"A-18"

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

Increased by:  
Receipts

A-4

\$ 25,396.80

Decreased by:  
Disbursements

A-4

\$ 25,396.80

"A-19"

TOWNSHIP OF HARDING

CURRENT FUND

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

	<u>REF.</u>	
Balance, December 31, 2010	A	\$ 2,807.00
Increased by:		
Receipts	A-4	9,678.00
		<u>\$ 12,485.00</u>
Decreased by:		
Disbursements	A-4	9,313.00
		<u>9,313.00</u>
Balance, December 31, 2011	A	<u>\$ 3,172.00</u>

"A-20"

SCHEDULE OF RESERVE FOR REVALUATION

Balance, December 31, 2010 and December 31, 2011	A	<u>\$ 1,370.00</u>
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TOWNSHIP OF HARDING

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2010	BUDGET APPROPRIATION	EXPENDED	ACCOUNTS PAYABLE	CANCELED	BALANCE DECEMBER 31, 2011
Drunk Driving Enforcement Fund	\$ 4,489.74	\$ 7,104.76	\$ 3,853.78	\$ 603.05	\$	\$ 7,137.67
Clean Communities Program	18,415.58	8,829.78	2,173.32	(2,173.32)		27,245.36
Over the Limit Under Arrest		5,000.00	5,000.00			
Garden State Historic Preservation Trust	49,615.00	997.79	36,107.88	(36,658.44)		50,165.56
Alcohol Education Rehabilitation Fund	3,128.82	3,151.82	3,438.00	688.61		
Recycling Tonnage Grant	24,267.10	8,432.50	7,724.55	(1,356.16)	1,831.12	27,418.92
Municipal Alliance Program & Match	1,579.17					1,812.16
Environmental Services	20,940.51					20,940.51
Body Armor Replacement Fund	6,714.58	2,968.65	646.25			9,036.98
NJ DEP - Great Swamp Project	4,748.41	5,000.00	3,425.00			4,748.41
Drive Sober or Get Pulled Over		3,750.00		3,142.00		1,575.00
Municipal Alliance Supplement		675.00				608.00
Bulletproof Vest		4,000.00	4,000.00			675.00
Click It or Ticket		7,030.00	7,030.00			
Community Foundation	27,104.77			1,450.00		25,108.97
Green Community Challenge Grant	3,000.00					3,000.00
Association of NJ Environmental Commission	3,560.40					3,560.40
Stormwater Management Program	500.00					500.00
Municipal Stormwater Regulation Program	4,648.50					4,648.50
NJ Highlands Water Protection - COAH	7,500.00					7,500.00
WHIP Grant & Match	1,548.00					1,548.00
NJ DOT Municipal Aid - Sand Spring Road	30,194.05					30,194.05
	\$ 211,954.63	\$ 56,394.50	\$ 73,398.78	\$ (34,304.26)	\$ 1,831.12	\$ 227,423.49

REE.	A	A-4	A-1-A-12-A-28	A
Budget		54,708.00		
Matching Funds for Grants		1,686.50		
		\$ 56,394.50		
Accounts Payable				6,049.81
Transferred From Accounts Payable				(40,354.07)
				\$ (34,304.26)

TOWNSHIP OF HARDING

GRANT FUND

SCHEDULE OF GRANTS UNAPPROPRIATED

	<u>BALANCE DECEMBER 31, 2010</u>	<u>RECEIPTS</u>	<u>APPLIED TO REVENUE</u>	<u>BALANCE DECEMBER 31, 2011</u>
Recycling Tonnage Grant	\$ 1,446.16	\$ 3,004.90	\$ 1,446.16	\$ 3,004.90
Body Armor Replacement	\$ 1,446.16	\$ 3,004.90	\$ 1,446.16	\$ 3,004.90
<u>REF.</u>	A	A-4	A-27	A

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>	
Balance, December 31, 2010 and December 31, 2011	A	\$ <u>8,482.00</u>

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2010	A		\$ 20,210.54
Increased by:			
2011 Levy	A-1:A-8	\$ 6,317,185.85	
Added and Omitted	A-1:A-8	<u>11,548.92</u>	
			\$ <u>6,328,734.77</u>
Decreased by:			
Disbursements	A-4		<u>6,337,396.39</u>
Balance, December 31, 2011	A		\$ <u>11,548.92</u>

"A-25"

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

	<u>REF.</u>		
Increased by:			
School Levy	A-1:A-8	\$	9,147,592.00
Decreased by:			
Disbursements	A-4	\$	<u>9,147,592.00</u>

"A-26"

SCHEDULE OF MUNICIPAL OPEN SPACE TAXES PAYABLE

Increased by:			
2011 Tax Levy	A-1:A-8	\$	784,704.00
Added Taxes	A-1:A-8		<u>1,433.42</u>
		\$	<u>786,137.42</u>
Decreased by:			
Disbursements	A-4	\$	<u>786,137.42</u>

TOWNSHIP OF HARDING

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2010	BUDGET APPROPRIATIONS	RECEIPTS	UNAPPROPRIATED APPLIED	CANCELED	BALANCE DECEMBER 31, 2011
Municipal Alliance	\$ 5,851.49	\$ 6,746.00	\$ 5,876.80	\$	\$ 1,464.90	\$ 5,255.79
Office on Environmental Services	2,969.86					2,969.86
WHIP Grant	353.25					353.25
Recycling Tonnage		3,151.82	3,151.82			
Green Community Challenge Grant	3,000.00					3,000.00
Community Foundation		6,484.20	6,484.20			
NJ DOT Municipal Aid - Sand Spring Road	18,001.31			1,446.16		18,001.31
Body Armor Replacement Fund		2,968.65	1,522.49			
Alcohol Education/Rehabilitation Fund		997.79	997.79			
Clean Communities Program		8,829.78	8,829.78			
Drunk Driving Enforcement Fund		7,104.76	7,104.76			
Bulletproof Vest		675.00	675.00			
Garden State Historic Preservation Trust	298,514.21					298,514.21
Municipal Alliance Supplemental Funding		3,750.00	409.75			
Over the Limit Under Arrest		5,000.00	5,000.00			
Click It or Ticket		4,000.00	4,000.00			
Drive Sober or Get Pulled Over		5,000.00				5,000.00
	\$ 328,690.12	\$ 54,708.00	\$ 44,052.39	\$ 1,446.16	\$ 1,464.90	\$ 336,434.67
REF.	A	A-2-A-21	A-4	A-22	A-1-A-12-A-28	A

"A-28"

TOWNSHIP OF HARDING

GRANT FUND

SCHEDULE OF DUE CURRENT FUND - GRANT FUND

	<u>REF.</u>		
Balance, December 31, 2010	A		\$ 98,669.79
Increased by:			
Receipts	A-4	\$ 3,832.54	
Grants Appropriated Cancellations	A-1:A-12:A-21	<u>1,831.12</u>	
			\$ <u>5,663.66</u>
Decreased by:			
Grants Receivable Cancellations	A-1:A-12:A-27		<u>1,464.90</u>
Balance, December 31, 2011	A		\$ <u><u>102,868.55</u></u>

"A-29"

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

Balance, December 31, 2010	A		\$ 180,000.00
Increased by:			
Designated For Future Tax Appeals	A-1		<u>300,000.00</u>
			\$ <u>480,000.00</u>
Decreased by:			
Disbursements	A-4		<u>57,928.07</u>
Balance, December 31, 2011	A		\$ <u><u>422,071.93</u></u>



TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF RESERVE FOR STATE OF NEW JERSEY - MARRIAGE

	<u>REF.</u>		
Increased by:			
Receipts	A-4	\$	425.00
Decreased by:			
Disbursements	A-4		<u>300.00</u>
Balance, December 31, 2011	A	\$	<u><u>125.00</u></u>

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF CASH - TREASURER

REF.		ANIMAL CONTROL	OTHER
B	Balance, December 31, 2010	\$ 7,440.10	\$ 5,725,417.31
B-5	Increased by Receipts:		
	Due State of New Jersey - Animal Control Reserve for:	\$ 667.80	\$
B-4	Animal Control Fund Expenditures	8,311.50	
B-7	Developers' Deposits		386,114.02
B-8	Unemployment Insurance Compensation		20,167.42
B-3	Various Trust Deposits		167,270.50
B-9	Open Space Deposits		1,278,423.42
B-11	Law Enforcement Trust Fund		59.47
B-12	Affordable Housing Contributions		83,998.82
B-13	The Farm at Harding		258,594.83
B-14	Payroll Trust		2,912,444.43
B-15	Flexible Spending		2,440.63
B-6	Tree Preservation Escrow		25,768.58
B-10:B-17	Due Current Fund	3.84	4,385.19
		\$ 8,983.14	\$ 5,139,667.31
		\$ 16,423.24	\$ 10,865,084.62
B-5	Decreased by Disbursements:		
	Due State of New Jersey - Animal Control Reserve For:	\$ 667.80	\$
B-4	Animal Control Fund Expenditures	6,983.37	
B-16	Accounts Payable	1.20	
B-12	Affordable Housing Contributions		124,217.00
B-13	The Farm at Harding		219,867.67
B-14	Payroll Trust		2,911,840.37
B-15	Flexible Spending		2,344.00
B-8	Unemployment Insurance Compensation		2,477.24
B-6	Tree Preservation Escrow		18,391.12
B-3	Various Trust Deposits		168,940.30
B-7	Developers' Deposits		277,547.55
B-9	Open Space Deposits		448,992.97
B-11	Law Enforcement Trust Fund		1,272.83
B-10	Due Current Fund		758.74
		\$ 7,652.37	\$ 4,176,649.79
B	Balance, December 31, 2011	\$ 8,770.87	\$ 6,688,434.83

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF GREEN ACRES RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2010	B	\$ 462,500.00
Decreased by:		
Canceled	B-9	\$ <u>462,500.00</u>

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

<u>ACCOUNT</u>	BALANCE DECEMBER 31, 2010	<u>INCREASES</u>	<u>DECREASES</u>	BALANCE DECEMBER 31, 2011
Recycling	\$ 13,521.25	\$	\$	\$ 13,521.25
Police Outside Overtime		156,586.00	155,636.00	950.00
Tax Sale Premiums	66,600.00			66,600.00
Employee 457 Plan	3,971.68			3,971.68
Public Defender	5,034.30	1,805.50	4,450.00	2,389.80
POAA	77.00	4.00		81.00
Snow Removal	16,646.51			16,646.51
Accumulated Leave	60,914.07	5,000.00	2,134.30	63,779.77
Due State of NJ - Marriage Licenses	25.00	25.00	50.00	
Municipal Alliance Program	6,102.94			6,102.94
Police Donation	11,982.57	3,850.00	6,670.00	9,162.57
	<u>\$ 184,875.32</u>	<u>\$ 167,270.50</u>	<u>\$ 168,940.30</u>	<u>\$ 183,205.52</u>
<u>REF.</u>	B	B-1	B-1	B

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2010	B	\$	6,390.30
Increased by:			
Receipts	B-1		<u>8,311.50</u>
		\$	14,701.80
Decreased by:			
Disbursements	B-1	\$	6,983.37
Accounts Payable	B-16		<u>325.00</u>
			<u>7,308.37</u>
Balance, December 31, 2011	B	\$	<u><u>7,393.43</u></u>

DOG LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2009	\$ 7,200.00
2010	<u>6,810.00</u>
	<u>\$ 14,010.00</u>

"B-5"

TOWNSHIP OF HARDING

TRUST FUND

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

REF.

Increased by:			
State Registration Fees Collected	B-1	\$	667.80
Decreased by:			
Paid to State Department of Health	B-1	\$	<u>667.80</u>

"B-6"

SCHEDULE OF RESERVE FOR TREE PRESERVATION ESCROW

Balance, December 31, 2010	B	\$	114,944.11
Increased by:			
Receipts	B-1		<u>25,768.58</u>
		\$	<u>140,712.69</u>
Decreased by:			
Disbursements	B-1		<u>18,391.12</u>
Balance, December 31, 2011	B	\$	<u>122,321.57</u>

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF DEVELOPERS' DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2010	B	\$ 2,372,489.35
Increased by:		
Receipts	B-1	<u>386,114.02</u>
		\$ 2,758,603.37
Decreased by:		
Disbursements	B-1	<u>277,547.55</u>
Balance, December 31, 2011	B	\$ <u><u>2,481,055.82</u></u>

ANALYSIS OF BALANCE:

Technical Review Escrow	\$ 120,025.36
Engineering Escrow	318,885.55
Performance Bond Escrow	1,826,730.23
Grading Permit Escrow	<u>215,414.68</u>
	\$ <u><u>2,481,055.82</u></u>

"B-8"

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF UNEMPLOYMENT INSURANCE COMPENSATION

	<u>REF.</u>		
Balance, December 31, 2010	B		\$ 30,246.13
Increased by:			
Interest Earned on Deposit		\$ 157.66	
Budget Contribution		20,000.00	
Other Deposits		9.76	
	B-1	<u>                    </u>	20,167.42
			\$ <u>50,413.55</u>
Decreased by:			
Disbursements	B-1		<u>2,477.24</u>
Balance, December 31, 2011	B		\$ <u><u>47,936.31</u></u>

"B-9"

SCHEDULE OF RESERVE FOR OPEN SPACE DEPOSITS

Balance, December 31, 2010	B		\$ 3,006,081.10
Increased by:			
Tax Levy		\$ 784,704.00	
Tax Levy-Added		1,433.42	
Other Deposits		461,097.97	
Interest Earned on Deposit		31,188.03	
	B-1	<u>                    </u>	1,278,423.42
			\$ <u>4,284,504.52</u>
Decreased by:			
Disbursements	B-1	\$ 448,992.97	
Canceled	B-2	<u>462,500.00</u>	
			<u>911,492.97</u>
Balance, December 31, 2011	B		\$ <u><u>3,373,011.55</u></u>



"B-10"

TOWNSHIP OF HARDING  
TRUST FUND  
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2010	B	\$ 91.67
Increased by:		
Receipts	B-1	4,385.19
		<u>\$ 4,476.86</u>
Decreased by:		
Disbursements	B-1	758.74
Balance, December 31, 2011	B	<u>\$ 3,718.12</u>

"B-11"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND

Balance, December 31, 2010	B	\$ 8,477.63
Increased by:		
Receipts	B-1	59.47
		<u>\$ 8,537.10</u>
Decreased by:		
Disbursements	B-1	1,272.83
Balance, December 31, 2011	B	<u>\$ 7,264.27</u>

"B-12"

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING CONTRIBUTION

	<u>REF.</u>	
Balance, December 31, 2010	B	\$ 179,600.06
Increased by:		
Receipts	B-1	<u>83,998.82</u>
		\$ 263,598.88
Decreased by:		
Disbursements	B-1	<u>124,217.00</u>
Balance, December 31, 2011	B	<u>\$ 139,381.88</u>

"B-13"

SCHEDULE OF RESERVE FOR THE FARM AT HARDING

Balance, December 31, 2010	B	\$ 289,636.23
Increased by:		
Receipts	B-1	<u>258,594.83</u>
		\$ 548,231.06
Decreased by:		
Disbursements	B-1	<u>219,867.67</u>
Balance, December 31, 2011	B	<u>\$ 328,363.39</u>

"B-14"

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL TRUST

	<u>REF.</u>	
Balance, December 31, 2010	B	\$ 75.47
Increased by:		
Receipts	B-1	<u>2,912,444.43</u>
		\$ 2,912,519.90
Decreased by:		
Disbursements	B-1	<u>2,911,840.37</u>
Balance, December 31, 2011	B	<u><u>\$ 679.53</u></u>

"B-15"

SCHEDULE OF RESERVE FOR FLEXIBLE SPENDING

Balance, December 31, 2010	B	\$ 1,400.24
Increased by:		
Receipts	B-1	<u>2,440.63</u>
		\$ 3,840.87
Decreased by:		
Disbursements	B-1	<u>2,344.00</u>
Balance, December 31, 2011	B	<u><u>\$ 1,496.87</u></u>

"B-16"

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2010	B	\$ 1,049.80
Increased by:		
Reserve For Expenditures	B-4	325.00
		<u>\$ 1,374.80</u>
Decreased by:		
Disbursements	B-1	1.20
		<u>1.20</u>
Balance, December 31, 2011	B	<u>\$ 1,373.60</u>

"B-17"

SCHEDULE OF DUE CURRENT FUND - ANIMAL CONTROL TRUST FUND

Increased by:		
Receipts	B-1	\$ 3.84
		<u>3.84</u>
Balance, December 31, 2011	B	<u>\$ 3.84</u>

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2010	C		\$ 2,355,238.60
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-8	\$ 450,000.00	
Deferred Charges to Future Taxation - Unfunded	C-7	175,000.00	
Reserve To Pay Notes	C-16	68,776.00	
Due Current Fund	C-18	240.91	
Bond Anticipation Note	C-17	<u>500,000.00</u>	
			<u>1,194,016.91</u>
			\$ <u>3,549,255.51</u>
Decreased by Disbursements:			
Contracts Payable	C-14	\$ 161,659.92	
Due Open Space	C-19	126,313.82	
Bond Anticipation Note	C-17	<u>550,000.00</u>	
			<u>837,973.74</u>
Balance, December 31, 2011	C		\$ <u><u>2,711,281.77</u></u>

"C-3"

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2011
Capital Improvement Fund	\$ 342,557.84
Reserve for Grants Receivable	223,000.00
Reserve for Open Space	154,500.00
Morris County Open Space Grant Receivable	(256,743.83)
Reserve for Preliminary Costs	16,969.14
Reserve for Contracts Payable	65,229.79
Reserve to Pay Notes	68,776.00
Due Current Fund	243.44
Fund Balance	527,755.17
Unexpended Proceeds of Bond Anticipation Notes Listed on "C-7"	43,259.91
Improvement Authorizations Funded- Listed on "C-9"	1,780,555.22
Unfunded Improvements Expended- Listed on "C-7"	<u>(254,820.91)</u>
	<u>\$ 2,711,281.77</u>

REF.

C

"C-4"

SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE

Balance, December 31, 2010  
and December 31, 2011

C

\$ 223,000.00

"C-5"

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES  
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2010	C		\$ 10,254,449.87
Decreased by:			
Bonds Paid by Budget & Open Space	C-11	\$ 650,000.00	
Loans Paid by Open Space	C-12	<u>113,730.30</u>	
			<u>763,730.30</u>
Balance, December 31, 2011	C		<u>\$ 9,490,719.57</u>

"C-6"

SCHEDULE OF ACCOUNTS RECEIVABLE

Balance, December 31, 2010 and December 31, 2011	C		\$ <u>256,743.83</u>
<u>ANALYSIS OF BALANCE:</u>			
Morris County Open Space Grant			\$ 223,000.00
Transportation Trust Fund Receivable			<u>33,743.83</u>
			<u>\$ 256,743.83</u>

TOWNSHIP OF HARDING  
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE, DECEMBER 31, 2011						
		BALANCE DECEMBER 31, 2010	AUTHORIZATIONS CANCELLED	BUDGET	BALANCE DECEMBER 31, 2011	BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
2001-18	Acquisition of Land	\$ 44,500.00	\$	\$	\$ 44,500.00	\$	\$	
2003-15	Acquisition of Land	293,415.00	293,415.00					
2004-13	Acquisition of Land	32,000.00	32,000.00					
2004-16	Acquisition of Land	33,790.00			33,790.00			33,790.00
2005-20	Acquisition of a Conservation Easement	1,000.00	1,000.00					
2006-2	Restoration/Rehabilitation-Glen Alpin	551,607.00		50,000.00	501,607.00	500,000.00		1,607.00
2006-20	Installation of Fire Cisterns	100,000.00	37,500.00	62,500.00				
2007-8	Municipal Building Parking Lot	290,500.00		62,500.00	228,000.00		210,320.91	17,679.09
		<u>\$ 1,346,812.00</u>	<u>\$ 363,915.00</u>	<u>\$ 175,000.00</u>	<u>\$ 807,897.00</u>	<u>\$ 500,000.00</u>	<u>\$ 254,820.91</u>	<u>\$ 53,076.09</u>
		C	C-9	C-2	C	C-17	C-3	
	REF.							
	Improvement Authorizations Unfunded							
								\$ 96,336.00
								<u>43,259.91</u>
								<u>\$ 53,076.09</u>



TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2010	C		\$ 228,738.82
Increased by:			
2011 Budget Appropriation	C-2	\$ 450,000.00	
Authorizations Cancelled	C-9	<u>319.02</u>	
			\$ <u>450,319.02</u>
Decreased by:			
Appropriated to Finance:			
Improvement Authorizations	C-9		<u>336,500.00</u>
Balance, December 31, 2011	C		\$ <u><u>342,557.84</u></u>

TOWNSHIP OF HARDING  
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	GENERAL IMPROVEMENTS:	ORDINANCE DATE	ORDINANCE AMOUNT		BALANCE DECEMBER 31, 2010		2011 AUTHORIZATIONS		CONTRACTS PAYABLE CANCELED	EXPENDED	BALANCE DECEMBER 31, 2011	
			FUNDED	UNFUNDED	FUNDED	UNFUNDED	FUNDED	UNFUNDED				
2001-5	Acquisition of Land	03/07/01	\$ 25,977.00	\$	\$ 25,977.00	\$	\$	\$	\$	\$	\$	\$
2001-18/2002-8	Acquisition of Land	10/17/01	1,800,000.00	138,331.53	138,331.53							
2003-15	Acquisition of Land	07/16/03	1,100,000.00	39,633.11	39,633.11	293,415.00						
2004-13	Acquisition of Land	06/16/04	2,525,000.00	125,470.59	125,470.59	32,000.00		786.00				
2004-16	Acquisition of Land	07/07/04	1,150,000.00	143,264.90	143,264.90	33,790.00						
2004-20	Various Capital Improvements	09/07/04	211,500.00	41,807.88	41,807.88				4,995.84		143,264.90	33,790.00
2005-8/2005-16	Restoration/Rehabilitation-Clen Alpin	5/18/05-9/6/05	1,000,000.00	391,822.07	391,822.07			547.98			37,360.02	
2005-14	Various Public Improvements/Acquisitions	07/13/05	284,500.00	63,922.95	63,922.95	1,000.00		21,578.26			413,400.33	
2005-20	Acquisition of a Conservation Easement	11/22/05	630,000.00	12,263.24	12,263.24			1,505.65			54,751.60	
2006-01	Acquisition of a Conservation Easement	03/07/06	1,400,000.00	1,934.02	1,934.02			200.00				
2006-02	Restoration/Rehabilitation-Clen Alpin	03/07/06	850,000.00	44,866.91	44,866.91							44,866.91
2006-08	Acquisition of Real Property	04/05/06	1,020,000.00	16,165.59	16,165.59			9,793.00			47,293.00	
2006-10	Various Public Improvements	09/03/06	107,500.00	37,500.00	37,500.00			13,275.00				
2006-20	Installation of Fire Cisterns	10/18/06	350,000.00	113,500.00	113,500.00			126,775.00				
2007-07	Various Public Improvements	06/20/07	402,500.00	232,121.58	232,121.58					13,246.94	218,874.64	17,679.09
2007-08	Municipal Building Parking Lot	06/20/07	450,000.00									
2007-11	Bayne Park Ice Skating Rinks	09/05/07	25,000.00									
2007-15	Acquisition of The Farm at Harding	12/03/07	4,000,000.00	319.02	319.02			319.02				
2008-9	Various Improvements	05/07/08	519,000.00	130,753.61	130,753.61			130,753.61				
2009-4	Various Public Improvements/Acquisitions	06/10/09	344,500.00	270,741.70	270,741.70					6,050.89	264,690.81	
2010-12	Various Public Improvements/Acquisitions	08/18/10	369,500.00	65,793.00	65,793.00					24,697.00	41,096.00	
2011-05	Various Public Improvements/Acquisitions	05/18/11	336,500.00	315,664.80	315,664.80					9,939.98	305,724.82	
			\$ 2,053,486.59	\$ 536,251.00	\$ 536,500.00	\$ 336,500.00	\$ 336,500.00	\$ 945,023.71	\$ 47,665.69	\$ 152,008.55	\$ 1,780,555.22	\$ 96,336.00
			C	C	C	C-8	C-8	C-14	C-14	C-14	C-C-3	C-C-7

REF.

- C-19
- C-1
- C-7
- C-8

Due Open Space Fund Balance  
Deferred Charges To Future Taxation - Unfunded  
Capital Improvement Fund

\$ 100,363.82  
480,425.87  
363,915.00  
319.02  
\$ 945,023.71

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PRELIMINARY COSTS

REF.

Balance, December 31, 2010  
and December 31, 2011

C

\$ 16,969.14

TOWNSHIP OF HARDING  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>PRINCIPAL REQUIREMENTS OF BOND OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
			<u>DATE</u>	<u>AMOUNT</u>				
General Improvement Bonds of 2001	October 15, 2001	\$ 4,168,000.00	10/15/12	\$ 330,000.00	4.10%			
			10/15/13	340,000.00	4.10%			
			10/15/14	340,000.00	4.10%			
			10/15/15	340,000.00	4.10%			
			10/15/16	338,000.00	4.10%	\$ 2,003,000.00	\$ 315,000.00	\$ 1,688,000.00
General Improvement Bonds of 2008	February 15, 2008	8,725,000.00	02/15/12	345,000.00	3.50%			
			02/15/13	355,000.00	3.50%			
			02/15/14	365,000.00	3.50%			
			02/15/15	375,000.00	3.50%			
			02/15/16	385,000.00	3.50%			
			02/15/17	400,000.00	3.50%			
			02/15/18	415,000.00	3.50%			
			02/15/19	430,000.00	3.75%			
			02/15/20	445,000.00	3.75%			
			02/15/21	465,000.00	3.75%			
			02/15/22	485,000.00	3.75%			
			02/15/23	495,000.00	3.80%			
			02/15/24	515,000.00	3.85%			
			02/15/25	535,000.00	3.875%			
		02/15/26	555,000.00	4.00%				
		02/15/27	580,000.00	4.00%				
		02/15/28	600,000.00	4.00%				
						8,080,000.00	335,000.00	7,745,000.00
						\$ 10,083,000.00	\$ 650,000.00	\$ 9,433,000.00

REF.

C

C-5

C

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF LOANS PAYABLE

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>DATE</u>	<u>PRINCIPAL REQUIREMENTS OF LOAN OUTSTANDING DECEMBER 31, 2011</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
Blue Mill Fields Acquisition	June 12, 1992	\$ 1,875,000.00	03/12/12	\$ 57,719.55	2.00%	\$ 171,449.87	\$ 113,730.30	\$ 57,719.57
						\$ 171,449.87	\$ 113,730.30	\$ 57,719.57
			<u>REF.</u>			C	C-5	C

"C-13"

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES  
AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>
2001-18 / 2002-8	Acquisition of Land	\$	44,500.00
2004-16	Acquisition of Land		33,790.00
2006-20	Installation of Fire Cisterns		125,000.00
2007-8	Municipal Building Parking Lot		228,000.00
			<u>228,000.00</u>
		\$	<u>431,290.00</u>

"C-14"

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	C	\$	122,567.05
Increased by:			
Improvement Authorizations	C-9		152,008.55
		\$	<u>274,575.60</u>
Decreased by:			
Disbursements	C-2	\$	161,659.92
Contracts Payable Cancelled	C-9		47,685.89
			<u>209,345.81</u>
Balance, December 31, 2011	C	\$	<u>65,229.79</u>

"C-15"

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR OPEN SPACE

REF.

Balance, December 31, 2010 and December 31, 2011	C	\$ <u>154,500.00</u>
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"C-16"

SCHEDULE OF RESERVE TO PAY NOTES

Balance, December 31, 2010	C	\$ 25,950.00
Increased by:		
Receipts	C-2	<u>68,776.00</u>
		\$ 94,726.00
Decreased by:		
Due Open Space Trust Fund	C-19	<u>25,950.00</u>
Balance, December 31, 2011	C	\$ <u>68,776.00</u>

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE</u>	<u>ORIGINAL DATE OF ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>	
2006-2 Rest./Rehab. of Glen Alpin	8/16/06	2/18/11	2/19/12	0.99%	\$ 550,000.00	\$ 500,000.00	\$ 550,000.00	\$ 500,000.00	
					\$ 550,000.00	\$ 500,000.00	\$ 550,000.00	\$ 500,000.00	
				<u>REF.</u>	C	C-2	C-2	C-C-7	



"C-18"

TOWNSHIP OF HARDING  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2010	C	\$	2.53
Increased by:			
Receipts	C-2		<u>240.91</u>
Balance, December 31, 2011	C	\$	<u><u>243.44</u></u>

"C-19"

SCHEDULE OF DUE OPEN SPACE

Increased by:			
Reserve to Pay Notes	C-16	\$	25,950.00
Authorizations Cancelled	C-9		<u>100,363.82</u>
		\$	126,313.82
Decreased by:			
Disbursements	C-2	\$	<u><u>126,313.82</u></u>

TOWNSHIP OF HARDING

SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2010	D	\$ <u>249,467.80</u>	\$ <u>94,212.87</u>
Increased by Receipts:			
Sewer Use Charges Receivable	D-9	\$ 205,309.56	\$
Miscellaneous Revenue Not Anticipated	D-2	7,283.76	
Prepaid Sewer Rents	D-11	2,233.28	
Due Sewer Operating	D-19		39.67
Capital Improvement Fund	D-12		15,000.00
		\$ <u>214,826.60</u>	\$ <u>15,039.67</u>
		\$ <u>464,294.40</u>	\$ <u>109,252.54</u>
Decreased by Disbursements:			
2011 Budget Appropriations	D-3	\$ 193,807.04	\$
2010 Appropriation Reserves	D-8	1,171.19	
Due Sewer Operating	D-18	39.67	
Contracts Payable	D-16		6,807.10
		\$ <u>195,017.90</u>	\$ <u>6,807.10</u>
Balance, December 31, 2011	D	\$ <u><u>269,276.50</u></u>	\$ <u><u>102,445.44</u></u>

"D-5"

TOWNSHIP OF HARDING  
SEWER UTILITY CAPITAL FUND  
ANALYSIS OF SEWER UTILITY CAPITAL CASH

	BALANCE DECEMBER 31, 2011
Contribution in Aid of Construction	\$ 3,000.00
Capital Improvement Fund	35,000.00
Due Sewer Operating	39.67
Contracts Payable	17,819.00
Improvement Authorizations - Funded	<u>46,586.77</u>
	<u>\$ 102,445.44</u>

REF.

D

"D-6"

SCHEDULE OF RESERVE FOR CONTRIBUTION IN AID OF CONSTRUCTION

Balance, December 31, 2010 and December 31, 2011	D	\$ <u>3,000.00</u>
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"D-7"

TOWNSHIP OF HARDING  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2010 AND 2011</u>
Air Blower	\$ 525.00
Gas Detector	3,016.46
Two-Way Recovery System	1,692.72
Sewer Pump Station	4,201.72
Super Shredder	15,976.00
Franklin Miller Grinder	4,120.00
Suction Piping	2,290.00
Fence	1,825.00
Motor	1,851.50
Emergency Generator	13,100.00
Equipment - Pump Station	1,772.93
Pump Repair	24,547.57
Other	3,646.84
	<hr/>
	\$ 78,565.74
	<hr/> <hr/>

REF.                      D

TOWNSHIP OF HARDING

SEWER UTILITY FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2010	ACCOUNTS PAYABLE	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operating:					
Salaries & Wages	\$ 10,000.00	\$	\$ 10,000.00	\$	\$ 10,000.00
Other Expenses	5,934.94	3,341.84	9,276.78	1,171.19	8,105.59
Statutory Expenditures:					
Contribution to Social Security	<u>2,000.00</u>		<u>2,000.00</u>		<u>2,000.00</u>
	<u>\$ 17,934.94</u>	<u>\$ 3,341.84</u>	<u>\$ 21,276.78</u>	<u>\$ 1,171.19</u>	<u>\$ 20,105.59</u>
<u>REF.</u>	D	D-17		D-4	D-1

TOWNSHIP OF HARDING

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2010	D		\$ 1,811.80
Increased by:			
Sewer Charges Levied (Net)			210,267.16
			<u>\$ 212,078.96</u>
Decreased By:			
Receipts	D-4	\$ 205,309.56	
Prepaid Applied	D-11	<u>2,589.78</u>	
			<u>207,899.34</u>
Balance, December 31, 2011	D		<u>\$ 4,179.62</u>

TOWNSHIP OF HARDING  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE DATE</u>	BALANCE DECEMBER 31, 2010	NEW AUTHORIZATION	BALANCE DECEMBER 31, 2011
15-02	Improvements to Sewer Pumping Station	12/31/02	\$ 57,000.00	\$	\$ 57,000.00
07-11	Various Improvements and Acquisitions	5/18/11		50,000.00	50,000.00
			<u>\$ 57,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 107,000.00</u>
	<u>REF.</u>		D	D-13	D

TOWNSHIP OF HARDING

SEWER UTILITY FUND

SCHEDULE OF RESERVE FOR PREPAID SEWER RENTS

	<u>REF.</u>	
Balance, December 31, 2010	D	\$ 2,589.78
Increased by:		
Receipts	D-4	<u>2,233.28</u>
		\$ 4,823.06
Decreased by:		
Applied to Revenue	D-9	<u>2,589.78</u>
Balance, December 31, 2011	D	<u><u>2,233.28</u></u>



TOWNSHIP OF HARDING  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2010	D	\$ 70,000.00
Increase by:		
Receipts	D-4	15,000.00
		<u>\$ 85,000.00</u>
Decreased by:		
New Authorizations	D-15	50,000.00
Balance, December 31, 2011	D	<u>\$ 35,000.00</u>

TOWNSHIP OF HARDING  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE DATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>NEW AUTHORIZATIONS</u>	<u>BALANCE DECEMBER 31, 2011</u>
15-02	Improvements to Sewer Pumping Station	12/30/02	\$ 27,000.00	\$	27,000.00
10-08	Various Improvements	6/4/08	30,000.00		30,000.00
07-11	Various Improvements and Acquisitions	5/18/11		50,000.00	50,000.00
			\$ 57,000.00	\$ 50,000.00	107,000.00
		<u>REF.</u>	D	D-10	D

TOWNSHIP OF HARDING

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

REF.

Balance, December 31, 2010  
and December 31, 2011

D

\$ 78,565.74

TOWNSHIP OF HARDING  
SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2010 FUNDED	NEW AUTHORIZATIONS	EXPENDED	CANCELED CONTRACTS PAYABLE	BALANCE DECEMBER 31, 2011 FUNDED
15-02	Improvements to Sewer Pumping Station	12/31/02	\$ 27,000.00	\$ 97.00	\$	\$ 97.00	\$	\$
10-08	Various Improvements	6/4/08	30,000.00	6,058.37		6,058.37		
10-13	Various Improvements	8/18/10	15,000.00	7,500.00		8,192.90	692.90	
07-11	Various Improvements and Acquisitions	5/18/11	50,000.00		50,000.00	3,413.23		46,586.77
			REF.	\$ 13,655.37	\$ 50,000.00	\$ 17,761.50	\$ 692.90	\$ 46,586.77
				D	D-12	D-16	D-16	D

"D-16"

TOWNSHIP OF HARDING

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	D	\$	7,557.50
Increased by:			
Improvement Authorizations	D-15		<u>17,761.50</u>
		\$	25,319.00
Decreased by:			
Disbursements	D-4	\$	6,807.10
New Authorizations	D-15		<u>692.90</u>
			<u>7,500.00</u>
Balance, December 31, 2011	D	\$	<u><u>17,819.00</u></u>

"D-17"

SEWER UTILITY FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2010	D	\$	3,341.84
Increase by:			
2011 Appropriations	D-3		<u>8,867.84</u>
		\$	12,209.68
Decreased by:			
Transferred to Appropriation Reserves	D-8		<u>3,341.84</u>
Balance, December 31, 2011	D	\$	<u><u>8,867.84</u></u>

"D-18"

TOWNSHIP OF HARDING

SEWER UTILITY FUND

SCHEDULE OF DUE SEWER CAPITAL

REF.

Increased by:		
Disbursements	D-4	\$ <u>39.67</u>
Balance, December 31, 2011 (Due From)	D	\$ <u><u>39.67</u></u>

"D-19"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DUE SEWER OPERATING

Increased by:		
Receipts	D-4	\$ <u>39.67</u>
Balance, December 31, 2011 (Due To)	D	\$ <u><u>39.67</u></u>

"E-1"

TOWNSHIP OF HARDING  
PUBLIC ASSISTANCE TRUST FUND  
SCHEDULE OF PUBLIC ASSISTANCE CASH

	<u>REF.</u>		
Balance, December 31, 2010	E	\$	7,341.34
Increased by:			
Receipts	E-3		<u>3.02</u>
Balance, December 31, 2011	E	\$	<u><u>7,344.36</u></u>

"E-2"

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

Balance, December 31, 2010 and December 31, 2011	E	\$	<u><u>7,341.34</u></u>
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"E-3"

SCHEDULE OF DUE CURRENT FUND

Increased by:			
Receipts	E-1	\$	3.02
Balance, December 31, 2011 (Due To)	E	\$	<u><u>3.02</u></u>

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TOWNSHIP OF HARDING

PART II

REPORTS ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

SCHEDULES OF EXPENDITURES  
OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

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



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

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

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

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

We have audited the accompanying financial statements - regulatory basis of the Township of Harding, County of Morris, New Jersey as of and for the year ended December 31, 2011, and have issued our report thereon dated August 3, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Harding prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Harding's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Township of Harding's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of Harding's internal control over financial reporting.

# 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township of Harding's financial statements will not be prevented, or detected and corrected on a timely basis.


Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Harding's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, we noted an immaterial instance of noncompliance which is discussed in Part III, General Comments and Recommendations section of this report.

This report is intended solely for the information of the Township of Harding, County of Morris, New Jersey, the Division of Local Government Services and federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

August 3, 2012

TOWNSHIP OF HARDING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2011

FEDERAL C.F.D.A. NUMBER	GRANT AWARD AMOUNT	GRANT PERIOD FROM TO	2011 RECEIPTS	2011 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2011
FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE					
Pass Through From State of New Jersey					
U.S. Department of Justice					
Bulletproof Vest Program	\$ 675.00	1/1/11 12/31/11			
U.S. Department of Agriculture					
Wildlife Habitat Incentives Program Conservative Program Agreement 2005	2,250.00	8/30/04 9/30/05	\$	\$	702.00
<b>TOTAL</b>			\$ 0.00	\$ 0.00	\$ 702.00

TOWNSHIP OF HARDING

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2011

STATE GRANTOR DEPARTMENT/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT AWARD AMOUNT	2011 RECEIPTS	2011 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2011
<u>DEPARTMENT OF LAW AND PUBLIC SAFETY</u>					
Drunk Driving Enforcement Fund - Prior Year(s)	1110-100-066-1110-YYYY	\$ 20,144.30	\$	\$ 4,456.83	\$ 20,111.39
Drunk Driving Enforcement Fund	1110-100-066-1110-YYYY	7,104.76	7,104.76		
Over The Limit Under Arrest	1160-100-066-1160-057-YHTS-6010	5,000.00	5,000.00	5,000.00	5,000.00
Click it Or Ticket	1160-100-066-1160-116-YHTS-6120	4,000.00	4,000.00	4,000.00	4,000.00
Drive Sober Or Get Pulled Over	9735-760-098-Y900-001-X100-6020	5,000.00	3,425.00	3,425.00	1,575.00
Alcohol Education Rehabilitation Fund - Prior Year(s)	9735-760-098-Y900-001-X100-6020	3,128.82	3,128.82	3,128.82	3,128.82
Alcohol Education Rehabilitation Fund		997.79	997.79	997.79	997.79
		\$ 17,102.55	\$ 21,008.44	\$	\$ 34,813.00
<u>DIVISION OF CRIMINAL JUSTICE</u>					
Body Armor Replacement Fund - Prior	1020-718-066-1020-001-YCJS-6120	6,714.58	\$	\$ 646.25	\$ 646.25
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	2,968.65	1,522.49	646.25	646.25
		\$ 1,522.49	\$ 646.25	\$	\$ 646.25
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>					
Clean Communities Grant - Prior Year(s)	4900-765-042-4900-004-V42Y-6020	24,382.40	\$	\$	\$ 5,966.82
Clean Communities Grant	4900-765-042-4900-004-V42Y-6020	8,829.78	8,829.78		
Recycling Tonnage Grant - Prior Year(s)	4900-752-042-4900-001-V42Y-6020	24,267.10			
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	3,151.82	3,151.82		
Office of Environmental Services - Prior	4800-100-042-4800-090-V78X-6120	25,000.00			4,059.49
Association of NJ Environmental Commission - Prior	4800-100-042-4800-090-V78X-6120	22,625.00			19,064.60
NJ Highlands Water Protection - Prior		7,500.00			
Stormwater Management Program - Prior		5,000.00			4,500.00
Municipal Stormwater Regulation Program - Prior		5,000.00			351.50
Great Swamp Project - Prior		20,000.00	11,981.60		15,251.59
		\$	\$ 11,981.60	\$	\$ 49,194.00
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>					
Garden State Historic Preservation Trust-prior		750,000.00	\$	\$ (550.56)	\$ 699,834.44
<u>DEPARTMENT OF TRANSPORTATION</u>					
Municipal Aid - Sand Spring Road - Prior	6320-480-078-6320-AJG-TCAP-6010	75,000.00	\$	\$	\$ 44,805.95
<u>PASS THROUGH COUNTY OF MORRIS</u>					
Municipal Alliance on Alcoholism and Drug Abuse - Prior		6,746.00	5,876.80	1,434.55	6,746.00
Municipal Alliance Supplemental		3,750.00	409.75	3,142.00	3,142.00
Municipal Alliance on Alcoholism and Drug Abuse		6,746.00	5,876.80	4,933.84	4,933.84
		\$ 36,483.44	\$ 27,472.52	\$	\$ 840,973.48
<u>TOTAL</u>					

TOWNSHIP OF HARDING

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

YEAR ENDED DECEMBER 31, 2011

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all federal and state financial assistance programs of the Township of Harding, County of Morris, New Jersey. All federal and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other governmental agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis 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 U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Township's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related federal and state financial report.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Townships' regulatory basis financial statements. All of these amounts are reported in the Current Fund in 2011.

Receipts:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ <u>- 0 -</u>	\$ <u>36,483.44</u>	\$ <u>7,568.95</u>	\$ <u>44,052.39</u>
	\$ <u>- 0 -</u>	\$ <u>36,483.44</u>	\$ <u>7,568.95</u>	\$ <u>44,052.39</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ <u>- 0 -</u>	\$ <u>27,472.52</u>	\$ <u>11,622.00</u>	\$ <u>39,094.52</u>
	\$ <u>- 0 -</u>	\$ <u>27,472.52</u>	\$ <u>11,622.00</u>	\$ <u>39,094.52</u>

NOTE 5. OTHER

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

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TOWNSHIP OF HARDING

PART III

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

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

	<u>YEAR 2011</u>		<u>YEAR 2010</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 2,030,000.00	7.78%	\$ 1,870,000.00	7.20%
Miscellaneous - From Other Than Local Property Tax Levies	2,390,670.93	9.17%	2,818,702.63	10.85%
Collection of Delinquent Taxes and Tax Title Liens	40,956.44	0.16%	148,590.30	0.57%
Collections of Current Tax Levy	<u>21,619,658.59</u>	<u>82.89%</u>	<u>21,140,465.00</u>	<u>81.38%</u>
<u>Total Revenue</u>	<u>\$ 26,081,285.96</u>	<u>100.00%</u>	<u>\$ 25,977,757.93</u>	<u>100.00%</u>
 <u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 7,958,774.00	32.44%	\$ 7,707,259.33	32.32%
County Taxes	6,328,734.77	25.80%	6,008,080.17	25.19%
Local School District Taxes	9,147,592.00	37.30%	9,057,676.50	37.98%
Municipal Open Space Taxes	786,137.42	3.21%	791,018.79	3.32%
Other Expenditures	<u>305,393.88</u>	<u>1.25%</u>	<u>284,153.20</u>	<u>1.19%</u>
<u>Total Expenditures</u>	<u>\$ 24,526,632.07</u>	<u>100.00%</u>	<u>\$ 23,848,187.99</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,554,653.89		\$ 2,129,569.94	
Fund Balance - January 1	<u>3,119,790.68</u>		<u>2,860,220.74</u>	
	\$ 4,674,444.57		\$ 4,989,790.68	
Less: Utilization as Anticipated Revenue	<u>2,030,000.00</u>		<u>1,870,000.00</u>	
Fund Balance, December 31	<u>\$ 2,644,444.57</u>		<u>\$ 3,119,790.68</u>	

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

	<u>YEAR 2011</u>		<u>YEAR 2010</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 50,000.00	17.53%	\$ 50,000.00	20.33%
Collection of Sewer Use Charges	207,899.34	72.87%	178,945.39	72.76%
Miscellaneous	<u>27,389.35</u>	<u>9.60%</u>	<u>16,999.41</u>	<u>6.91%</u>
<u>Total Revenue</u>	<u>\$ 285,288.69</u>	<u>100.00%</u>	<u>\$ 245,944.80</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 198,300.00	92.10%	\$ 188,000.00	91.71%
Capital Improvements	15,000.00	6.97%	15,000.00	7.32%
Statutory Expenditures	<u>2,000.00</u>	<u>0.93%</u>	<u>2,000.00</u>	<u>0.98%</u>
<u>Total Expenditures</u>	<u>\$ 215,300.00</u>	<u>100.00%</u>	<u>\$ 205,000.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 69,988.69		\$ 40,944.80	
Fund Balance - January 1	<u>225,601.24</u>		<u>234,656.44</u>	
	\$ 295,589.93		\$ 275,601.24	
Less: Utilization as Anticipated Revenue	<u>50,000.00</u>		<u>50,000.00</u>	
Fund Balance, December 31	<u>\$ 245,589.93</u>		<u>\$ 225,601.24</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	\$ <u>1.051</u>	\$ <u>1.031</u>	\$ <u>1.058</u>
Municipal (Including Open Space)	\$ 0.301	\$ 0.296	\$ 0.302
County (Including Open Space)	0.307	0.293	0.313
Local School	<u>0.443</u>	<u>0.442</u>	<u>0.443</u>

Assessed Valuations:

2011	<u>\$2,065,009,914.00</u>		
2010		<u>\$2,050,276,147.00</u>	
2009			<u>\$2,021,010,460.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2011	\$21,761,595.83	\$21,619,658.59	99.35%
2010	21,209,126.45	21,140,465.00	99.68%
2009	21,602,187.31	21,425,869.46	99.18%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$ -0-	\$102,495.00	\$102,495.00	0.47%
2010	-0-	40,989.28	40,989.28	0.19%
2009	-0-	161,393.92	161,393.92	0.75%

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2011	\$210,267.16	\$207,899.34
2010	177,229.78	175,417.98
2009	185,115.00	180,527.12

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance Current Fund</u>	<u>Utilized in Budget of Succeeding Year</u>
2011	\$2,644,444.57	\$1,870,000.00
2010	3,119,790.68	2,030,000.00
2009	2,860,220.74	1,870,000.00
2008	3,056,067.97	2,125,000.00
2007	2,955,719.46	2,075,000.00

<u>Year</u>	<u>Balance Sewer Operating Fund</u>	<u>Utilized in Budget of Succeeding Year</u>
2011	\$245,589.93	\$50,000.00
2010	225,601.24	50,000.00
2009	234,656.44	50,000.00
2008	246,052.79	54,900.00
2007	228,889.62	34,900.00

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>
Marshall Bartlett	Mayor - Committee Chair	*
Regina Egea	Deputy Mayor - Committee Vice-Chair	*
Louis Lanzerotti	Committee Member	*
Ned Ward	Committee Member	*
Nicholas Platt	Committee Member	*
Gail McKane	Administrator, Clerk, Registrar, QPA	*
Himanshu Shah	Chief Financial Officer	*
Kathleen Silber	Tax Collector	*
Mary Ellen Balady	Construction Official	*
Kevin Gaffney	Police Chief	*
Laura Lande - Woolfson, Sutphen, et al.	Attorney (January through November)	
Christopher H. Falcon - Maraziti, Falcon & Healey	Attorney (from December)	
Paul Fox - Apgar Associates	Engineer	
Cynthia L. Phillips	Planning Board Administrator	*
Karen Zaborsky	Zoning Officer, Board of Adjustment Administrator	*
Steven Rogut	Bond Counsel	
Tracy Toribio	Superintendent of Public Works, Principal Public Works Manager	*
Garry Annibal	Health Administrator	*

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

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

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

Effective January 1, 2011, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00. The bid threshold in accordance with N.J.A.C. 40A:11-3 was increased to \$36,000 by resolution of the governing body.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

The minutes indicate that there were no purchases over the bid threshold made through public bidding in 2011.

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

Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6".

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

- |                   |                      |
|-------------------|----------------------|
| Township Attorney | Bond Counsel         |
| Township Engineer | Special Tax Counsel  |
| Township Auditor  | Other Legal Services |
| Township Planner  | GIS Consultant       |



## COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 5, 2011 adopted the following resolutions authorizing interest to be charged on delinquent taxes:

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

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on September 15, 2010 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2011	0
2010	0
2009	0

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	
Information Tax Positive Confirmation	25
Delinquent Tax Positive Confirmation	5
Information Utility Positive Confirmation	10
Delinquent Utility Positive Confirmation	5

OTHER COMMENTS

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

FIXED ASSETS

The Township maintains a detailed inventory of their fixed assets, as required by N.J.S.A. 5:30-5.6 promulgated by the Division of Local Government Services. However, a physical inspection of fixed assets and reconciliation with the property records has not been performed in several years. Any differences between quantities determined by the physical inspection and the accounting records should be investigated and fully documented.

## RECOMMENDATIONS

That a physical inventory of General Fixed Assets be taken and reconciled with the property records on a periodic basis.



