

**TOWN OF HARRISON
COUNTY OF HUDSON
NEW JERSEY**

**REPORT ON
EXAMINATION OF ACCOUNTS
FOR THE YEAR 2022**

**SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS**

TOWN OF HARRISON
COUNTY OF HUDSON, NEW JERSEY

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PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY EXHIBITS
YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Town Council
Town of Harrison
Harrison, New Jersey 07029

Opinions

We have audited the financial statements - regulatory basis of the various funds and account groups of the Town of Harrison, in the State of New Jersey, as of and for the years then ended December 31, 2022 and December 31, 2021, and the related notes to the financial statements, as listed in the foregoing table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Town of Harrison at December 31, 2022 and 2021, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, in accordance with accounting principles on the basis of financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "*Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles*" paragraph, the financial statements - regulatory basis referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Town as of December 31, 2022 and 2021 and the results of its operations for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Harrison, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, the financial statements are prepared by the Town of Harrison, State of New Jersey, on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division of Local Government Services, Department of Community Affairs. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Harrison, State of New Jersey's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Harrison, State of New Jersey's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Harrison, State of New Jersey's ability to continue as a going concern for a reasonable period of time.


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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2023 on our consideration of the Town of Harrison, State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Harrison, State of New Jersey's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Harrison, State of New Jersey's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Samuel Klein & Company LLP". The signature is fluid and cursive.

SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

A handwritten signature in black ink that reads "Joseph J. Faccone". The signature is fluid and cursive.

JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
August 8, 2023

TOWN OF HARRISON
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
<u>Regular Fund</u>			
Cash	A-4	\$ 40,054,708.81	\$ 30,923,275.26
Cash Held by State (Qualified Bond Act)	A-5		1,048,134.38
Change Funds - Tax Collector	A-7	1,600.00	1,600.00
Due from State of New Jersey - Ch. 20, P.L. 1971	A-8	23,086.30	23,086.30
		<u>40,079,395.11</u>	<u>31,996,095.94</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	280.71	84.49
Tax Title Liens	A-10	159,511.32	86,815.88
Revenue Accounts Receivable	A-11	50,793.81	36,315.54
Interfunds Receivable	A-12	9,015,309.41	10,733,937.80
Property Acquired for Taxes at Assessed Valuation	A-13	216,700.00	216,700.00
		<u>9,442,595.25</u>	<u>11,073,853.71</u>
		<u>49,521,990.36</u>	<u>43,069,949.65</u>
<u>Federal and State Grant Fund</u>			
Cash	A-4	1,648,028.01	1,049,877.93
Grants Receivable	A-15	4,460,419.86	1,798,938.17
		<u>6,108,447.87</u>	<u>2,848,816.10</u>
		<u>\$ 55,630,438.23</u>	<u>\$ 45,918,765.75</u>

TOWN OF HARRISON
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
<u>Regular Fund</u>			
Expenditure Accounts:			
Appropriation Reserves:			
Encumbered	A-3,16	\$ 583,995.89	\$ 956,596.11
Unencumbered	A-3,16	3,642,006.42	2,936,600.08
Other Payables:			
Reserve for School Debt Service	A-17	404,101.19	404,101.19
Reserve for Municipal Relief Aid	A-19	599,032.68	
Developer Advancement for Debt Service	A-21	330,121.67	288,800.06
Interfunds Payable	A-22	411,573.31	838,129.89
Due to State - DCA Fees	A-23	2,614.00	5,955.00
County Taxes Payable	A-25	14,821.30	17,207.98
Prepaid Taxes	A-27	469,788.76	532,975.45
Reserve for Tax Appeals	A-28	9,708,145.12	9,739,437.53
Accounts Payable	A-29	763,230.03	613,869.57
Due to Hudson County - 5% Pilot Fees	A-30	228.18	
Prepaid Riverpark PILOT Fees	A-31	29,282.58	8,023.94
Prepaid Revenue	A-32	1,500.00	1,500.00
Reserve for Revaluation	A-33	15,000.00	15,000.00
		<u>16,975,441.13</u>	<u>16,358,196.80</u>
Reserve for Receivables and Other Assets		9,442,595.25	11,073,853.71
Fund Balance	A-1	23,103,953.98	15,637,899.14
		<u>49,521,990.36</u>	<u>43,069,949.65</u>
<u>Federal and State Grant Fund</u>			
Interfunds Payable	A-26	646,468.06	65,283.77
Reserve for Grants - Appropriated	A-34	3,784,691.63	1,733,654.40
Reserve for Grants - Unappropriated	A-35	1,677,288.18	1,049,877.93
		<u>6,108,447.87</u>	<u>2,848,816.10</u>
		<u>\$ 55,630,438.23</u>	<u>\$ 45,918,765.75</u>

See accompanying notes to financial statements.

TOWN OF HARRISON
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

A-1

	<u>Ref.</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	A-2	\$ 3,762,500.00	\$ 3,325,000.00
Miscellaneous Revenue Anticipated	A-2	36,588,798.57	29,485,486.64
Receipts from Current Taxes	A-2a	35,145,623.91	34,847,986.35
Receipts from Delinquent Taxes	A-2a	69.87	435.02
Nonbudget Revenue	A-2b	724,138.73	1,365,180.87
Other Credits to Income:			
Interfunds Returned	A-12	1,718,628.39	
Unexpended Balance of Appropriation Reserves	A-16	2,221,472.89	3,887,036.04
Tax Overpayments Cancelled			0.67
Reserve for Federal and State Grants Cancelled	A-34	232,251.62	
Accounts Payable Cancelled			118,947.06
		<u>80,393,483.98</u>	<u>73,030,072.65</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages		17,545,900.00	16,704,480.00
Other Expenses		17,255,159.97	13,768,780.77
Capital Improvements		4,794,177.43	4,423,250.44
Municipal Debt Service		6,670,859.42	6,835,712.70
Deferred Charges and Statutory Expenditures		5,135,698.28	5,749,814.34
Transfer to Board of Education for Use of Local Schools		425,000.00	
Local School District Purposes		1,011,200.00	1,647,925.00
	A-3	<u>52,837,995.10</u>	<u>49,129,963.25</u>
Prior Years' Revenue Refund	A-4	50.00	
Interfunds Originating - Net			1,401,932.79
Federal and State Grants Receivable Cancelled	A-15	136,344.53	6.16
Local School District Tax	A-24	9,983,455.00	9,884,609.00
County Tax	A-25	6,207,084.51	5,823,189.30
		<u>69,164,929.14</u>	<u>66,239,700.50</u>
Statutory Excess to Fund Balance		11,228,554.84	6,790,372.15
<u>Fund Balance</u>			
Balance January 1	A	<u>15,637,899.14</u>	<u>12,172,526.99</u>
		26,866,453.98	18,962,899.14
Decreased by:			
Amount Utilized as Anticipated Revenue	A-2	<u>3,762,500.00</u>	<u>3,325,000.00</u>
Balance December 31	A	<u>\$23,103,953.98</u>	<u>\$15,637,899.14</u>

See accompanying notes to financial statements.

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

A-2
Sheet #1

	<u>Ref.</u>	<u>Budget</u>	<u>N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	<u>\$ 3,762,500.00</u>	\$	<u>\$ 3,762,500.00</u>	\$
<u>Miscellaneous Revenue</u>					
Licenses:					
Alcoholic Beverages	A-11	50,000.00		51,341.52	1,341.52
Other	A-2a	35,000.00		37,356.20	2,356.20
Fees and Permits:					
Other	A-2a	50,000.00		121,942.00	71,942.00
Construction Code Official	A-11	375,000.00		767,068.00	392,068.00
Fines and Costs:					
Municipal Court	A-11	425,000.00		535,026.85	110,026.85
Other	A-11	1,000.00		3,546.88	2,546.88
Interest and Costs on Taxes	A-6	28,000.00		159,498.25	131,498.25
Interest on Investments and Deposits	A-11	100,000.00		426,823.77	326,823.77
Hotel Tax	A-11	185,000.00		397,512.35	212,512.35
Consolidated Municipal Property Tax Relief Act	A-11	332,884.00		332,884.00	
Energy Receipt Tax	A-11	11,150,781.00		11,150,781.00	
Borough of East Newark - Dispatching Services	A-11	45,000.00		45,000.00	
Borough of East Newark - Street Sweeping	A-11	20,000.00		20,000.00	
Borough of East Newark - Ambulance	A-11	6,500.00		6,500.00	
State and Federal Revenues Offset with					
Appropriations:					
New Jersey Transportation Trust Fund					
Authority Act	A-15		689,994.00	689,994.00	
Senior Citizen Food Program	A-15	48,032.00		48,032.00	
Senior Citizen Food Program Mid Year					
Allocation	A-15		97,656.00	97,656.00	
Drug Abuse (7/1/22 - 6/30/23)	A-15		5,065.00	5,065.00	
Senior Citizen Outreach Center	A-15	186,513.00		186,513.00	
COPS Hiring Grant	A-15		625,000.00	625,000.00	
CDBG COVID-19 MS Project	A-15	198,073.00		198,073.00	
Recycling Tonnage Grant	A-15	22,156.59		22,156.59	
Clean Communities	A-15		30,991.44	30,991.44	
Alcohol Education and Rehabilitation	A-15		6,633.16	6,633.16	
Body Armor Replacement Fund	A-15	2,097.78		2,097.78	
Firefighter Grant - ARP	A-15		28,000.00	28,000.00	
Opioid Settlement	A-15		42,314.75	42,314.75	
2022 Peer Grouping Grant	A-15		10,000.00	10,000.00	
CAA/CRRSA HDM (Home Delivered Meals)	A-15		22,048.00	22,048.00	
Distracted Driving Crackdown Grant	A-15		8,750.00	8,750.00	
Green Acres - Development Grant	A-15		750,000.00	750,000.00	
Green Acres - Stewardship Grant	A-15		750,000.00	750,000.00	
Drive SOBER or Get Pulled Over Grant	A-15	8,750.00		8,750.00	
DMHAS Alliance ACE Trauma Education	A-15		1,837.00	1,837.00	
Parking Lot Tax	A-11	175,000.00		355,624.89	180,624.89
Parking Lot Tax - Harrison Parking Center	A-11	200,000.00		412,490.43	212,490.43
NJEIT Loan Debt Service from Developer	A-11	1,204,618.34		1,204,608.29	(10.05)
Developer Deficiency Payment	A-11	250,000.00		252,838.00	2,838.00
Administration Redevelopment Fees	A-11	175,000.00		277,667.30	102,667.30
CJUF Debt Obligation	A-11	528,172.88		528,172.88	
Comcast Cable Fees	A-11	37,000.00		39,286.48	2,286.48
Verizon FIOS Fees	A-11	57,800.00		57,960.37	160.37
PILOT Harrison Housing Authority	A-11	120,000.00		135,900.00	15,900.00
PILOT Russo	A-11	740,000.00		754,266.12	14,266.12
PILOT River Park	A-11	1,100,000.00		1,096,586.75	(3,413.25)
PILOT Bergen Street	A-11	385,000.00		403,735.56	18,735.56
PILOT Building #1	A-11	247,500.00		247,500.00	

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

A-2
Sheet #2

	<u>Ref.</u>	<u>Budget</u>	<u>N.J.S.</u> <u>40A:4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
<u>Miscellaneous Revenue</u>					
PILOT River Park #2	A-11	\$ 500,000.00	\$	\$ 534,096.08	\$ 34,096.08
PILOT Building #3	A-11	1,025,000.00		1,096,910.13	71,910.13
PILOT Building #5	A-11	1,200,000.00		1,392,233.66	192,233.66
PILOT Building E (Steel Works)	A-11	550,000.00		755,516.22	205,516.22
PILOT Panasonic	A-11	100,000.00		135,208.48	35,208.48
PILOT Building #6	A-11	875,000.00		1,009,000.59	134,000.59
PILOT Hampton Hotel	A-11	75,000.00		173,001.22	98,001.22
PILOT Port Authority of New York and New Jersey	A-11	84,392.00		84,392.00	
PILOT Red Bulls	A-11	1,200,000.00		1,251,265.04	51,265.04
PILOT Element Hotel	A-11	60,500.00		60,720.00	220.00
PILOT One Harrison	A-11	925,000.00		989,695.45	64,695.45
PILOT Building F	A-11	670,000.00		739,666.23	69,666.23
PILOT Accordia	A-11	225,000.00		293,836.50	68,836.50
PILOT Dey & Bergen	A-11	700,000.00		941,116.25	241,116.25
PILOT Building #4	A-11	300,000.00		1,418,903.06	1,118,903.06
PILOT Ben Harrison URE	A-11	750,000.00		1,187,150.93	437,150.93
Cell Tower Lease - AT&T	A-11	30,000.00		51,656.76	21,656.76
Senior Citizens Food Program	A-11	100.00		5,323.00	5,223.00
North Hudson Community Action Center Rent	A-11	24,000.00		24,000.00	
American Rescue Plan LFRF	A-35	1,049,877.93		1,049,877.93	
Uniform Fire Safety Act	A-11	30,000.00		39,399.43	9,399.43
	A-1	<u>28,863,748.52</u>	<u>3,068,289.35</u>	<u>36,588,798.57</u>	<u>4,656,760.70</u>
Receipts from Delinquent Taxes	A-1,2a	<u>60.00</u>		<u>69.87</u>	<u>9.87</u>
Amount to be Raised by Taxes for Support of Municipal Budgets:					
Local Taxes for Municipal Purposes	A-9	17,410,990.11			
Addition to Local School District Taxes	A-9	1,011,200.00			
Minimum Library Tax	A-9	528,939.00			
	A-2a	<u>18,951,129.11</u>		<u>19,376,224.40</u>	<u>425,095.29</u>
Total		51,577,437.63	3,068,289.35	59,727,592.84	5,081,865.86
Nonbudget Revenue	A-2b			<u>724,138.73</u>	<u>724,138.73</u>
	A-3	<u>\$51,577,437.63</u>	<u>\$3,068,289.35</u>	<u>\$60,451,731.57</u>	<u>\$5,806,004.59</u>

See accompanying notes to financial statements.

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF REALIZED REVENUE - REGULATORY BASIS

A-2a
Sheet #1

	<u>Ref.</u>	
<u>Other Licenses</u>		
Clerk	A-11	\$ 5,343.20
Vital Statistics	A-11	5,119.00
Construction Code	A-11	5,919.00
Fire	A-11	4,525.00
Board of Health	A-11	<u>16,450.00</u>
	A-2	<u>\$ 37,356.20</u>
 <u>Other Fees and Permits</u>		
Fire	A-11	\$ 4,016.00
Planning Board	A-11	6,300.00
Zoning Board	A-11	6,983.00
Road Opening - Clerk	A-11	81,070.00
Recreation	A-11	15,288.00
Clerk	A-11	<u>8,285.00</u>
	A-2	<u>\$ 121,942.00</u>

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF REALIZED REVENUE - REGULATORY BASIS

A-2a
Sheet #2

	<u>Ref.</u>		
<u>Allocation of Current Tax Collections</u>			
Revenue from Collections Prepaid in 2021	A-9	\$ 532,975.45	
Cash Receipts of 2022 Including State Share of Senior Citizens' Exemptions	A-9 A-1	<u>34,612,648.46</u>	\$35,145,623.91
Allocated to:			
Local School District Tax	A-24	9,983,455.00	
County Tax	A-25	<u>6,207,084.51</u>	<u>16,190,539.51</u>
			18,955,084.40
Plus: Appropriation "Reserve for Uncollected Taxes"	A-3, Sheet #9		<u>421,140.00</u>
Amount for Support of Municipal Budget Appropriations	A-2		<u>\$19,376,224.40</u>
<u>Delinquent Tax Collections</u>			
Taxes Receivable	A-1,2,9	<u>\$ 69.87</u>	

See accompanying notes to financial statements.

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF NONBUDGET REVENUE - REGULATORY BASIS

A-2b

Ref.

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:

Sprint Right-of-Way		\$ 5,000.00	
Tow Administration Fees		54,570.00	
Interest on Pilots		15,973.89	
Cannabis Application Fee		20,000.00	
N.J. Inspection Fees		100.00	
Damage to Town Property		1,284.96	
Tax Sales/Tax Searches		1,102.39	
Returned Check Fees		180.00	
Credit Union Rent		7,000.00	
Red Bull Parking		89,451.08	
Rental Income - Town Property		13,845.00	
Rental Income - Ambulance		14,400.00	
Copies		2,055.01	
Voting Poll Rental		850.00	
Auction of Town Property		21,404.00	
Public Works Department		5,017.00	
Insurance Payment for Lost Revenue		52,018.00	
PILOT - Unanticipated - Harrison Senior URE		7,403.37	
FEMA Reimbursement		24,185.20	
2% Administration Fee for Senior Citizens		385.19	
Prior Year Pilots Receivable		891.93	
Excess Fund Balance - Animal Control Fund		2,177.40	
Miscellaneous		<u>2,082.46</u>	
Total Miscellaneous Revenue Not Anticipated	A-6		\$ 341,376.88
Interfunds Receivable:			
Animal Control Fund - Excess Fund Balance		55.80	
Parking Utility Excess - Return of Prior Year Deficit		<u>382,706.05</u>	
Total Interfunds Receivable	A-12		<u>382,761.85</u>
Total Miscellaneous Revenue Not Anticipated	A-1,2		<u><u>\$ 724,138.73</u></u>

See accompanying notes to financial statements.

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #1

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
<u>Appropriations</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive:						
Salaries and Wages:						
Governing Body	\$ 14,500.00	\$ 14,500.00	\$ 14,499.96	\$	\$ 0.04	\$
Town Clerk's Office	482,625.00	455,825.00	400,212.36		55,612.64	
Other Expenses	97,500.00	97,500.00	26,856.48	739.33	69,904.19	
Elections:						
Salaries and Wages	7,800.00	7,800.00	5,071.73		2,728.27	
Other Expenses	13,750.00	16,550.00	14,879.52		1,670.48	
Financial Administration:						
Salaries and Wages	423,450.00	433,450.00	426,673.84		6,776.16	
Other Expenses:						
Budgetary and Accounting Fees	121,635.00	121,635.00		121,635.00		
Bond Registration	27,000.00	27,000.00	17,700.00		9,300.00	
Miscellaneous Other Expenses	91,500.00	91,500.00	64,570.66	25,491.29	1,438.05	
Payroll Processing	40,000.00	40,000.00	13,284.65		26,715.35	
Informational Technology:						
Salaries and Wages	243,100.00	243,100.00	207,261.19		35,838.81	
Other Expenses	210,100.00	245,100.00	208,674.48	9,632.00	26,793.52	
Town Historian:						
Other Expenses	1,400.00	1,400.00			1,400.00	
Assessment of Taxes:						
Salaries and Wages	81,000.00	81,000.00	80,711.54		288.46	
Other Expenses:						
Tax Appeal Fees	75,000.00	75,000.00	32,559.58	27,440.42	15,000.00	
Miscellaneous Other Expenses	7,500.00	7,500.00	1,869.46		5,630.54	
Collection of Taxes:						
Salaries and Wages	374,550.00	379,550.00	373,237.08		6,312.92	
Other Expenses	18,000.00	18,000.00	12,347.11		5,652.89	
Liquidation of Tax Title Liens and Foreclosed Property:						
Other Expenses	500.00	500.00			500.00	

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #2

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT						
Legal Services and Costs:						
Salaries and Wages	\$ 153,500.00	\$ 153,500.00	\$ 153,458.12	\$ 13,170.00	\$ 41.88	\$
Other Expenses	310,000.00	280,000.00	68,565.72		198,264.28	
Compliance Office:						
Salaries and Wages	5,000.00	5,000.00			5,000.00	
Other Expenses	5,000.00	5,000.00			5,000.00	
Municipal Land Use Law (N.J.S.A. 40:55d-1):						
Planning Board:						
Salaries and Wages	500.00	500.00			500.00	
Other Expenses	65,000.00	65,000.00	15,381.69	34,199.32	15,418.99	
Zoning Board:						
Salaries and Wages	500.00	500.00			500.00	
Other Expenses	4,500.00	4,500.00	2,539.19	292.81	1,668.00	
Engineering Services and Costs:						
Other Expenses	220,000.00	135,000.00	25,116.82	18,270.00	91,613.18	
Public Buildings and Grounds:						
Other Expenses:						
Gasoline/Diesel Fuel	157,800.00	207,800.00	142,551.72	10,226.77	55,021.51	
Gas and Electric	243,400.00	223,400.00	168,725.24		54,674.76	
Municipal Court:						
Salaries and Wages	522,950.00	522,950.00	490,073.96		32,876.04	
Other Expenses	66,300.00	66,300.00	59,661.58	2,875.48	3,762.94	
Public Defender:						
Salaries and Wages	45,400.00	45,400.00	43,140.24		2,259.76	
Other Expenses	1,000.00	1,000.00			1,000.00	
Redevelopment Administration:						
Other Expenses	150,000.00	150,000.00	150,000.00			
Total General Government	4,281,760.00	4,222,760.00	3,219,623.92	263,972.42	739,163.66	
PUBLIC SAFETY						
Fire:						
Salaries and Wages	4,545,911.07	4,545,911.07	4,354,136.67		191,774.40	
Salaries and Wages - ARP LFRF - FED	524,938.93	524,938.93	524,938.93			
Other Expenses:						
Clothing Allowance	30,000.00	30,000.00	23,625.00		6,375.00	
Fire Hydrant Service	98,000.00	98,000.00	98,000.00			
Miscellaneous Other Expenses	232,200.00	317,200.00	241,272.70	36,972.74	38,954.56	

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #3

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Unencumbered</u>	
<u>APPROPRIATIONS WITHIN "CAPS":</u>						
<u>PUBLIC SAFETY</u>						
Uniform Fire Safety Act - Fire Safety Hazard						
Bureau:						
Salaries and Wages	\$ 120,000.00	\$ 122,000.00	\$ 120,908.36	\$ 200.00	\$ 1,091.64	\$
Other Expenses	8,500.00	8,500.00	4,584.67		3,715.33	
Police:						
Salaries and Wages	6,302,861.00	6,327,861.00	6,143,626.15		184,234.85	
Salaries and Wages - ARP LFRF - FED	524,939.00	524,939.00	524,939.00			
Other Expenses:						
Clothing Allowance	42,000.00	42,000.00	34,650.00		7,350.00	
Miscellaneous Other Expenses	229,700.00	294,700.00	142,679.81	139,659.86	12,360.33	
Traffic Signals:						
Other Expenses	81,000.00	81,000.00	53,147.91	5,652.70	22,199.39	
Police and Fire Signal Alarm System:						
Other Expenses	4,500.00	4,500.00			4,500.00	
Police and Fire Radios and Communications:						
Other Expenses	30,000.00	42,000.00	26,444.82	11,790.50	3,764.68	
Emergency Management Control:						
Other Expenses	3,000.00	3,000.00			3,000.00	
Public Building Alarm System:						
Other Expenses	11,000.00	11,000.00	3,885.00		7,115.00	
Total Public Safety	12,788,550.00	12,977,550.00	12,296,839.02	194,275.80	486,435.18	
<u>STREETS AND ROADS</u>						
Public Works:						
Salaries and Wages	1,500,600.00	1,500,600.00	1,382,124.94		118,475.06	
Other Expenses	468,600.00	551,600.00	418,655.28	90,505.13	42,439.59	
Public Vehicle Maintenance:						
Other Expenses	214,500.00	214,500.00	165,726.35	16,106.63	32,667.02	
Street Lighting:						
Other Expenses	389,000.00	389,000.00	373,583.32		15,416.68	

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #4

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved Unencumbered</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>STREETS AND ROADS</u>						
Snow Removal:						
Salaries and Wages	\$ 143,625.00	\$ 143,625.00	\$ 143,625.00	\$	\$	\$
Other Expenses	197,100.00	197,100.00	197,100.00			
Recycling:						
Salaries and Wages	20,400.00	20,400.00	19,999.98		400.02	
Other Expenses	7,500.00	7,500.00			7,500.00	
Total Streets and Roads	2,941,325.00	3,024,325.00	2,700,814.87	106,611.76	216,898.37	
<u>SANITATION</u>						
Garbage and Trash Removal:						
Other Expenses	1,760,000.00	1,760,000.00	1,660,729.66	795.00	98,475.34	
<u>HEALTH AND WELFARE</u>						
Board of Health - Local Health Agency:						
Salaries and Wages	290,700.00	295,700.00	276,615.93		19,084.07	
Other Expenses	77,000.00	77,000.00	60,173.44	1,700.00	15,126.56	
Dog Regulations:						
Other Expenses	39,270.00	39,270.00	35,050.00		4,220.00	
Administration of Public Assistance:						
Other Expenses	8,000.00	8,000.00	728.88		7,271.12	
Aid to Health Care Facilities (N.J.S. 44:5-2) - West						
Sheltered Workshop:						
Other Expenses	7,500.00	7,500.00			7,500.00	
Substance Abuse Education:						
Other Expenses	10,000.00	14,000.00	13,422.75		577.25	
Total Health and Welfare	432,470.00	441,470.00	385,991.00	1,700.00	53,779.00	
Insurance (N.J.S.A. 40A:4-45.3(00)):						
Insurance:						
General Liability	1,158,227.00	1,158,227.00	1,149,902.99		8,324.01	
Employee Group Health	6,241,976.00	6,020,976.00	4,662,117.97		1,358,858.03	
Total Insurance	7,400,203.00	7,179,203.00	5,812,020.96		1,367,182.04	

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Unexpended
Balance
Cancelled

17

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #6

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
Detail:						
Salaries and Wages	\$ 17,561,700.00	\$ 17,545,900.00	\$ 16,656,281.97	\$ 889,618.03		\$
Other Expenses	13,683,658.00	13,749,458.00	10,675,538.06	583,511.65	2,490,408.29	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Deficit Parking Utility	2,107,412.50	2,107,412.50	720,830.68			1,386,581.82
Prior Year Bills - Medicare Part B Reimbursement	5,457.60	5,457.60	5,457.60			
Contribution to:						
Public Employees' Retirement System	926,143.00	926,143.00	926,143.00			
Social Security System (OASI)	700,000.00	710,000.00	700,677.02		9,322.98	
Police and Firemen's Retirement System of NJ	2,733,267.00	2,733,267.00	2,733,267.00			
Defined Contribution Retirement Program (DCRP)	10,000.00	10,000.00			10,000.00	
Unemployment Compensation Insurance	90,000.00	30,000.00	30,000.00			
Total Deferred Charges and Statutory Expenditures	6,572,280.10	6,522,280.10	5,116,375.30		19,322.98	1,386,581.82
Total Appropriations Within "CAPS"	37,817,638.10	37,817,638.10	32,448,195.33	583,511.65	3,399,349.30	1,386,581.82
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
Tax Appeals Pending	500.00	500.00			500.00	
Maintenance of Free Public Library (Ch. 82, P.L. 1985)						
Employee Group Health	528,939.00	528,939.00	343,681.64	484.24	184,773.12	
	52,384.00	52,384.00			52,384.00	
<u>INTERLOCAL AGREEMENTS</u>						
Borough of East Newark - Dispatching	45,000.00	45,000.00	45,000.00			
Borough of East Newark - Street Cleaning	20,000.00	20,000.00	20,000.00			
Borough of East Newark - Ambulance Service	6,500.00	6,500.00	6,500.00			
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE</u>						
Matching Funds for Grants	5,000.00	5,000.00			5,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	5,065.00	5,065.00	5,065.00			
Municipal Alliance on Alcoholism - Local Match	3,461.25	3,461.25	3,461.25			
Senior Citizen Outreach Program	186,513.00	186,513.00	186,513.00			
Senior Citizen Food Program	48,032.00	48,032.00	48,032.00			
CDBG COVID - 19 MS Project	198,073.00	198,073.00	198,073.00			

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #7

Appropriations	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
APPROPRIATIONS EXCLUDED FROM "CAPS"						
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE						
Alcohol Education and Rehabilitation	\$ 6,633.16	\$ 6,633.16	\$ 6,633.16	\$	\$	\$
Recycling Tonnage Grant	22,156.59	22,156.59	22,156.59			
Clean Community Grant	30,991.44	30,991.44	30,991.44			
Senior Citizen Food Program - Mid Year Allocation	97,656.00	97,656.00	97,656.00			
Body Armour Replacement Grant	2,097.78	2,097.78	2,097.78			
Green Acres - Development Grant	750,000.00	750,000.00	750,000.00			
Green Acres - Stewardship Grant	750,000.00	750,000.00	750,000.00			
Distracted Driving Grant	8,750.00	8,750.00	8,750.00			
Firefighter Grant - ARP	28,000.00	28,000.00	28,000.00			
Drive SOBER or Get Pulled Over	8,750.00	8,750.00	8,750.00			
DMHAS Alliance ACE Trauma Education	1,837.00	1,837.00	1,837.00			
Opioid Settlement Grant	42,314.75	42,314.75	42,314.75			
2022 PEER Group	10,000.00	10,000.00	10,000.00			
CAA/CRRSA HDM (Home Delivered Meals)	22,048.00	22,048.00	22,048.00			
COPS Hiring Grant	625,000.00	625,000.00	625,000.00			
Total Public and Private Programs Offset by Revenue	2,852,378.97	2,852,378.97	2,847,378.97		5,000.00	
Total Operations	3,505,701.97	3,505,701.97	3,262,560.61	484.24	242,657.12	
Detail:						
Other Expenses	3,505,701.97	3,505,701.97	3,262,560.61	484.24	242,657.12	
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	4,104,183.43	4,104,183.43	4,104,183.43			
New Jersey Transportation Trust Fund Authority Act:						
Various Streets	689,994.00	689,994.00	689,994.00			
Total Capital Improvements	4,794,177.43	4,794,177.43	4,794,177.43			
DEBT SERVICE						
Payment of Bond Principal	830,000.00	830,000.00	830,000.00			0.01
Developers' Bonds Payable - Principal and Interest	528,172.88	528,172.88	528,172.87			
Interest on Bonds	313,142.00	313,142.00	313,142.00			10.05
NJEIT Loan Repayments for Principal and Interest	1,204,618.34	1,204,618.34	1,204,608.29			
Other Bonds Payable - Principal	1,403,646.30	1,403,646.30	1,403,646.30			
Other Bonds Payable - Interest	1,701,353.70	1,701,353.70	1,701,353.70			
Capital Lease Obligations:						
Principal	340,000.00	340,000.00	340,000.00			
Interest	349,936.26	349,936.26	349,936.26			
Total Debt Service	6,670,869.48	6,670,869.48	6,670,859.42			10.06

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #8

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
APPROPRIATIONS EXCLUDED FROM "CAPS"						
Transfer to Board of Education for Use of Local Schools	\$ 425,000.00	\$ 425,000.00	\$ 425,000.00	\$	\$	\$
Total General Appropriations Excluded from "CAPS"	15,395,748.88	15,395,748.88	15,152,597.46	484.24	242,657.12	10.06
FOR LOCAL DISTRICT SCHOOL PURPOSES						
Type 1 District School Debt Service:						
Payment of Bond Principal	740,000.00	740,000.00	740,000.00			
Interest on Bonds	271,200.00	271,200.00	271,200.00			
	1,011,200.00	1,011,200.00	1,011,200.00			
Total Appropriations Excluded from "CAPS"	16,406,948.88	16,406,948.88	16,163,797.46	484.24	242,657.12	10.06
Sub-Total	54,224,586.98	54,224,586.98	48,611,992.79	583,995.89	3,642,006.42	1,386,591.88
Reserve for Uncollected Taxes	421,140.00	421,140.00	421,140.00			
Total Appropriations	\$ 54,645,726.98	\$ 54,645,726.98	\$ 49,033,132.79	\$ 583,995.89	\$ 3,642,006.42	\$ 1,386,591.88
Reference			A-3, Sheet #9	A	A	

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #9

	<u>Ref.</u>	<u>Appropriations</u> <u>Modified</u> <u>Budget</u>	<u>Expended</u> <u>Paid or</u> <u>Charged</u>
Adopted Budget	A-2	\$ 51,577,437.63	\$
Added by N.J.S. 40A:4-87	A-2	3,068,289.35	
Reserve for Uncollected Taxes	A-2a	(421,140.00)	421,140.00
Cancelled	Reserve	(1,386,591.88)	
Local Cash Match - Grants	A-4		3,461.25
Cash Disbursements	A-4		42,887,119.44
Cash Held by State (Qualified Bond Act)	A-5		1,447,884.38
Interfunds Payable	A-22		739,616.00
Grant Funds - Appropriated	A-34		3,533,911.72
	A-1, Sheet #8	<u>\$ 52,837,995.10</u>	<u>\$ 49,033,132.79</u>
	<u>Reference</u>	<u>A-1</u>	<u>Sheet #8</u>

See accompanying notes to financial statements.

TOWN OF HARRISON
TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ 3,660.60	\$ 4,134.00
<u>CDBG Trust Fund</u>			
Cash	B-1	232,000.00	232,000.00
Due from Hudson County	B-2	115,180.00	115,180.00
		<u>232,000.00</u>	<u>347,180.00</u>
<u>Other Funds</u>			
Cash	B-1	17,305,415.98	15,167,390.66
Due from Current Fund	B-3	411,573.31	838,129.89
		<u>17,716,989.29</u>	<u>16,005,520.55</u>
		<u>\$ 17,952,649.89</u>	<u>\$ 16,356,834.55</u>
 <u>LIABILITIES AND RESERVES</u>			
<u>Animal Control Trust Fund</u>			
Due to Current Fund	B-4	\$ 55.80	\$
Due to State of New Jersey	B-5	4.80	4.80
Reserve for Animal Control Expenditures	B-6	3,600.00	4,129.20
		<u>3,660.60</u>	<u>4,134.00</u>
<u>CDBG Trust Fund</u>			
Interfunds Payable	B-7	232,000.00	232,000.00
Reserve for CDBG	B-8	115,180.00	115,180.00
		<u>232,000.00</u>	<u>347,180.00</u>
<u>Other Funds</u>			
Due to State of New Jersey - Marriage			
Surcharge	B-9	1,150.00	1,150.00
Due to Federal Government	B-10	31,550.35	31,550.35
Reserves for:			
Unemployment Compensation Insurance	B-11	1,023,870.82	1,001,995.82
Premium on Tax Sale	B-12	664,400.00	472,600.00
Parking Offenses Adjudication Act	B-13	120,485.69	109,982.69
Emergency Assistance	B-14	400.73	400.73
Library Donations	B-15	4,727.22	4,697.26
Developers' Escrow	B-16	976,019.73	455,600.44
Other Reserves	B-17	14,894,384.75	13,927,543.26
		<u>17,716,989.29</u>	<u>16,005,520.55</u>
		<u>\$ 17,952,649.89</u>	<u>\$ 16,356,834.55</u>

See accompanying notes to financial statements.

TOWN OF HARRISON
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Cash	C-2	\$ 18,366,351.95	\$ 17,191,017.01
Due from Hudson County Improvement Authority	C-4	292,004.83	374,784.83
Grants Receivable	C-5	3,654,000.00	4,185,339.79
Deferred Charges to Future Taxation:			
Funded	C-6	<u>41,458,274.30</u>	<u>45,247,718.94</u>
		<u><u>\$63,770,631.08</u></u>	<u><u>\$66,998,860.57</u></u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-15	\$ 6,070,000.00	\$ 6,720,000.00
School Serial Bonds Payable	C-16	5,400,000.00	6,140,000.00
Other Bonds	C-17	14,802,201.45	16,205,847.75
CJUF Bonds Payable	C-18	7,505,000.00	7,415,000.00
Due to Current Fund	C-7	3,654,079.50	6,100,004.11
New Jersey Environmental Infrastructure Trust Loan	C-8	7,681,072.85	8,766,871.19
Improvement Authorizations:			
Funded	C-9	5,999,365.49	6,980,890.31
Capital Improvement Fund	C-10	11,421,672.91	7,594,815.05
Reserve for Library Construction	C-11	571,402.19	420,731.29
Reserve for Facilities Renovations	C-12	292,004.83	292,004.83
Reserve to Pay School Debt	C-13	14,498.68	14,498.68
Reserve for Debt Service	C-14	356,943.29	345,807.47
Fund Balance	C-1	<u>2,389.89</u>	<u>2,389.89</u>
		<u><u>\$63,770,631.08</u></u>	<u><u>\$66,998,860.57</u></u>

See accompanying notes to financial statements.

TOWN OF HARRISON
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

C-1

	<u>Ref.</u>	
Balance December 31, 2021	C	<u>\$2,389.89</u>
Balance December 31, 2022	C	<u><u>\$2,389.89</u></u>

See accompanying notes to financial statements.

TOWN OF HARRISON
WATER/SEWER UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	Balance <u>Dec. 31, 2022</u>	Balance <u>Dec. 31, 2021</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 9,322,407.52	\$ 8,206,474.71
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-7	137,867.17	317,830.13
Liens Receivable	D-8	146.03	146.03
Inventory - Materials and Supplies	D-9	135,436.37	135,436.37
		<u>9,595,857.09</u>	<u>8,659,887.24</u>
<u>Capital Fund</u>			
Cash	D-5	1,092,070.86	822,070.86
Interfunds Receivable	D-10	91,590.00	
Due from State of New Jersey	D-11		91,590.00
Fixed Capital	D-12	13,707,236.62	13,621,676.62
Fixed Capital Authorized and Uncompleted	D-13	640,282.66	640,282.66
		<u>15,531,180.14</u>	<u>15,175,620.14</u>
		<u>\$25,127,037.23</u>	<u>\$23,835,507.38</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
<u>Operating Fund</u>			
Appropriation Reserves:			
Reserved	D-4,14	\$ 519,690.84	\$ 664,734.95
Encumbered	D-4,14	231,718.02	28,305.78
Accrued Interest on Bonds	D-15		9,978.13
Accounts Payable	D-16	47,557.13	47,557.13
Consumer Account Overpayments	D-17	14,443.80	9,976.17
Reserve for Water/Sewer Connection Fees	D-18	4,273,455.95	4,240,919.93
Reserve for Meter Rentals	D-19	7,900.00	12,600.00
Interfunds Payable	D-26	91,590.00	
		<u>5,186,355.74</u>	<u>5,014,072.09</u>
Reserve for Receivables and Inventory	Reserve	273,449.57	453,412.53
Fund Balance	D-1	4,136,051.78	3,192,402.62
		<u>9,595,857.09</u>	<u>8,659,887.24</u>
<u>Capital Fund</u>			
Serial Bonds Payable	D-24		145,000.00
Improvement Authorizations:			
Funded	D-20	640,282.66	640,282.66
Capital Improvement Fund	D-21	541,735.78	271,735.78
Reserve for Amortization	D-22	13,467,515.28	13,236,955.28
Deferred Reserve for Amortization	D-23	880,000.00	880,000.00
Fund Balance	D-2	1,646.42	1,646.42
		<u>15,531,180.14</u>	<u>15,175,620.14</u>
		<u>\$25,127,037.23</u>	<u>\$23,835,507.38</u>
 Bonds and Notes Authorized but Not Issued	 D-25	 \$ 4.00	 \$ 4.00

See accompanying notes to financial statements.

TOWN OF HARRISON
WATER/SEWER UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS

D-1

	<u>Ref.</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Revenue</u>			
Operating Surplus Anticipated	D-3	\$ 150,000.00	\$ 125,000.00
Water/Sewer Rents	D-3	4,020,197.92	3,722,759.94
Fire Hydrant Service	D-3	98,000.00	98,000.00
Other Credits to Income:			
Nonbudget Revenue	D-3	299,239.92	37,806.30
Appropriation Reserves Lapsed	D-14	255,822.44	527,522.84
Accrued Interest on Bonds Cancelled	D-15	9,978.13	
Consumer Account Overpayments			
Cancelled			3,830.24
		<u>4,833,238.41</u>	<u>4,514,919.32</u>
<u>Expenditures</u>			
Operations:			
Salaries and Wages		235,000.00	228,000.00
Other Expenses		2,884,700.00	2,812,700.00
Capital Improvements		360,218.00	250,825.00
Debt Service		148,081.25	261,475.00
Statutory Expenditures		20,000.00	20,000.00
		<u>3,647,999.25</u>	<u>3,573,000.00</u>
Other Debits to Income:			
Cancelled Receivable		91,590.00	
Statutory Excess to Fund Balance	D-26	1,093,649.16	941,919.32
<u>Fund Balance</u>			
Balance January 1	D	<u>3,192,402.62</u>	<u>2,375,483.30</u>
		4,286,051.78	3,317,402.62
Decreased by:			
Utilized as Anticipated Revenue	Above	<u>150,000.00</u>	<u>125,000.00</u>
Balance December 31	D	<u>\$4,136,051.78</u>	<u>\$3,192,402.62</u>

See accompanying notes to financial statements.

TOWN OF HARRISON
WATER/SEWER UTILITY

STATEMENT OF FUND BALANCE
CAPITAL - REGULATORY BASIS

D-2

	<u>Ref.</u>	
Balance December 31, 2021	D	<u>\$1,646.42</u>
Balance December 31, 2022	D	<u><u>\$1,646.42</u></u>

See accompanying notes to financial statements.

TOWN OF HARRISON
WATER/SEWER UTILITY

STATEMENT OF REVENUES - REGULATORY BASIS

D-3

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Surplus Anticipated	D-1	\$ 150,000.00	\$ 150,000.00	\$
Water/Sewer Rents	D-1,7	3,400,000.00	4,020,197.92	620,197.92
Fire Hydrant Service	D-1,5	98,000.00	98,000.00	
		<u>3,648,000.00</u>	<u>4,268,197.92</u>	<u>620,197.92</u>
Nonbudget Revenue	D-1,5		299,239.92	299,239.92
	D-4	<u>\$3,648,000.00</u>	<u>\$4,567,437.84</u>	<u>\$919,437.84</u>

Analysis of Nonbudget Revenue

Miscellaneous	\$ 246.75
New Meters	3,525.00
Flow Test	4,664.76
Final Reads	28.49
PV Rebate of Connection Fees	6,966.18
Return Check Fee	100.00
Water Penalty	24,761.74
Auction	195,000.00
Interest on Investments	<u>63,947.00</u>
Above	<u>\$ 299,239.92</u>

See accompanying notes to financial statements.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2022 Budget Appropriation	Modified Budget	Expended			Cancelled
			Paid or Charged	Encumbered	Reserved	
<u>Operating</u>						
Salaries and Wages	\$ 230,000.00	\$ 235,000.00	\$ 227,614.94	\$	\$ 7,385.06	\$
Other Expenses	265,700.00	265,700.00	145,482.26		120,217.74	
Sewer Disposal (PVSC)	900,000.00	895,000.00	797,838.07		97,161.93	
Water Purchased	1,724,000.00	1,724,000.00	1,204,601.32	231,718.02	287,680.66	
<u>Capital Improvements</u>						
Capital Outlay	218.00	90,218.00	85,560.00		4,658.00	
Capital Improvement Fund	210,000.00	270,000.00	270,000.00			
CSO	150,000.00					
<u>Debt Service</u>						0.75
Interest on Bonds	3,082.00	3,082.00	3,081.25			
Payment of Bond Principal	145,000.00	145,000.00	145,000.00			
<u>Statutory Expenditures</u>						
Social Security System	20,000.00	20,000.00	17,412.55		2,587.45	
	<u>\$3,648,000.00</u>	<u>\$3,648,000.00</u>	<u>\$2,896,590.39</u>	<u>\$231,718.02</u>	<u>\$519,690.84</u>	<u>\$ 0.75</u>
Reference	D-3	D-3	D-1.5	D.D-1	D.D-1	Reserve

30

TOWN OF HARRISON
PARKING UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
<u>Operating Fund</u>			
Cash	E-5	<u>\$ 6,200,304.61</u>	<u>\$ 6,390,485.56</u>
<u>Capital Fund</u>			
Cash	E-5	5,325,261.71	5,532,885.03
Fixed Capital	E-7	47,264,270.21	47,056,646.89
Fixed Capital Authorized and Uncompleted	E-8	<u>3,685,729.79</u>	<u>3,893,353.11</u>
		<u>56,275,261.71</u>	<u>56,482,885.03</u>
		<u>\$62,475,566.32</u>	<u>\$ 62,873,370.59</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Appropriation Reserves:			
Reserved	E-4,9	\$ 163,997.72	\$ 448,059.59
Encumbered	E-4,9	85,322.97	137,498.18
Accounts Payable	E-10	3,678.40	3,678.40
Accrued Interest on Bonds	E-11	426,808.86	426,808.86
Due to Current Fund	E-13	<u>4,382,706.05</u>	<u>4,236,649.92</u>
		5,062,514.00	5,252,694.95
Fund Balance	E-1	<u>1,137,790.61</u>	<u>1,137,790.61</u>
		<u>6,200,304.61</u>	<u>6,390,485.56</u>
<u>Capital Fund</u>			
Serial Bonds Payable	E-19	42,590,000.00	43,615,000.00
Improvement Authorizations:			
Funded	E-12	1,210,729.79	1,418,353.11
Unfunded	E-12	2,475,000.00	2,475,000.00
Reserve for Debt Service	E-14	2,700,000.00	2,700,000.00
Reserve for Capital Needs	E-15	450,000.00	450,000.00
Capital Improvement Fund	E-16	898,000.00	898,000.00
Reserve for Amortization	E-17	3,935,000.00	2,910,000.00
Reserve for Deferred Amortization	E-18	1,950,000.00	1,950,000.00
Fund Balance	E-2	<u>66,531.92</u>	<u>66,531.92</u>
		<u>56,275,261.71</u>	<u>56,482,885.03</u>
		<u>\$62,475,566.32</u>	<u>\$ 62,873,370.59</u>
 Bonds and Notes Authorized but Not Issued	 E-20	 <u>\$ 2,475,000.00</u>	 <u>\$ 2,475,000.00</u>

TOWN OF HARRISON
PARKING UTILITY

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS

E-1

	<u>Ref.</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Revenue</u>			
Operating Surplus Anticipated		\$	\$ 1,000,000.00
Garage/Lot Income	E-3,5	2,773,776.72	1,513,791.34
Parking Meters	E-3,5	464,200.04	431,166.41
Parking Permits	E-3,5	21,750.00	21,050.00
Advertising Revenue	E-3,5	17,100.00	16,150.02
Deficit (General Budget)	E-3,5	720,830.68	1,083,548.34
Other Credits to Income:			
Nonbudget Revenue	E-3,5	89,755.06	40,711.40
		<u>4,087,412.50</u>	<u>4,106,417.51</u>
<u>Expenditures</u>			
Operations:			
Operating		1,390,550.00	1,410,000.00
Debt Service		2,682,262.50	2,682,262.51
Statutory Expenditures		14,600.00	14,155.00
	E-4	<u>4,087,412.50</u>	<u>4,106,417.51</u>
Statutory Excess to Fund Balance		-	-
<u>Fund Balance</u>			
Balance January 1	E	<u>1,137,790.61</u>	<u>2,137,790.61</u>
		1,137,790.61	2,137,790.61
Decreased by:			
Utilized as Anticipated Revenue	Above		1,000,000.00
Balance December 31	E	<u><u>\$ 1,137,790.61</u></u>	<u><u>\$ 1,137,790.61</u></u>

See accompanying notes to financial statements.

TOWN OF HARRISON
PARKING UTILITY

STATEMENT OF FUND BALANCE
CAPITAL - REGULATORY BASIS

E-2

	<u>Ref.</u>	
Balance December 31, 2021	E	<u>\$66,531.92</u>
Balance December 31, 2022	E	<u><u>\$66,531.92</u></u>

See accompanying notes to financial statements.

TOWN OF HARRISON
PARKING UTILITY

STATEMENT OF REVENUES - REGULATORY BASIS

E-3

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Garage/Lot Income	E-1,5	\$1,513,000.00	\$2,773,776.72	\$ 1,260,776.72
Parking Meters	E-1,5	430,000.00	464,200.04	34,200.04
Parking Permits	E-1,5	21,000.00	21,750.00	750.00
Advertising Revenue	E-1,5	16,000.00	17,100.00	1,100.00
Deficit (General Budget)	E-1,5	2,107,412.50	720,830.68	(1,386,581.82)
Nonbudget Revenue	E-1,5,Below		89,755.06	89,755.06
	E-4	<u>\$4,087,412.50</u>	<u>\$4,087,412.50</u>	<u>\$ -</u>
 <u>Analysis of Nonbudget Revenue</u>				
Commercial Parking			\$ 20,400.00	
Interest on Investments			69,355.06	
	Above		<u>\$ 89,755.06</u>	

See accompanying notes to financial statements.

TOWN OF HARRISON
PARKING UTILITY

STATEMENT OF EXPENDITURES - REGULATORY BASIS

E-4

	2022 Budget Appropriation	Modified Budget	Paid or Charged	Expended Encumbered	Reserved
<u>Operating</u>					
Salaries and Wages	\$ 190,550.00	\$ 153,550.00	\$ 152,809.08	\$	\$ 740.92
Other Expenses	1,200,000.00	1,237,000.00	991,330.31	163,997.72	81,671.97
<u>Debt Service</u>					
Payment of Bonds	1,025,000.00	1,025,000.00	1,025,000.00		
Interest on Bonds	1,657,262.50	1,657,262.50	1,657,262.50		
<u>Statutory Expenditures</u>					
Social Security System	14,600.00	14,600.00	11,689.92		2,910.08
	<u>\$ 4,087,412.50</u>	<u>\$ 4,087,412.50</u>	<u>\$ 3,838,091.81</u>	<u>\$ 163,997.72</u>	<u>\$ 85,322.97</u>
<u>Reference</u>		<u>E-3</u>	<u>E-1, Below</u>	<u>E, E-1</u>	<u>E, E-1</u>
		<u>Ref.</u>			
Cash Disbursed		E-5	\$ 2,180,829.31		
Accrued Interest on Bonds		E-11	1,657,262.50		
		Above	<u>\$ 3,838,091.81</u>		

See accompanying notes to financial statements.

TOWN OF HARRISON
PAYROLL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

F

<u>ASSETS</u>	<u>Ref.</u>	Balance <u>Dec. 31, 2022</u>	Balance <u>Dec. 31, 2021</u>
Cash	F-1	<u>\$285,239.64</u>	<u>\$406,603.08</u>
		<u><u>\$285,239.64</u></u>	<u><u>\$406,603.08</u></u>
 <u>LIABILITIES</u>			
Payroll Deductions Payable	F-2	\$185,239.64	\$306,603.08
Due to Current Fund	F-3	<u>100,000.00</u>	<u>100,000.00</u>
		<u><u>\$285,239.64</u></u>	<u><u>\$406,603.08</u></u>

See accompanying notes to financial statements.

TOWN OF HARRISON
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

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<u>ASSETS</u>	Balance <u>Dec. 31, 2022</u>	Balance <u>Dec. 31, 2021</u>
Land and Buildings	\$56,546,801.87	\$56,546,801.87
Infrastructure	3,827,300.00	3,827,300.00
Vehicles	5,514,856.01	5,995,891.23
Machinery and Equipment	<u>3,123,396.10</u>	<u>2,975,060.99</u>
	<u>\$69,012,353.98</u>	<u>\$69,345,054.09</u>
 <u>RESERVES</u>		
Investment in Capital Fixed Assets	<u>\$69,012,353.98</u>	<u>\$69,345,054.09</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWN OF HARRISON

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Harrison is organized as a Mayor-Council municipality. The Town is governed by an elected Council and an elected Mayor, and by such other officers and employees as may be duly appointed. The Council shall consist of eight members who represent four wards in the Town and shall serve for a term of four years beginning on the first day of January next following their election. The Mayor is also elected directly by the voters of the Municipality at the regular municipal election and shall also serve a term of four years beginning the first day of January following the election.

Each member of the Council carries a legislative vote.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

The financial statements of the Town of Harrison include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Town, as required by the provisions of N.J.S. 40A:5-5.

B. Description of Funds

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

The accounting policies of the Town of Harrison 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. These principles are a "Modified Accrual Basis of Accounting" which differs from accounting principles generally accepted in the United States of America (GAAP) for governmental entities. 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 Town of Harrison accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Funds - The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Animal Control Trust Fund and Trust Other Fund.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as related long-term debt accounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Description of Funds (Continued)

Utility Fund - Water and Sewer Utilities are treated as one entity. It maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity. The Town of Harrison had adopted an ordinance on July 10, 1997 authorizing an interlocal services operating agreement with the Hudson County Improvement Authority (Authority), effective September 1, 1997, in connection with the lease and franchise of the Town's water and waste water collection systems to the Authority for a period of thirty years. An additional interlocal services agreement had been entered into on the same date with the East Orange Water Commission for the operation, maintenance and management of the system. The Town of Harrison has terminated both agreements and has resumed control of the Utility effective January 1, 2001.

Parking Utility Fund - This Fund was created by the Town on July 25, 2018. Receipts and disbursements of funds for the public parking system may include on-street, off-street, surface, garage or other parking areas of facilities or any parking meters.

Public Assistance Trust Fund - Receipts and disbursements of funds that provide assistance to certain residents of the Town of Harrison pursuant to the provisions of Title 44 of the New Jersey statutes are maintained in the Public Assistance Trust Fund.

Free Public Library - Expenditures of the Free Public Library are recorded directly to the budget appropriation account and State Aid is expended through the Town. Interest on investments, Library fines and other revenue are turned over to the Town.

Capital Fixed Assets - These accounts reflect estimated valuations of land, buildings and certain movable capital fixed assets of the Town as discussed under the caption of "Basis of Accounting".

Payroll Fund - Net salaries, payroll deductions and social security contributions of municipal and utility operations are deposited into various bank accounts of the Payroll Fund. A Payroll Fund does not exist under GAAP.

Other Funds - Fiscal activity is maintained separately and independently for the Community Development Block Grant Programs and the Urban Development Action Grant. These funds do not exist under GAAP.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from generally accepted accounting principles. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

Property Taxes and Other Revenue

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenue

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Town of Harrison's budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Expenditures

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been cancelled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances

As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31st are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences

Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Unpaid Insurance Claims

Unpaid claims are not recorded in the financial statements until paid. GAAP requires the recording of a liability for unpaid insurance claims when incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Property Acquired for Taxes

Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the general fixed assets group at market value on the date of acquisition.

Interfunds Receivable

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies

Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Water and Sewer Utility is required, by regulation, to be prepared by Town personnel for inclusion on the Water and Sewer Utility Operating Fund balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Capital Fixed Assets

General:

In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Town of Harrison is required to develop a fixed asset accounting and reporting system. An inventory of fixed assets, however, was not prepared or maintained by Town officials.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

Fixed assets used in governmental operations (general fixed assets) are accounted for in Capital Fixed Assets. Public domain ("infrastructure") capital fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual capital fixed assets record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established capital fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Town.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Capital Fixed Assets (Continued)

Utilities:

Capital acquisitions, including utility infrastructure costs of the Water and Sewer Utility, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include movable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utility is offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are as recorded in the records of the municipality and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only. Detailed records are not maintained.

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 Town of Harrison presents the financial statements listed in the table of contents which are required by the Division of Local Government Services and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Measurement Focus, Basis of Accounting and Basis of Presentation

Recent Accounting Pronouncements Not Yet Effective

In March 2020, the Governmental Accounting Standards Board issued GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial assets, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in exchange or exchange-like transaction and is effective for reporting periods beginning after June 15, 2022. The Town is currently reviewing what effect, if any, this Statement might have on future financial statements.

In May 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96, "Subscription-Based Information Technology Arrangements". This Statement provides guidance on the accounting and financial reporting for subscriptions-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA and is effective for reporting periods beginning after June 15, 2022. The Town is currently reviewing what effect, if any, this Statement might have on future financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Recent Accounting Pronouncements Not Yet Effective (Continued)

In April 2022, the Governmental Accounting Standards Board issued GASB Statement No. 99, "Summaries/Status". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement that are effective are as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging government as, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The Town does not expect this Statement to impact its financial statements.

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, "Compensated Absences". The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The Town is currently reviewing what effect, if any, this Statement might have on future financial statements.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Depositary Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in Government Money Market Mutual Funds purchased through state registered brokers/dealers and banks.

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

In accordance with the provisions of the Government Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Cash and Cash Equivalents (Continued)

The market value of the collateral must equal five percent of the average daily balance of public funds or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board 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.

Cash equivalents include money market funds, mutual funds, cash management funds and certificates of deposit with maturity dates of less than three months. Investments include certificates of deposit with maturity dates of more than three months. Cash equivalents and investments are stated at cost, which approximates market. Cash equivalents and investments were held by the Town's Trustee in the Town's name.

Custodial Credit Risk - This is the risk that in the event of a bank failure of the counterparty (e.g., broker-dealer) to a transaction, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town does not have a policy for custodial credit risk. Federal depository insurance and New Jersey's Governmental Unit Deposit Protection Act mitigate this risk.

Interest Rate Risk - This is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The Town's investment policy does not include limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentrations - The Town's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets.

As of December 31, 2022 and 2021, the Town's cash, cash equivalents and investments consisted of:

	<u>2022</u>	<u>2021</u>
Kearny Bank - Checking Accounts	\$ 8,233.94	\$ 8,154.44
State of New Jersey - QBA		1,048,134.38
Valley National Bank - Checking Accounts	6,069,743.34	5,485,849.52
Investors Bank - Checking Accounts	<u>94,272,796.06</u>	<u>79,504,968.24</u>
	<u>\$ 100,350,773.34</u>	<u>\$ 86,047,106.58</u>

The carrying amount of the Town's cash, cash equivalents and investments at December 31, 2022 was \$100,350,773.34. Of the bank balance, \$508,233.94 was covered by Federal Depository Insurance, and \$99,842,539.40 was covered by the Governmental Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., for all New Jersey government units' deposits in excess of the Federal deposit maximums.

During the year the Town had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of 2022 and 2021, no such investments were held by the Town.

As of December 31, 2022 and 2021, the Town had no investments.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

New Jersey statutes permit the Town to purchase the following types of securities:

- . Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- . Government money market mutual funds.
- . Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- . Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- . Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- . Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- . New Jersey State Cash Management Fund.
- . Repurchase agreements of fully collateralized securities, subject to special conditions.

C. Risk Category

As of December 31, 2022, the Town had funds invested and on deposit in checking accounts. The amount of the Town's cash on deposit as of December 31, 2022 was \$100,350,773.34. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40. There were no securities categorized as investments as defined by GASB Statement No. 40.

3. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Town, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes become in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

The following is a five year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

Comparative Schedule of Tax Rates

	<u>2022</u>	<u>2021</u>	<u>2020*</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$ 2.281</u>	<u>\$ 2.243</u>	<u>\$ 2.280</u>	<u>\$ 7.261</u>	<u>\$ 7.215</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.130	\$ 1.122	\$ 1.103	\$ 3.531	\$ 3.552
Municipal Library	0.034	0.031	0.032	0.098	0.088
County**	0.403	0.375	0.393	1.319	1.251
School***	0.714	0.715	0.752	2.313	2.324

*Revaluation

**Including County Vocational School

***Including Local Share

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2022	\$ 1,545,759,614.00
2021	1,550,367,694.00
2020	1,529,305,084.00 *
2019	477,748,840.00
2018	475,115,366.00

*Revaluation

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>		<u>Collections</u>	Percentage of <u>Collections</u>
2022	\$ 35,218,617.24 *		\$ 35,145,623.91	99.79 %
2021	34,857,587.72 *		34,857,503.23	99.97
2020	35,139,359.61 *		35,129,198.76	99.97
2019	34,834,449.98 *		34,813,146.27	99.93
2018	34,403,052.34 *		34,379,846.67	99.93

*Reflects reduction due to tax appeals.

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent</u>	Percentage of <u>Tax Levy</u>
2022	\$ 280.71	\$159,511.32	\$159,792.03	0.08 %
2021	84.49	86,815.88	86,900.37	1.00
2020	435.02	77,314.52	77,749.54	0.22
2019	19,707.65	67,656.44	87,364.09	0.25
2018	9,180.94	57,926.70	67,107.64	0.20

4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

Several properties were acquired in 1997, by foreclosure, as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2022	\$ 216,700.00
2021	216,700.00
2020	216,700.00 *
2019	71,700.00
2018	71,700.00

*Revaluation

5. WATER/SEWER UTILITY BILLINGS AND COLLECTION

<u>Year</u>	<u>Billing</u>	<u>Water/Sewer Collections</u>
2022	\$ 3,840,234.96	\$ 4,010,221.75
2021	3,846,756.72	3,732,769.57
2020	3,581,840.99	3,494,853.94
2019	3,632,277.51	3,610,933.63
2018	3,520,910.03	3,513,582.58

Collections include realization of prior year uncollected balances and water liens.

6. FUND BALANCES APPROPRIATED

<u>Year</u>	<u>Current Fund</u>		<u>Water/Sewer Utility Operating Fund</u>		<u>Parking Utility</u>	
	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Balance December 31</u>	<u>Utilized in Water Utility Budget of Succeeding Year</u>	<u>Balance December 31</u>	<u>Utilized in Parking Utility Budget of Succeeding Year</u>
2022	\$ 23,103,953.98	\$ 3,287,000.00	\$ 4,136,051.78	\$ 150,000.00	\$ 1,137,790.61	\$ -
2021	15,637,899.14	3,762,500.00	3,192,402.62	150,000.00	1,137,790.61	-
2020	12,172,526.99	3,325,000.00	2,375,483.30	125,000.00	2,137,790.61	1,000,000.00
2019	9,887,113.16	2,925,000.00	1,778,730.01	75,000.00	2,813,600.03	1,000,000.00
2018	10,859,193.60	1,255,000.00	1,090,460.80	50,000.00	1,191,812.79	

7. PENSION PLANS

Description of Systems

Substantially all of the Town's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System are considered a cost-sharing multiple-employer plan.

7. PENSION PLANS (Continued)

The amount of the Town's contribution is certified each year by PERS and PFRS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest. In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Specific information on actuarial assumptions and rates of return can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS the employer contribution includes funding for post-retirement medical premiums.

	PERS		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Covered Employee Payroll	\$ 5,699,212	\$ 5,691,241	\$ 5,572,409
Total Payroll	19,998,325	18,869,219	17,317,697
Actuarial Contribution			
Requirements	916,945	885,443	857,692
Total Contributions	1,344,386	1,312,286	1,275,623
Employer Share	916,945	885,443	857,692
% of Covered Payroll	16.09%	15.56%	15.39%
Employee's Share	427,441	426,843	417,931
% of Covered Payroll	7.50%	7.50%	7.50%

	PFRS		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Covered Employee Payroll	\$ 8,114,841	\$ 7,748,510	\$ 7,571,355
Total Payroll	19,998,325	18,869,219	17,317,697
Actuarial Contribution			
Requirements	2,739,773	2,568,337	2,563,181
Total Contributions	3,551,257	3,343,188	3,320,318
Employer Share	2,739,773	2,568,337	2,563,181
% of Covered Payroll	33.76%	33.15%	33.85%
Employee's Share	811,484	774,851	757,137
% of Covered Payroll	10.00%	10.00%	10.00%

Assumptions

The collective total PERS pension liability for June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 using an actuarial experience study for the period July 1, 2018 to June 30, 2021 for PERS. The pension liability was rolled forward to June 30, 2022. The actuarial valuation used an inflation rate of 2.75% for price and 3.25% for wage, projected salary increases through 2026 of 2.75% to 6.55% for PERS based on years of service and an investment rate of return of 7.00%.

7. PENSION PLANS (Continued)

Assumptions (Continued)

The collective total PFRS pension liability for June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 using an actuarial experience study for the period July 1, 2018 to June 30, 2021 for PFRS. The pension liability was rolled forward to June 30, 2022. The actuarial valuation used an inflation rate of 2.75% for price and 3.25% for wage, projected salary increases through all future years 3.25% to 16.25% for PFRS based on years of service and an investment rate of return of 7.00%.

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

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

The discount rate used to measure the total pension liability was 7.00% for PERS and 7.00% for PFRS as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability. More information on mortality rates and other assumptions and investment policies, can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Public Employees' Retirement System:

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

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PERS operates and to the benefit provisions of that system. Provisions impacting employee pension and health benefits include:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.

7. PENSION PLANS (Continued)

Significant Legislation (Continued)

- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2013, the member contribution rates increased in July 2013. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, the method for amortizing the pension systems' unfunded accrued liability changed (from a level percent of pay method to a level dollar of pay).

The following presents the Town's proportionate share of the collective PERS net pension liability calculated using the discount rate of 7.00% as of June 30, 2022 and 2021, respectively, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

Sensitivity of the Town's Proportionate Share of the Collective PERS Net Pension Liability to Changes in the Discount Rate

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2022	<u>\$ 14,216,974</u>	<u>\$ 11,066,316</u>	<u>\$ 8,384,979</u>
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2021	<u>\$ 12,327,306</u>	<u>\$ 9,052,233</u>	<u>\$ 6,272,870</u>

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, is Chapter 366, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. Below is the portion of the nonemployer contribution entities' total proportionate share of the collective net pension liability that is associated with the local participating employers for the PERS:

	<u>2022</u>	<u>2021</u>
Employer Net Pension Liability	\$ 10,973,383.00	\$ 8,956,754.00
Nonemployer Proportional Share of the Net Pension Liability	<u>92,933.00</u>	<u>95,479.00</u>
	<u>\$ 11,066,316.00</u>	<u>\$ 9,052,233.00</u>

7. PENSION PLANS (Continued)

Police and Firemen's Retirement System:

The Police and Firemen's Retirement System (PFRS) was established in July, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police and firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

Chapter 428, Public Law of 1999, effective January 18, 2000, allows a member, age 55 and older with 20 or more years of service, to retire with a benefit equaling 50% of final compensation, in lieu of the regular retirement allowance available to the member. Final compensation means the compensation received by the member in the last twelve months of creditable service preceding retirement.

In addition, a member of the system as of the effective date of this law may retire with 20 or more years of service with a retirement allowance of 50% of final compensation, regardless of age, and if required to retire because of attaining the mandatory retirement age of 65, an additional 3% of final compensation for every additional year of creditable service up to 25 years.

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PFRS operates and to the benefit provisions of that system.

This new legislation's provisions impacting employee pension and health benefits include:

- The annual benefit under special retirement for new PFRS members enrolled after June 28th, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.

The following presents the Town's proportionate share of the collective PFRS net pension liability calculated using the discount rate of 7.00% as of June 30, 2022 and 2021, respectively, as well as what the PFRS net pension liability would be if it were calculated using a discount rate of one percentage point lower or one percentage point higher than the assumed rate.

Sensitivity of the Town's Proportionate Share of the Collective PFRS Net Pension Liability to Changes in the Discount Rate

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2022	<u>\$ 39,035,184</u>	<u>\$ 28,449,071</u>	<u>\$ 19,636,062</u>
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2021	<u>\$ 31,337,164</u>	<u>\$ 20,637,345</u>	<u>\$ 11,730,902</u>

7. PENSION PLANS (Continued)

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. Below is the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer for the PFRS:

	<u>2022</u>	<u>2021</u>
Employer Net Pension Liability	\$ 24,113,135.00	\$ 16,107,199.00
Non-employer Proportionate Share of the Net Pension Liability	<u>4,335,926.00</u>	<u>4,530,146.00</u>
	<u>\$ 28,449,061.00</u>	<u>\$ 20,637,345.00</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amount by employer. The allocation percentages for each group as of June 30, 2022 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022.

Following is the total of the Town's portion of the PERS and PFRS net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and the pension expense and expenditures for the fiscal year ended June 30, 2022:

	<u>PERS</u>	<u>PFRS</u>
Net Pension Liabilities	\$ 11,066,316	\$ 28,449,061
Deferred Outflow of Resources	2,530,609	5,004,320
Deferred Inflow of Resources	1,031,314	6,602,268
Pension Expense (Benefit)	(708,173)	(124,811)
Contributions Made After Measurement Date	916,945	2,739,773

7. PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the PERS schedule of employer allocations and applied to amounts presented in the PERS schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2022 and 2021 and for the years ended June 30, 2022 and 2021 to the PFRS. The Town's proportionate share of the collective net pension liability as of June 30, 2022 and 2021 was .0727129327 and .0756067571% for PERS. The Town's proportionate share of the collective net pension liability as of June 30, 2022 and 2021 was 0.21066210% and 0.2203702824% for PFRS.

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

At June 30, 2022, the amount determined as the Town's proportionate share of the PERS net pension liability was \$10,973,383. For the year ended June 30, 2022, the Town would have recognized PERS pension expense of \$(708,173). At June 30, 2022, deferred outflows of resources related to the PERS pension are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 69,844	\$ 79,201
Change of Assumptions	1,643,150	33,999
Net Difference Between Projected and Actual Investment Earnings		454,178
Net Changes in Proportion	817,615	463,936
Total Contributions and Proportionate Share of Contributions After the Measurement Date	916,945	
	<u>\$ 3,447,554</u>	<u>\$ 1,031,314</u>

At June 30, 2022, the amount determined as the Town's proportionate share of the PFRS net pension liability was \$28,449,061. For the year ended June 30, 2022, the Town would have recognized PFRS pension expense of \$(124,811). At June 30, 2022, deferred outflows of resources and deferred inflows of resources related to the PFRS pension are as follows:

7. PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference Between Expected and Actual Experience	\$ 1,091,425	\$ 1,477,257
Change of Assumptions	66,085	3,035,367
Net Difference Between Projected and Actual Investment Earnings	2,208,055	
Net Changes in Proportion	1,638,755	2,089,644
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>2,739,773</u>	
	<u>\$ 7,744,093</u>	<u>\$ 6,602,268</u>

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 7, the Town provides postemployment health care benefits as part of the State Health Benefits Local Government Retired Employees Plan.

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drugs to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52-14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

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

Total OPEB Liability

Information presented below is as of June 30, 2021. Additional information was not available as of the date of this audit.

At December 31, 2021, the Town had a liability of \$54,400,919 and \$54,425,616 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2021 and 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Town's proportion of the net OPEB liability was based on a projection of the Town's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers in the plan. The Town's proportionate share of net OPEB liability as of June 30, 2021 and 2020 was .302231% and .303264%, respectively.

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Total OPEB Liability

For the year ended December 31, 2021, the Town would have recognized OPEB (benefit) of \$(370,028). At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 2,887,750	\$ 9,616,001
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	26,011	
Difference Between Expected and Actual Changes in Proportion and Differences Between the Town's Contributions and Proportionate Share of Contributions	1,220,692	11,381,476
	<u>7,825,735</u>	<u>5,373,544</u>
Total	<u>\$ 11,960,188</u>	<u>\$ 26,371,021</u>

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) would be recognized in OPEB expense as follows:

Year Ended June 30:	
2022	\$ (3,248,238)
2023	(3,252,511)
2024	(3,256,415)
2025	(2,325,416)
2026	(390,919)
Thereafter	548,460

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

Actual Assumptions and Other Inputs

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan - the Police and Firemen's Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PRFS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actual Assumptions and Other Inputs (Continued)

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases*:	
Public Employees' Retirement System (PERS):	
Initial Fiscal Year Applied	
Rate Through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS):	
Rate for all Future Years	3.25% to 15.25%
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

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

Actuarial assumptions used in the July 1, 2020 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate (Continued)

	June 30, 2021		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Town's Proportionate Share of Net OPEB Liability	\$ 64,019,447	\$ 54,400,919	\$ 46,778,029
	June 30, 2020		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>1.21%</u>	<u>2.21%</u>	<u>3.21%</u>
Town's Proportionate Share of Net OPEB Liability	\$ 64,342,577	\$ 54,425,616	\$ 46,575,440

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the Town's proportionate share of the net OPEB liability as of June 30, as well as what the Town's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2021		
	1%	Healthcare Cost	1%
	<u>Decrease</u>	<u>Trend Rate</u>	<u>Increase</u>
Town's Proportionate Share of Net OPEB Liability	\$ 45,388,688	\$ 54,400,919	\$ 66,160,764
	June 30, 2020		
	1%	Healthcare Cost	1%
	<u>Decrease</u>	<u>Trend Rate</u>	<u>Increase</u>
Town's Proportionate Share of Net OPEB Liability	\$ 45,037,254	\$ 54,425,616	\$ 66,719,806

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The Town as of December 31, 2021 had no members under the Special Funding Situation.

9. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PERS after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

During the Year 2022, there were no employees enrolled in the DCRP.

10. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Town are general obligation bonds, backed by the full faith and credit of the Town. Pursuant to N.J.S.A. 40A:2-8, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legal requirement is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

10. MUNICIPAL DEBT (Continued)

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$ 36,058,274.30	\$ 39,107,718.94	\$ 42,680,698.28
Water/Sewer Utility:			
Bonds and Notes		145,000.00	395,000.00
Parking Utility:			
Bonds and Notes	<u>42,590,000.00</u>	<u>43,615,000.00</u>	<u>44,590,000.00</u>
	<u>78,648,274.30</u>	<u>82,867,718.94</u>	<u>87,665,698.28</u>
<u>Authorized but Not Issued</u>			
Water/Sewer Utility:			
Bonds and Notes	4.00	4.00	4.00
Parking Utility:			
Bonds and Notes	<u>2,475,000.00</u>	<u>2,475,000.00</u>	<u>2,475,000.00</u>
Bonds and Notes Issued and Authorized but Not Issued	<u>2,475,004.00</u>	<u>2,475,004.00</u>	<u>2,475,004.00</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 81,123,278.30</u>	<u>\$ 85,342,722.94</u>	<u>\$ 90,140,702.28</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 .922%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 5,400,000.00	\$ 5,400,000.00	\$
Parking Utility Debt	45,065,000.00	45,065,000.00	
General Debt	<u>36,058,274.30</u>	<u>21,477,728.66</u>	<u>14,580,545.64</u>
	<u>\$86,523,274.30</u>	<u>\$71,942,728.66</u>	<u>\$ 14,580,545.64</u>
Average Equalized Valuation Basis of Real Property (N.J.S. 40A:22)			<u>\$1,581,893,601.33</u>

Net debt divided by Average Equalized Valuation Basis of Real Property equals .922%.

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

3 1/2% of Equalized Valuation Basis	\$55,366,276.05
Net Debt	<u>14,580,545.64</u>
Remaining Borrowing Power	<u>\$40,785,730.41</u>

10. MUNICIPAL DEBT (Continued)

School Debt Deductions

School debt is deductible up to the extent of 4.0% of the Average Equalized Assessed Valuations of real property for the Local School District.

Calculation of "Self-Liquidating Purposes" Parking per N.J.S. 40A:2-45

Surplus, Cash Receipts from Fees, Rent or Other Charges for Year		\$4,087,412.50
Deductions:		
Operating and Maintenance Cost	\$1,405,150.00	
Debt Service	<u>2,682,262.50</u>	
		<u>4,087,412.50</u>
Excess in Revenue		<u>\$ -</u>

There being no deficit in revenue, the Parking Utility Debt is considered self-liquidating for debt statement purposes.

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Town Treasurer.

As of December 31, 2022, the Town's long-term debt is as follows:

General Obligation Bonds

\$2,685,000.00, 2003 ERI Bonds due in annual installments of \$100,000.00 to \$175,000.00 through May 2033, interest at 5.690%.	\$ 1,490,000.00
\$6,369,000.00, 2012 Secured Revenue Bonds due in annual installments of \$235,000.00 to \$310,000.00 through August 2037, interest at 5.25% to 6.00%.	<u>4,400,000.00</u>
	<u>\$ 5,890,000.00</u>

10. MUNICIPAL DEBT (Continued)

General Obligation Bonds (Continued)

Year	2003 Issue		Refunded Sub-Series 2022-1		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 100,000.00	\$ 81,936.00	\$ 320,000.00	\$ 132,807.46	\$ 420,000.00	\$ 214,743.46
2024	105,000.00	76,103.75	315,000.00	126,607.26	420,000.00	202,711.01
2025	115,000.00	69,844.75	305,000.00	119,766.13	420,000.00	189,610.88
2026	120,000.00	63,159.00	300,000.00	112,659.80	420,000.00	175,818.80
2027	125,000.00	56,188.75	295,000.00	105,340.20	420,000.00	161,528.95
2028	135,000.00	48,791.75	340,000.00	97,157.50	475,000.00	145,949.25
2029	140,000.00	40,968.00	330,000.00	87,465.10	470,000.00	128,433.10
2030	150,000.00	32,717.50	325,000.00	77,044.05	475,000.00	109,761.55
2031	160,000.00	23,898.00	315,000.00	66,861.65	475,000.00	90,759.65
2032	165,000.00	14,651.75	310,000.00	56,917.90	475,000.00	71,569.65
2033	175,000.00	4,978.75	300,000.00	46,612.80	475,000.00	51,591.55
2034			295,000.00	35,956.35	295,000.00	35,956.35
2035			285,000.00	25,568.55	285,000.00	25,568.55
2036			275,000.00	15,538.95	275,000.00	15,538.95
2037			270,000.00	5,306.85	270,000.00	5,306.85
	<u>\$ 1,490,000.00</u>	<u>\$ 513,238.00</u>	<u>\$ 4,580,000.00</u>	<u>\$ 1,111,610.55</u>	<u>\$ 6,070,000.00</u>	<u>\$ 1,624,848.55</u>
					<u>\$ 7,694,848.55</u>	

10. MUNICIPAL DEBT (Continued)

CJUF Bonds:

Year	Refunded 2022 Sub-Series 2022-1		
	Principal	Interest	Total
2023	\$ 290,000.00	\$ 247,018.06	\$ 537,018.06
2024	290,000.00	241,351.46	531,351.46
2025	295,000.00	234,888.99	529,888.99
2026	305,000.00	227,838.67	532,838.67
2027	320,000.00	220,142.42	540,142.42
2028	325,000.00	211,838.69	536,838.69
2029	325,000.00	202,421.81	527,421.81
2030	335,000.00	191,921.31	526,921.31
2031	350,000.00	181,022.86	531,022.86
2032	360,000.00	169,726.76	529,726.76
2033	370,000.00	157,372.46	527,372.46
2034	375,000.00	144,029.52	519,029.52
2035	400,000.00	130,149.26	530,149.26
2036	410,000.00	115,642.16	525,642.16
2037	425,000.00	99,945.69	524,945.69
2038	430,000.00	83,140.66	513,140.66
2039	450,000.00	65,844.25	515,844.25
2040	470,000.00	47,761.66	517,761.66
2041	485,000.00	28,991.14	513,991.14
2042	495,000.00	9,729.23	504,729.23
	<u>\$ 7,505,000.00</u>	<u>\$ 3,010,777.06</u>	<u>\$ 10,515,777.06</u>

CJUF Bonds Payable

\$1,785,000.00, 2012 General Improvement Bonds due in annual installments of \$50,000.00 to \$90,000.00 through April 2042, interest at 5.00% to 5.25%. \$ 1,395,000.00

\$6,369,000.00, 2012 Secured Revenue Bonds in annual installments of \$165,000.00 to \$475,000.00 through August 2042, interest at 5.25% to 6.00%. 5,815,000.00

\$ 7,210,000.00

Parking Utility Bonds

\$46,525,000.00, 2018 General Bonds due in annual installments of \$1,075,000.00 to \$2,635,000.00 through March 2046, interest at 3.125% to 5.00%. \$ 42,590,000.00

Bond Anticipation Notes

There were no Bond Anticipation Notes as of December 31, 2022.

10. MUNICIPAL DEBT (Continued)

Bonds and Notes Authorized but Not Issued

There were Bonds and Notes Authorized but Not Issued in the following amount:

	Balance Dec. 31, 2022
Water Utility Capital Fund: General Improvements	<u>\$ 4.00</u>
Parking Utility Capital Fund: General Improvements	<u>\$ 2,475,000.00</u>

Parking Utility

A schedule of annual debt service for principal and interest for the Parking Utility bonded debt is as follows on a cash basis:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,075,000.00	\$ 1,604,762.50	\$ 2,679,762.50
2024	1,130,000.00	1,549,637.50	2,679,637.50
2025	1,190,000.00	1,491,637.50	2,681,637.50
2026	1,250,000.00	1,430,637.50	2,680,637.50
2027	1,315,000.00	1,366,512.50	2,681,512.50
2028	1,385,000.00	1,299,012.50	2,684,012.50
2029	1,440,000.00	1,242,787.50	2,682,787.50
2030	1,485,000.00	1,198,912.50	2,683,912.50
2031	1,530,000.00	1,152,731.25	2,682,731.25
2032	1,580,000.00	1,103,150.00	2,683,150.00
2033	1,630,000.00	1,050,987.50	2,680,987.50
2034	1,685,000.00	996,065.63	2,681,065.63
2035	1,745,000.00	937,093.76	2,682,093.76
2036	1,805,000.00	874,968.76	2,679,968.76
2037	1,875,000.00	809,396.88	2,684,396.88
2038	1,945,000.00	736,512.50	2,681,512.50
2039	2,020,000.00	661,000.00	2,681,000.00
2040	2,095,000.00	585,106.25	2,680,106.25
2041	2,180,000.00	502,225.00	2,682,225.00
2042	2,265,000.00	416,156.25	2,681,156.25
2043	2,355,000.00	329,531.25	2,684,531.25
2044	2,440,000.00	239,625.00	2,679,625.00
2045	2,535,000.00	146,343.75	2,681,343.75
2046	<u>2,635,000.00</u>	<u>49,406.25</u>	<u>2,684,406.25</u>
	<u>\$ 42,590,000.00</u>	<u>\$ 21,774,200.03</u>	<u>\$ 64,364,200.03</u>

Other Bonds

The Hudson County Improvement Authority entered into the purchase agreement with the Town of Harrison for the purchase of \$39,400,345.05 of the Town of Harrison General Obligation Bonds. In accordance with the terms of the agreement, the Town is required to make debt service payments to the Authority in amounts sufficient to pay or provide for the payment of the accreted value of the bonds at maturity.

10. MUNICIPAL DEBT (Continued)

Other Bonds (Continued)

The General Obligation Bond of the Town is a full faith and credit obligation of the Town and the Town must, if necessary, levy *ad valorem* taxes to make the required debt service payments of the bonds.

Debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
12-15-23	\$ 1,328,722.00	\$ 1,771,278.00	\$ 3,100,000.00
12-15-24	1,261,390.00	1,838,610.00	3,100,000.00
12-15-25	1,196,635.95	1,908,364.05	3,105,000.00
12-15-26	1,134,970.65	1,970,029.35	3,105,000.00
12-15-27	1,076,068.80	2,028,931.20	3,105,000.00
12-15-28	1,022,072.85	2,082,927.15	3,105,000.00
12-15-29	970,591.95	2,134,408.05	3,105,000.00
12-15-30	921,532.95	2,183,467.05	3,105,000.00
12-15-31	874,771.65	2,230,228.35	3,105,000.00
12-15-32	830,214.90	2,274,785.10	3,105,000.00
12-15-33	788,640.00	2,311,360.00	3,100,000.00
12-15-34	748,278.00	2,351,722.00	3,100,000.00
12-15-35	711,853.00	2,388,147.00	3,100,000.00
12-15-36	677,226.00	2,422,734.00	3,099,960.00
12-15-37	645,312.15	2,459,687.85	3,105,000.00
12-15-38	613,920.60	2,491,116.40	3,105,037.00
	<u>\$14,802,201.45</u>	<u>\$34,847,795.55</u>	<u>\$49,649,997.00</u>

Bonds were issued by the Hudson County Improvement Authority on May 31, 2006 in the sum of \$39,400,345.05 and as noted above, the proceeds of which were used to purchase general obligation bonds of the Town of Harrison. Funds in the sum of \$3,115,000.00 were deposited by the Trustee from proceeds of the bond sale into a Bond Reserve Fund at the closing and will be held in such a fund and used for the purpose of paying the accreted value at maturity of the bonds whenever there is insufficient money for such purpose in the Bond Service Fund of the Hudson County Improvement Authority. For purposes of calculating net statutory debt, these funds are not considered "cash on hand" and are not used as a deduction from gross debt.

Payments of the aforementioned funds to the Hudson County Improvement Authority by the Town of Harrison were expensed through Ordinance #1133. Should these funds not be required as a funding source by the Hudson County Improvement Authority, it appears they will be returned to the Town after the final debt service payment in the year 2038.

11. HARRISON FACILITIES LEASE PROJECT

On January 15, 2004, the Hudson County Improvement Authority issued \$10,000,000.00 in Bonds as part of an agreement with the Town of Harrison for Lease Facilities which are located in the Town. Below is the annual lease obligation of the Town:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Fiscal Year Obligations</u>
2023	\$ 355,000.00	\$ 331,588.14	\$ 686,588.14
2024	375,000.00	314,046.89	689,046.89
2025	390,000.00	297,312.51	687,312.51
2026	410,000.00	279,812.51	689,812.51
2027	425,000.00	258,890.63	683,890.63
2028	450,000.00	234,281.25	684,281.25
2029	475,000.00	208,265.63	683,265.63
2030	500,000.00	180,843.76	680,843.76
2031	530,000.00	151,875.01	681,875.01
2032	560,000.00	121,218.76	681,218.76
2033	590,000.00	88,875.01	678,875.01
2034	625,000.00	54,703.13	679,703.13
2035	660,000.00	18,562.50	678,562.50
	<u>\$6,345,000.00</u>	<u>\$2,540,275.73</u>	<u>\$8,885,275.73</u>

12. **NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS - GENERAL CAPITAL FUND**

The Town adopted Ordinance #1213 for water, sanitary sewer and storm water infrastructure within the Waterfront Redevelopment Area in the amount of \$4,500,000.00. The Town then entered into a loan from the New Jersey Environmental Infrastructure Trust Fund in the amount of \$4,310,122.00. A financial agreement was entered into between the Town of Harrison and the developer. Harrison Commons requires debt service payments from the developer secured by second mortgage and personal guarantee of the developer, and ultimately special assessment on buildings. Below is a "Revised" schedule of debt service:

	Clean Water Bonds			Drinking Water Bonds			NJ/EIT Fee	Total		
	Fund Loan		Trust Loan		Fund Loan				Trust Loan	
	Principal	Interest	Principal	Interest	Principal	Interest			Principal	Interest
8/01/23	\$ 137,039.68		\$ 48,000.00	\$ 15,600.00	\$ 27,458.02	\$ 10,000.00	\$ 3,080.00	\$ 3,225.00	\$ 244,402.70	
8/01/24	137,039.68		52,000.00	13,680.00	27,458.02	10,000.00	2,680.00	3,225.00	246,082.70	
8/01/25	137,039.68		52,000.00	11,600.00	27,458.02	9,000.00	2,280.00	3,225.00	242,602.70	
8/01/26	137,039.68		57,000.00	9,520.00	27,458.02	10,000.00	1,920.00	3,225.00	246,162.70	
8/01/27	137,039.68		57,000.00	7,240.00	27,458.02	10,000.00	1,520.00	3,225.00	243,482.70	
8/01/28	137,039.68		62,000.00	4,960.00	27,458.02	14,000.00	1,120.00	3,225.00	249,802.70	
8/01/29	137,039.97		62,000.00	2,480.00	27,458.29	14,000.00	560.00	3,225.00	246,763.26	
	<u>\$ 959,278.05</u>		<u>\$ 390,000.00</u>	<u>\$ 65,080.00</u>	<u>\$ 192,206.41</u>	<u>\$ 77,000.00</u>	<u>\$ 13,160.00</u>	<u>\$ 22,575.00</u>	<u>\$ 1,719,299.46</u>	

12. **NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS - GENERAL CAPITAL FUND (Continued)**

The Town adopted Ordinance #1194 for Harrison Advance Infrastructure Redevelopment Program in the amount of \$47,000,000.00. The Town entered into a loan from the New Jersey Environmental Infrastructure Trust Fund in the amount of \$16,816,913.00. A financial agreement was entered into between the Town of Harrison and a developer. According to the agreement, debt service payments are the obligation of the Developer until PILOT revenues are sufficient to cover the debt service and a first lien interest on the property. A Letter of Credit was issued to the Town to cover two (2) years of debt services. Below is the schedule of debt service:

	Clean Water Bonds				Drinking Water Bonds				NJ/EIT Fee	Total
	Fund Loan Principal	Trust Loan		Fund Loan Principal	Trust Loan					
		Principal	Interest		Principal	Interest				
8/01/23	\$ 572,887.87	\$ 209,000.00	\$ 65,240.00	\$ 69,412.77	\$ 24,000.00	\$ 7,960.00	\$ 12,555.00	\$ 961,055.64		
8/01/24	572,887.87	214,000.00	56,880.00	69,412.77	28,000.00	7,000.00	12,555.00	960,735.64		
8/01/25	572,887.87	223,000.00	48,320.00	69,412.77	28,000.00	5,880.00	12,555.00	960,055.64		
8/01/26	572,887.87	233,000.00	39,400.00	69,412.77	29,000.00	4,760.00	12,555.00	961,015.64		
8/01/27	572,887.87	243,000.00	30,080.00	69,412.77	29,000.00	3,600.00	12,555.00	960,535.64		
8/01/28	572,887.87	252,000.00	20,360.00	69,412.77	28,000.00	2,440.00	12,555.00	957,655.64		
8/01/29	572,887.87	257,000.00	10,280.00	69,412.96	33,000.00	1,320.00	12,555.00	956,455.83		
	<u>\$ 4,010,215.09</u>	<u>\$ 1,631,000.00</u>	<u>\$ 270,560.00</u>	<u>\$ 485,889.58</u>	<u>\$ 199,000.00</u>	<u>\$ 32,960.00</u>	<u>\$ 87,885.00</u>	<u>\$ 6,717,509.67</u>		

13. SCHOOL DEBT

The Board of Education of the Town of Harrison is a Type I School District and the members of the Board of Education are appointed by the Mayor. A Board of School Estimate approves the school district tax levy after the final budget is determined by the Board of Education. The members of the Board of School Estimate include the Mayor, two members of the local school board and two members of the governing body. School debt, authorized by the Board of School Estimate, are obligations of the Town and school debt service is raised as part of the school tax levy. School debt is reported on the balance sheet of the General Capital Fund and is detailed as follows:

Type I School Serial Bonds

\$1,595,000.00, 2003 ERI Bonds in annual installments of \$60,000.00 to \$105,000.00 through May, 2033, interest at 5.69%.	\$ 875,000.00
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\$5,210,000.00, Refunding Bonds, Series 2017 in annual installments of \$210,000.00 to \$675,000.00 through July, 2030, interest at 4.00% to 5.00%.	<u>4,525,000.00</u>
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	<u><u>\$ 5,400,000.00</u></u>
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13. SCHOOL DEBT (Continued)

Year	2003 Issue		2017 Refunding Issue		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 60,000.00	\$ 48,080.50	675,000.00	192,700.00	\$ 735,000.00	\$ 240,780.50
2024	65,000.00	44,524.25	670,000.00	165,800.00	735,000.00	210,324.25
2025	65,000.00	40,825.75	660,000.00	139,200.00	725,000.00	180,025.75
2026	70,000.00	36,985.00	655,000.00	109,625.00	725,000.00	146,610.00
2027	75,000.00	32,859.75	655,000.00	76,875.00	730,000.00	109,734.75
2028	75,000.00	28,592.25	550,000.00	46,750.00	625,000.00	75,342.25
2029	85,000.00	24,040.25	450,000.00	21,750.00	535,000.00	45,790.25
2030	85,000.00	19,203.75	210,000.00	5,250.00	295,000.00	24,453.75
2031	90,000.00	14,225.00			90,000.00	14,225.00
2032	100,000.00	8,819.50			100,000.00	8,819.50
2033	105,000.00	2,987.25			105,000.00	2,987.25
	<u>\$875,000.00</u>	<u>\$301,143.25</u>	<u>\$4,525,000.00</u>	<u>\$757,950.00</u>	<u>\$5,400,000.00</u>	<u>\$1,059,093.25</u>

13. SCHOOL DEBT (Continued)

Bond Anticipation Notes

There were no Bond Anticipation Notes outstanding as of December 31, 2022.

Bonds and Notes Authorized but Not Issued

There were no Bonds and Notes Authorized but Not Issued as of December 31, 2022.

14. CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2022 and 2021 was as follows:

	Balance Dec. 31, 2020	Additions	Retirement	Balance Dec. 31, 2021
Buildings and Improvements	\$ 50,278,654.11	\$ 6,268,147.76	\$ -	\$ 56,546,801.87
Land	3,827,300.00			3,827,300.00
Vehicles	5,359,501.33	636,389.90		5,995,891.23
Machinery and Equipment	2,580,885.24	394,175.75		2,975,060.99
	<u>\$ 62,046,340.68</u>	<u>\$ 7,298,713.41</u>	<u>\$ -</u>	<u>\$ 69,345,054.09</u>

	Balance Dec. 31, 2021	Additions	Retirement	Balance Dec. 31, 2022
Buildings and Improvements	\$ 56,546,801.87	\$	\$ -	\$ 56,546,801.87
Land	3,827,300.00			3,827,300.00
Vehicles	5,995,891.23		481,035.22	5,514,856.01
Machinery and Equipment	2,975,060.99	148,335.11		3,123,396.10
	<u>\$ 69,345,054.09</u>	<u>\$ 148,335.11</u>	<u>\$ 481,035.22</u>	<u>\$ 69,012,353.98</u>

15. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2022, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$9,015,309.41	\$ 411,573.31
Federal and State Grant Fund		646,468.06
General Trust Fund	411,573.31	232,000.00
Animal Control Fund		55.80
General Capital Fund		3,654,079.50
Payroll Fund		100,000.00
Parking Operating Fund		4,382,706.05
Water/Sewer Operating Fund		91,590.00
Water/Sewer Capital Fund	91,590.00	
	<u>\$9,518,472.72</u>	<u>\$9,518,472.72</u>

16. DEFERRED COMPENSATION PLAN

The Town of Harrison offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The Town of Harrison authorized such modifications to their plan by resolutions of the Town Council adopted November 6, 1997.

The administrators for the Town of Harrison's Deferred Compensation Plan are the Variable Annuity Life Insurance Company (VALIC), Hartford and AXA Funds.

17. SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy district school taxes when these taxes are raised for a school year and have not been requisitioned by school authorities. The Town raises its share of local school district taxes on a calendar year basis, thus there is no deferral of school taxes.

18. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGETS

There were no deferred charges as of December 31, 2022.

19. CONTINGENT LIABILITIES

a. Compensated Absences

In accordance with the provisions of an ordinance adopted by the Mayor and Council on November 20, 1986, all full-time permanent employees are allowed fully paid vacation days, the number of which is determined by a vacation schedule provided therein. The ordinance also promulgates a sick leave program in which employees are permitted to accumulate unused sick leave without limit and which may be reimbursed upon retirement in the form of time off with pay or a cash settlement. Reimbursements will be made at current rates for one-half (1/2) the accumulated leave. The provisions of the ordinance became effective January 1, 1987.

At December 31, 2022, Town officials estimate that the sum of \$3,696,461.00 is for one-half of the unused sick leave and accumulated vacation days. This amount was not verified by audit. The Town has established a reserve for this liability in the amount of \$3,098,810.02.

Provision for the above is not reflected on the financial statements of the Town.

b. Tax Appeals

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for years through 2022. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51. The Town has made provision through reserving appropriations in the amount of \$9,708,145.12 for these appeals in the event that the tax reductions are granted.

19. CONTINGENT LIABILITIES (Continued)

b. Tax Appeals (Continued)

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for years through 2022. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51. The Town has made provision through reserving appropriations in the amount of \$9,708,145.12 for these appeals in the event that the tax reductions are granted.

Judgments, adverse to the Town, would apply to the year of appeal plus at least two subsequent years. Refunds or tax credits, including statutory interest thereon, would be chargeable to operations of future budget appropriations.

County taxes paid on the reductions in assessed valuations are subject to credits against the County Tax Levy of the year subsequent to the year in which appeals were adjudicated.

c. Federal and State Awards

The Town participated in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Town has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2022 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

d. Arbitrage Rebate Calculation

In 1985, under the Tax Reform Act, the Arbitrage Rebate Law went into effect requiring issuers of tax exempt debt obligations to rebate to the Federal Government all of the earnings in excess of the yield on investments of proceeds of such debt issuances (the "rebate arbitrage"). The Rebate Regulations apply to obligations issued after August 31, 1986. The arbitrage rebate liability must be calculated every installment computation date (last day of the fifth bond year) or earlier if the bonds are retired, defeased or refunded and pay at least 90% of the rebatable arbitrage (plus any earnings thereon) within 60 days after such date.

e. Payments in Lieu of Taxes (PILOT)

Under N.J.S.A. 40A:20-12, each municipality is required to annually remit to the County five percent (5%) of the annual service charge for each long-term PILOT financial agreement entered into by the municipality.

f. Litigation

The Town's attorney letter indicated that there are 20 nonresidential tax appeals pending. It is difficult to estimate potential exposure for refunds or credits, but if all were successful (which is not likely), exposure could be as high as \$1,000,000.00.

20. SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

During 2017, the Town hired Phoenix Advisors to implement the monitoring and posting of relevant documents as it relates to secondary market disclosures. All disclosures are up-to-date.

21. LEASES

In June 2017, the GASB issued GASB No. 87, Leases.

The Town has commitments to lease vehicles under financing leases. Future minimum lease payments are as follows:

<u>Year</u>	<u>Financing Leases</u>
2023	\$ 81,500.00
2024	<u>36,700.00</u>
Total Future Minimum Lease Payments	<u><u>\$ 118,200.00</u></u>

22. TAX ABATEMENTS

Under GASB Statement No. 77, a tax abatement is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forego tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. In such circumstances financial statement disclosures are required.

As of December 31, 2022, the Town provides tax abatements through various PILOT, credit and other incentive programs, including those authorized by other entities such as the State.

See the table below for the amount of taxes abated for the year ended December 31, 2022:

<u>Purpose</u>	<u>Amount Abated</u>
Commercial/Industrial	\$ 389,584.62
Other	476,519.19
Other	271,817.82
Commercial/Industrial	(7,354.82)
Commercial/Industrial	538,534.04
Other	145,514.91
Other	30,109.16
Other	373,701.69
Other	31,215.20
Affordable Housing	56,282.71
Other	279,500.69
Other	(42,438.84)
Other	315,618.12
Other	313,704.80
Other	162,583.32
Other	563,159.62
Other	504,479.48
Other	<u>802,536.19</u>
	<u><u>\$ 5,205,067.90</u></u>

23. SUBSEQUENT EVENT

The Town of Harrison has evaluated subsequent events that occurred after the balance sheet date, but before August 4, 2023. No items were determined to require disclosure.

TOWN OF HARRISON
CURRENT FUND

RECEIPTS AND DISBURSEMENTS
CASH - TREASURER

A-4

	<u>Ref.</u>	<u>Regular Fund</u>	<u>Grant Fund</u>
Balance December 31, 2021	A	\$ 30,923,275.26	\$ 1,049,877.93
Increased by Receipts:			
Tax Collector	A-6	\$65,996,836.79	\$
Interfunds Receivable	A-12,14	2,930,735.28	
Grants Receivable	A-15		736,085.49
Elevator Inspection Fees Payable	A-18	28,230.00	
Reserve for Municipal Relief Fund Aid	A-19	599,032.68	
Developer Advancement for Debt			
Service	A-21	1,782,300.13	
Interfunds Payable	A-22,26	431,594.88	581,184.29
Due to State of New Jersey - DCA	A-23	33,354.00	
Local Match - Grants	A-34		3,461.25
Inter-account Transfer	Reserve	1,145,785.01	
Reserve for Grants - Unappropriated	A-35		1,677,288.18
		<u>72,947,868.77</u>	<u>2,998,019.21</u>
		103,871,144.03	4,047,897.14
Decreased by Disbursements:			
Prior Year Revenue Refunded	A-1	50.00	
2022 Budget Appropriations	A-3	42,887,119.44	
Local Match - Grants	A-3	3,461.25	
Interfunds Receivable	A-12	681,184.29	
2021 Appropriation Reserves	A-16	1,086,771.30	
Elevator Inspection Fees Payable	A-18	28,230.00	
Tax Overpayments	A-20	91,545.35	
Interfunds Payable	A-22	2,007,767.46	
Due to State of New Jersey - DCA	A-23	36,695.00	
Local School District Tax	A-24	9,983,455.00	
County Taxes Payable	A-25	6,209,471.19	
Reserve for Tax Appeals	A-28	31,292.41	
Accounts Payable	A-29	25,591.54	
Due to County PILOT Fees	A-30	743,801.00	
Inter-account Transfer	Reserve		1,145,785.01
Federal, State and County Grants:			
Appropriated	A-34		1,254,084.12
		<u>63,816,435.23</u>	<u>2,399,869.13</u>
Balance December 31, 2022	A	<u>\$ 40,054,708.80</u>	<u>\$ 1,648,028.01</u>

TOWN OF HARRISON
CURRENT FUND

CASH HELD BY STATE (QUALIFIED BOND ACT)

A-5

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ 1,048,134.38
Increased by:		
State Aid Revenue Held by State	A-11	<u>399,750.00</u>
		1,447,884.38
Decreased by:		
Debt Service Paid by State	A-3	<u>1,447,884.38</u>
		<u>\$ -</u>

TOWN OF HARRISON
CURRENT FUND

RECEIPTS AND DISBURSEMENTS
CASH - COLLECTOR

A-6

	<u>Ref.</u>		
Increased by Receipts:			
Interest and Costs on Taxes	A-2	\$ 159,498.25	
Miscellaneous Revenue Not Anticipated	A-2b	341,376.88	
Due from State of New Jersey	A-8	19,259.59	
Taxes Receivable	A-9	34,593,388.87	
Delinquent Taxes Receivable	A-9	69.87	
Revenue Accounts Receivable	A-11	29,548,597.46	
Tax Overpayments	A-20	91,545.35	
Prepaid Taxes	A-27	469,788.76	
Due to County - PILOT Fees	A-30	744,029.18	
Prepaid Riverpark PILOT Fees	A-31	<u>29,282.58</u>	
			\$65,996,836.79
Decreased by:			
Transfer to Treasurer:			
Current Fund	A-4		<u>65,996,836.79</u>
			<u>\$ -</u>

TOWN OF HARRISON
CURRENT FUND

CHANGE FUNDS

A-7

	<u>Ref.</u>	
Balance December 31, 2021	A	<u>\$ 1,600.00</u>
Balance December 31, 2022	A,Below	<u><u>\$ 1,600.00</u></u>
<u>Analysis of Balance</u>		
Tax Collector's Office	Above	<u><u>\$ 1,600.00</u></u>

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

A-8

	<u>Ref.</u>		
Balance December 31, 2021	A		\$ 23,086.30
Increased by:			
Veterans' and Senior Citizens' Tax			
Deductions per Tax Billings		\$ 19,500.00	
Add: Allowed by Tax Collector		<u>250.00</u>	
		19,750.00	
Less: Disallowed by Tax Collector		<u>490.41</u>	
	A-9		<u>19,259.59</u>
			<u>42,345.89</u>
Decreased by:			
Cash Received from State of New			
Jersey	A-6		<u>19,259.59</u>
Balance December 31, 2022	A		<u><u>\$ 23,086.30</u></u>

TOWN OF HARRISON
CURRENT FUND

TAX TITLE LIENS

A-10

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ 86,815.88
Increased by:		
Transfer from Taxes Receivable	A-9	<u>72,695.44</u>
Balance December 31, 2022	A	<u>\$ 159,511.32</u>

TOWN OF HARRISON
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-11
Sheet #1

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Accrued</u>	<u>Collected</u> <u>2021</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
<u>Clerk</u>					
Alcoholic Beverage Licenses	A-2	\$	\$ 51,341.52	\$ 51,341.52	\$
Other Fees and Permits	A-2a		89,355.00	89,355.00	
Other Licenses	A-2a		5,343.20	5,343.20	
<u>Health Officer (Including Registrar</u> <u>of Vital Statistics)</u>					
Licenses - Vital Statistics	A-2a		5,119.00	5,119.00	
Licenses - Health	A-2a		16,450.00	16,450.00	
<u>Fire Official</u>					
Other Fees and Permits	A-2a		4,016.00	4,016.00	
Other Licenses	A-2a		4,525.00	4,525.00	
<u>Planning Board</u>					
Other Fees and Permits	A-2a		6,300.00	6,300.00	
<u>Zoning Board</u>					
Other Fees and Permits	A-2a		6,983.00	6,983.00	
<u>Recreation</u>					
Other Fees and Permits	A-2a		15,288.00	15,288.00	
<u>Construction Code Official</u>					
Building Permits	A-2		767,068.00	767,068.00	
Other Licenses	A-2a		5,919.00	5,919.00	
<u>Municipal Court</u>					
Fines and Costs	A-2	36,315.54	549,505.12	535,026.85	50,793.81
Other	A-2		3,546.88	3,546.88	
<u>Treasurer</u>					
Interest on Investments - Treasurer	A-2		426,823.77	426,823.77	
Consolidated Municipal Property Tax					
Relief Aid	A-2		332,884.00	332,884.00	
Energy Receipts Tax	A-2		11,150,781.00	11,150,781.00	
Parking Lot Tax	A-2		355,624.89	355,624.89	
Parking Lot Tax - Harrison Parking Center	A-2		412,490.43	412,490.43	
Comcast Cable Fees	A-2		39,286.48	39,286.48	
Verizon FIOS Fees	A-2		57,960.37	57,960.37	
Uniform Fire Safety Rebate	A-2		39,399.43	39,399.43	
Payment in Lieu of Taxes - Port Authority	A-2		84,392.00	84,392.00	
North Hudson CAC Rent	A-2		24,000.00	24,000.00	
Developer Deficiency Payment	A-2		252,838.00	252,838.00	
NJEIT Loan Debt Service from Developer	A-2		1,204,608.29	1,204,608.29	
Hotel Tax	A-2		397,512.35	397,512.35	
Cell Tower Lease - AT&T	A-2		51,656.76	51,656.76	
Administration Redevelopment Fees	A-2		277,667.30	277,667.30	
Borough of East Newark - Dispatching Services	A-2		45,000.00	45,000.00	
Borough of East Newark - Street Sweeping	A-2		20,000.00	20,000.00	
Borough of East Newark - Ambulance	A-2		6,500.00	6,500.00	
CJUF Debt Obligation	A-2		528,172.88	528,172.88	
Harrison Housing Authority - Payment					
in Lieu of Taxes	A-2		135,900.00	135,900.00	
PILOT Riverpark	A-2		1,096,586.75	1,096,586.75	
PILOT Riverpark 2	A-2		534,096.08	534,096.08	
PILOT Russo	A-2		754,266.12	754,266.12	
PILOT Bergen Street	A-2		403,735.56	403,735.56	
PILOT Building #1	A-2		247,500.00	247,500.00	
PILOT Building #3	A-2		1,096,910.13	1,096,910.13	
PILOT Building #4	A-2		1,418,903.06	1,418,903.06	
PILOT Building #5	A-2		1,392,233.66	1,392,233.66	
PILOT Building #6	A-2		1,009,000.59	1,009,000.59	

TOWN OF HARRISON
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-11
Sheet #2

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Accrued</u>	<u>Collected</u> <u>2022</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
<u>Treasurer</u>					
PILOT Building E	A-2	\$	\$ 755,516.22	\$ 755,516.22	\$
PILOT One Harrison	A-2		989,695.45	989,695.45	
PILOT Building F	A-2		739,666.23	739,666.23	
PILOT Panasonic	A-2		135,208.48	135,208.48	
PILOT Element Hotel	A-2		60,720.00	60,720.00	
PILOT Red Bulls	A-2		1,251,265.04	1,251,265.04	
PILOT Accordia	A-2		293,836.50	293,836.50	
PILOT Dey & Bergen	A-2		941,116.25	941,116.25	
Senior Citizen Food Program	A-2		5,323.00	5,323.00	
Payment in Lieu of Taxes - Hampton Hotel	A-2		173,001.22	173,001.22	
PILOT Ben Harrison URE	A-2		1,187,150.93	1,187,150.93	
		<u>\$ 36,315.54</u>	<u>\$ 31,859,988.94</u>	<u>\$ 31,845,510.67</u>	<u>\$ 50,793.81</u>
<u>Reference</u>		<u>A</u>	<u>Reserve</u>	<u>Below</u>	<u>A</u>
			<u>Ref.</u>		
Cash Held by State (Qualified Bond Act)			A-5	\$ 399,750.00	
Cash Receipts			A-6	29,548,597.46	
Interfunds Receivable			A-12	148,160.75	
Developer Advancement for Debt Service			A-21	1,740,978.52	
Prepaid Riverpark PILOT Fees			A-31	8,023.94	
			<u>Above</u>	<u>\$ 31,845,510.67</u>	

TOWN OF HARRISON
CURRENT FUND

INTERFUNDS RECEIVABLE

A-12

	Ref.	Total	Animal Control Fund	Federal and State Grant Fund	CDBG Trust Fund	Payroll Fund	Water/ Sewer Operating Fund	Parking Operating Fund	General Capital Fund
Balance December 31, 2021	A	\$ 10,733,937.80	\$	\$ 65,283.77	\$ 232,000.00	\$ 100,000.00	\$	\$ 4,236,649.92	\$ 6,100,004.11
Increased by:									
Miscellaneous Revenue Not Anticipated	A-2b	382,761.85	55.80						
Cash Disbursed	A-4	681,184.29		581,184.29		100,000.00		382,706.05	
Revenue Accounts Receivable	A-11	148,160.75							
		<u>11,946,044.69</u>	<u>55.80</u>	<u>646,468.06</u>	<u>232,000.00</u>	<u>200,000.00</u>	<u>148,081.25</u>	<u>4,619,355.97</u>	<u>79.50</u>
									<u>6,100,083.61</u>
Decreased by:									
Cash Receipts	A-4	<u>2,930,735.28</u>				100,000.00	148,081.25	236,649.92	2,446,004.11
Balance December 31, 2022	A	\$ <u>9,015,309.41</u>	\$ <u>55.80</u>	\$ <u>646,468.06</u>	\$ <u>232,000.00</u>	\$ <u>100,000.00</u>	\$ <u>-</u>	\$ <u>4,382,706.05</u>	\$ <u>3,654,079.50</u>

Analysis of Net Credit to Operations

Balance December 31, 2021	Above	\$ 10,733,937.80
Balance December 31, 2022	Above	<u>9,015,309.41</u>
Net Credit to Operations	A-1	\$ <u>1,718,628.39</u>

TOWN OF HARRISON
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION

A-13

	<u>Ref.</u>	
Balance December 31, 2021	A	<u>\$216,700.00</u>
Balance December 31, 2022	A	<u><u>\$216,700.00</u></u>

TOWN OF HARRISON
FEDERAL AND STATE GRANT FUND

BUDGET REFUNDS

A-14

	<u>Ref.</u>	
Increased by:		
Cash Receipts	Reserve	\$948,638.81
Decreased by:		
Applied to 2022 Budget	Reserve	<u>948,638.81</u>
		<u>\$ -</u>

TOWN OF HARRISON
GRANT FUND

A-15
Sheet #1

GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>2022 Budget</u> <u>Revenue</u> <u>Realized</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
New Jersey Transportation Trust Funds:					
N.J. Transportation Trust Fund Act - 2022	\$	\$ 689,994.00	\$	\$	\$ 689,994.00
N.J. Transportation Trust Fund Act - 2021	662,483.00				662,483.00
N.J. Transportation Trust Fund Act - 2020	296,015.17				296,015.17
Distracted Driving Grant	10,000.00	8,750.00	4,340.00	4,410.00	
Project C.A.R.E. - 2021				10,000.00	
Municipal Drug Alliance:					
July 1, 2021 to June 30, 2022	5,065.00		5,065.00		
July 1, 2022 to June 30, 2023		5,065.00			5,065.00
Hudson County Open Space - Harrison Courts	458,850.00				458,850.00
COPS Hiring Grant		625,000.00			625,000.00
Bulletproof Vests	8,372.60		1,840.35		6,532.25
SAFER Grant - 2020	16,960.94				
Body Worn Camera Grant	25,679.00		12,839.40	16,960.94	
NJ DEP Green Acres - Park Development		750,000.00			12,839.60
NJ DEP Green Acres - Stewardship		750,000.00			750,000.00
Body Armor Fund		2,097.78	2,097.78		750,000.00
Opioid Settlement Grant		42,314.75	42,314.75		
Clean Communities Grant - 2022		30,991.44	30,991.44		
Drive SOBER or Get Pulled Over		8,750.00			8,750.00
County of Hudson Open Space Grants:					
Library and Library Park Improvements	0.80			0.80	
DMHAS Alliance for ACE Trauma Education		1,837.00			1,837.00
Recycling Tonnage Grant - 2022		22,156.59	22,156.59		
Senior Outreach Center 2021 - 191	136,385.66		136,385.66		
CDBG COVID-19 Decon Engine Grant		198,073.00	198,073.00		
Alcohol Education and Rehabilitation Grant		6,633.15	6,633.15		

TOWN OF HARRISON
GRANT FUND

GRANTS RECEIVABLE

A-15
Sheet #2

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>2022 Budget</u> <u>Revenue</u> <u>Realized</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
ARP Firefighter Grant	\$	\$ 28,000.00	\$	\$	\$ 28,000.00
Senior Citizen Food Program 2021-029					
Senior Citizen Food Program 2021-529	179,126.00		74,156.21	104,969.79	
Peer Grouping Senior Nutrition Program		10,000.00	9,997.75	2.25	
CAA/CRRSA Home Delivered Meals		22,048.00	22,047.25	0.75	
Senior Outreach Center CY 2022 - 291		186,513.00	121,158.04		65,354.96
Senior Citizen Food Program CT 2022 - 029		94,961.00	45,989.12		48,971.88
Senior Citizen Food Program CT 2022 - My 529		50,727.00			50,727.00
	<u>\$ 1,798,938.17</u>	<u>\$ 3,533,911.71</u>	<u>\$ 736,085.49</u>	<u>\$ 136,344.53</u>	<u>\$ 4,460,419.86</u>
<u>Reference</u>	<u>A</u>	<u>A-2</u>	<u>A-4</u>	<u>A-1</u>	<u>A</u>

TOWN OF HARRISON
CURRENT FUND

APPROPRIATION RESERVES

A-16
Sheet #1

Appropriations	Balance Dec. 31, 2021 Reserved		Balance After Transfers	Expended	Balance Cancelled
	Encumbered	Unencumbered			
APPROPRIATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administrative and Executive:					
Salaries and Wages:					
Governing Body	\$	\$ 0.04	\$ 0.04	\$	\$ 0.04
Town Clerk's Office		98,774.96	98,774.96	25,000.00	73,774.96
Other Expenses	963.39	71,620.95	65,584.34	2,390.65	63,193.69
Elections:					
Salaries and Wages		3,109.63	3,109.63		3,109.63
Other Expenses		2,310.58	2,310.58		2,310.58
Financial Administration:					
Salaries and Wages		3,042.12	3,042.12		3,042.12
Other Expenses:					
Budgetary and Accounting Fees	119,250.00		119,250.00	119,250.00	
Miscellaneous Other Expenses	64,245.64	597.49	64,843.13	6,876.54	57,966.59
Bond Registration		3,000.00	3,000.00		3,000.00
Payroll Processing		28,126.60	28,126.60		28,126.60
Information Technology:					
Salaries and Wages		2,792.16	2,792.16		2,792.16
Other Expenses	55,661.23	9,296.44	64,957.67	54,540.44	10,417.23
Town Historian:					
Other Expenses		1,400.00	1,400.00		1,400.00
Assessment of Taxes:					
Salaries and Wages		71.47	71.47		71.47
Other Expenses:					
Tax Appeal Fees	26,790.00	15,000.00	41,790.00	6,730.00	35,060.00
Miscellaneous Other Expenses		703.74	703.74		703.74
Collection of Taxes:					
Salaries and Wages		14,022.92	14,022.92		14,022.92
Other Expenses		9,770.21	9,770.21	8,608.61	1,161.60
Legal Services and Costs:					
Salaries and Wages		336.17	336.17		336.17
Other Expenses	53,429.65	112,117.50	165,547.15	31,006.00	134,541.15
Compliance Office:					
Salaries and Wages		5,000.00	5,000.00		5,000.00
Other Expenses		5,000.00	5,000.00		5,000.00
Municipal Court:					
Salaries and Wages		26,197.77	26,197.77		26,197.77
Other Expenses	2,910.69	20,742.52	23,653.21	9,734.35	13,918.86
Public Defender:					
Salaries and Wages		1,359.76	1,359.76		1,359.76
Other Expenses		1,000.00	1,000.00		1,000.00
Liquidation of Tax Title Liens and					
Foreclosed Property:					
Other Expenses		500.00	500.00		500.00
Municipal Land Use Law					
(N.J.S.A. 40:55d-1):					
Planning Board:					
Salaries and Wages		500.00	500.00		500.00
Other Expenses	462.31	37,705.34	38,167.65	236.60	37,931.05

TOWN OF HARRISON
CURRENT FUND

APPROPRIATION RESERVES

A-16
Sheet #2

Appropriations	Balance Dec. 31, 2021 Reserved		Balance After Transfers	Expended	Balance Cancelled
	Encumbered	Unencumbered			
APPROPRIATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
Municipal Land Use Law (N.J.S.A. 40:55d-1):					
Zoning Board:					
Salaries and Wages	\$	\$ 500.00	\$ 500.00	\$	\$ 500.00
Other Expenses	64.52	3,938.04	11,002.56	7,997.50	3,005.06
Engineering Services and Costs:					
Other Expenses	149,060.00	29,935.56	178,995.56	149,721.28	29,274.28
Public Buildings and Grounds:					
Gas and Electric		78,538.82	78,538.82		78,538.82
Gasoline/Diesel Fuel	12,075.59	52,314.36	64,389.95	20,052.39	44,337.56
PUBLIC SAFETY					
Fire:					
Salaries and Wages		25,895.21	25,895.21		25,895.21
Other Expenses:					
Clothing Allowance		4,375.00	4,375.00		4,375.00
Miscellaneous Other Expenses	107,021.35	38,145.08	145,166.43	108,507.14	36,659.29
Uniform Fire Safety Act - Fire Safety					
Hazard Bureau:					
Salaries and Wages		6,753.94	6,753.94		6,753.94
Other Expenses		5,454.95	5,454.95		5,454.95
Police:					
Salaries and Wages		419,870.26	419,870.26	350,569.06	69,301.20
Other Expenses:					
Clothing Allowance		5,575.00	5,575.00		5,575.00
Miscellaneous Other Expenses	46,999.13	6,588.31	53,587.44		53,587.44
Traffic Signals:					
Other Expenses	18,916.48	26,306.84	45,223.32	21,755.62	23,467.70
Police and Fire Signal Alarm System:					
Other Expenses		4,500.00	4,500.00		4,500.00
Police and Fire Radios and Communications:					
Other Expenses	1,292.56	3,419.78	4,712.34	1,128.56	3,583.78
Emergency Management Control:					
Other Expenses		3,000.00	3,000.00		3,000.00
Public Building Alarm System:					
Other Expenses		6,590.00	6,590.00		6,590.00
STREETS AND ROADS					
Public Works:					
Salaries and Wages		149,331.09	103,331.09	20,000.00	83,331.09
Other Expenses	54,817.74	36,790.58	112,608.32	75,694.12	36,914.20
Public Vehicle Maintenance:					
Other Expenses	29,192.29	10,392.12	64,584.41	52,363.52	12,220.89
Street Lighting:					
Other Expenses		26,129.32	26,129.32		26,129.32

TOWN OF HARRISON
CURRENT FUND

APPROPRIATION RESERVES

A-16
Sheet #3

Appropriations	Balance Dec. 31, 2021 Reserved		Balance After Transfers	Expended	Balance Cancelled
	Encumbered	Unencumbered			
APPROPRIATIONS WITHIN "CAPS"					
STREETS AND ROADS					
Recycling:					
Salaries and Wages	\$	\$ 2,884.68	\$ 2,884.68	\$	\$ 2,884.68
Other Expenses		7,500.00	7,500.00		7,500.00
SANITATION					
Garbage and Trash Removal:					
Other Expenses		96,156.15	96,156.15	71,873.17	24,282.98
HEALTH AND WELFARE					
Board of Health - Local Health Agency:					
Salaries and Wages		5,338.83	5,338.83		5,338.83
Other Expenses	12,562.54	12,445.44	25,007.98	14,578.67	10,429.31
Dog Regulations:					
Other Expenses	34,513.80	3,567.20	38,081.00	33,913.80	4,167.20
Administration of Public Assistance:					
Other Expenses		5,812.21	5,812.21		5,812.21
Aid to Health Care Facilities (N.J. 44:5-2) - West					
Sheltered Workshop:					
Other Expenses		7,500.00	7,500.00	7,500.00	
Substance Abuse Education:					
Other Expenses		7,730.00	7,730.00	443.75	7,286.25
Insurance (N.J.S.A. 40A:4-45.3(00)):					
Insurance:					
General Liability		8,324.12	8,324.12		8,324.12
Workers Compensation		788,363.63	768,363.63	54,209.39	714,154.24
RECREATION AND EDUCATION					
Parks and Playgrounds:					
Salaries and Wages		107,403.61	107,403.61	45,000.00	62,403.61
Other Expenses	331.07	45,052.46	45,383.53	10,964.42	34,419.11
Senior Citizen Center:					
Other Expenses	39,255.46	2,075.03	41,330.49	8,341.35	32,989.14
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses		41,730.00	41,730.00	29,360.90	12,369.10
Transportation for Senior Citizens and the Handicapped:					
Salaries and Wages		22,659.92	22,659.92		22,659.92
Other Expenses		5,000.00	5,000.00		5,000.00
Community Center:					
Other Expenses	19,265.45	3,734.55	23,000.00	19,265.45	3,734.55
UNCLASSIFIED					
Telephone		13,265.99	13,265.99	2,509.41	10,756.58
Postage Machine		14,015.50	14,015.50	2,515.50	11,500.00

TOWN OF HARRISON
CURRENT FUND

APPROPRIATION RESERVES

A-16
Sheet #4

<u>Appropriations</u>	Balance Dec. 31, 2021 Reserved		Balance After Transfers	<u>Expended</u>	Balance <u>Cancelled</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
Construction Code Official:					
Salaries and Wages	\$	\$ 37,014.27	\$ 37,014.27	\$ 20,000.00	\$ 17,014.27
Other Expenses		61,728.25	61,728.25	785.19	60,943.06
Building Inspector:					
Salaries and Wages		3,402.61	3,402.61		3,402.61
Other Expenses	738.00	4,676.00	5,414.00	738.00	4,676.00
<u>STATUTORY EXPENDITURES</u>					
Contribution to:					
Public Employees' Retirement System		15,000.00	35,000.00	35,000.00	
Social Security System (OASI)		17,238.30	17,238.30		17,238.30
<u>CONTINGENT</u>		<u>5,000.00</u>	<u>5,000.00</u>		<u>5,000.00</u>
Total Appropriations Within "CAPS"	849,818.89	2,763,061.38	3,612,880.27	1,429,161.38	2,183,718.89
Maintenance of Free Public Library (Ch. 82, P.L. 1985)					
	4,527.22	168,538.70	173,065.92	173,065.92	
Upgrade CAD/RMS	102,250.00		102,250.00	69,496.00	32,754.00
Matching Funds for Federal and State Grants					
		<u>5,000.00</u>	<u>5,000.00</u>		<u>5,000.00</u>
	<u>\$ 956,596.11</u>	<u>\$ 2,936,600.08</u>	<u>\$ 3,893,196.19</u>	<u>\$ 1,671,723.30</u>	<u>\$ 2,221,472.89</u>
<u>Reference</u>	<u>A</u>	<u>A</u>		<u>Below</u>	<u>A-1</u>

<u>Ref.</u>	
Cash Disbursed	A-4 \$ 1,086,771.30
Interfunds Payable	A-22 410,000.00
Accounts Payable	A-29 174,952.00
Above	<u>\$ 1,671,723.30</u>

TOWN OF HARRISON
CURRENT FUND

RESERVE FOR SCHOOL DEBT SERVICE

A-17

	<u>Ref.</u>	
Balance December 31, 2021	A	<u>\$ 404,101.19</u>
Balance December 31, 2022	A	<u><u>\$ 404,101.19</u></u>

ELEVATOR INSPECTION FEES PAYABLE

A-18

	<u>Ref.</u>	
Increased by:		
Cash Receipts	A-4	\$ 28,230.00
Decreased by:		
Cash Disbursements	A-4	<u>28,230.00</u>
		<u><u>\$ -</u></u>

TOWN OF HARRISON
CURRENT FUND

RESERVE FOR MUNICIPAL RELIEF FUND AID

A-19

	<u>Ref.</u>	
Increased by:		
Cash Receipts	A-4	<u>\$ 599,032.68</u>
Balance December 31, 2022	A	<u><u>\$ 599,032.68</u></u>

TAX OVERPAYMENTS

A-20

	<u>Ref.</u>	
Increased by:		
Cash Receipts	A-6	\$ 91,545.35
Decreased by:		
Cash Disbursed	A-4	<u>91,545.35</u>
		<u><u>\$ -</u></u>

TOWN OF HARRISON
CURRENT FUND

DEVELOPER ADVANCEMENT FOR DEBT SERVICE

A-21

	<u>Ref.</u>	<u>Total</u>	<u>AR at Harrison</u>	<u>Harrison Commons</u>
Balance December 31, 2021	A	\$ 288,800.06	\$ 281,023.81	\$ 7,776.25
Increased by:				
Cash Receipts	A-4	<u>1,782,300.13</u>	<u>1,219,443.51</u>	<u>562,856.62</u>
		2,071,100.19	1,500,467.32	570,632.87
Decreased by:				
Applied to Anticipated Revenue	A-11	<u>1,740,978.52</u>	<u>1,212,805.64</u>	<u>528,172.88</u>
Balance December 31, 2022	A	<u><u>\$ 330,121.67</u></u>	<u><u>\$ 287,661.68</u></u>	<u><u>\$ 42,459.99</u></u>

TOWN OF HARRISON
CURRENT FUND

INTERFUNDS PAYABLE

A-22

	<u>Ref.</u>	Due to General <u>Trust Fund</u>
Balance December 31, 2021	A	<u>\$ 838,129.89</u>
Increased by:		
Budget Appropriations	A-3	739,616.00
Cash Receipts	A-4	431,594.88
Appropriation Reserves	A-16	<u>410,000.00</u>
		<u>1,581,210.88</u>
		2,419,340.77
Decreased by:		
Cash Disbursed	A-4	<u>2,007,767.46</u>
Balance December 31, 2022	A	<u><u>\$ 411,573.31</u></u>

TOWN OF HARRISON
CURRENT FUND

DUE TO STATE - DCA FEES

A-23

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ 5,955.00
Increased by:		
Cash Receipts	A-4	33,354.00
		<u>39,309.00</u>
Decreased by:		
Cash Disbursed	A-4	36,695.00
		<u>36,695.00</u>
Balance December 31, 2022	A	<u>\$ 2,614.00</u>

LOCAL SCHOOL DISTRICT TAX PAYABLE

A-24

	<u>Ref.</u>	
Increased by:		
Levy - Calendar Year	A-1,2a,9	\$9,983,455.00
Decreased by:		
Cash Disbursements	A-4	9,983,455.00
		<u>9,983,455.00</u>
		<u>\$ -</u>

TOWN OF HARRISON
CURRENT FUND

COUNTY TAXES PAYABLE

A-25

	<u>Ref.</u>		
Balance December 31, 2021	A		\$ 17,207.98
Increased by:			
Levy - Year 2022		\$6,192,263.21	
Added and Omitted Taxes		<u>14,821.30</u>	
	A-1,2a,9		<u>6,207,084.51</u>
			6,224,292.49
Decreased by:			
Cash Disbursements	A-4		<u>6,209,471.19</u>
Balance December 31, 2022	A		<u><u>\$ 14,821.30</u></u>

FEDERAL AND STATE GRANT FUND
INTERFUNDS PAYABLE

A-26

	<u>Ref.</u>		
Balance December 31, 2021	A		\$ 65,283.77
Increased by:			
Cash Receipt	A-4		<u>581,184.29</u>
Balance December 31, 2022	A		<u><u>\$ 646,468.06</u></u>

TOWN OF HARRISON
CURRENT FUND

PREPAID TAXES

A-27

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ 532,975.45
Increased by:		
Cash Receipts	A-6	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 100px; text-align: right;">469,788.76</div> </div>
		1,002,764.21
Decreased by:		
Applied to 2022 Taxes Receivable	A-9	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 100px; text-align: right;">532,975.45</div> </div>
Balance December 31, 2022	A	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 3px double black; width: 100px; text-align: right;">\$ 469,788.76</div> </div>

RESERVE FOR TAX APPEALS

A-28

	<u>Ref.</u>	
Balance December 31, 2021	A	\$9,739,437.53
Decreased by:		
Cash Disbursed	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 100px; text-align: right;">31,292.41</div> </div>
Balance December 31, 2022	A	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 3px double black; width: 100px; text-align: right;">\$9,708,145.12</div> </div>

TOWN OF HARRISON
CURRENT FUND

ACCOUNTS PAYABLE

A-29

	<u>Ref.</u>	
Balance December 31, 2021	A	\$613,869.57
Increased by:		
Transfer from Appropriation Reserves	A-16	<u>174,952.00</u> 788,821.57
Decreased by:		
Cash Disbursed	A-4	<u>25,591.54</u>
Balance December 31, 2022	A	<u><u>\$763,230.03</u></u>

DUE TO COUNTY - PILOT FEES

A-30

	<u>Ref.</u>	
Increased by:		
Cash Receipts	A-6	\$744,029.18
Decreased by:		
Cash Disbursed	A-4	<u>743,801.00</u>
Balance December 31, 2022	A	<u><u>\$ 228.18</u></u>

TOWN OF HARRISON
CURRENT FUND

PREPAID RIVERPARK PILOT FEES

A-31

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ 8,023.94
Increased by:		
Riverpark PILOT Fees	A-6	<u>29,282.58</u> 37,306.52
Decreased by:		
Applied to Revenue	A-11	<u>8,023.94</u>
Balance December 31, 2022	A	<u><u>\$29,282.58</u></u>

PREPAID REVENUE

A-32

	<u>Ref.</u>	
Balance December 31, 2021	A	<u>\$ 1,500.00</u>
Balance December 31, 2022	A	<u><u>\$ 1,500.00</u></u>

RESERVE FOR REVALUATION

A-33

	<u>Ref.</u>	
Balance December 31, 2021	A	<u>\$15,000.00</u>
Balance December 31, 2022	A	<u><u>\$15,000.00</u></u>

TOWN OF HARRISON
GRANT FUND

RESERVE FOR GRANTS - APPROPRIATED

A-34

<u>Grant</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Budget Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Adjustment</u>	<u>Balance Dec. 31, 2022</u>
Transportation Trust Fund:						
Resurfacing Grant - 2013	\$ 3,758.79	\$	\$	\$ 3,758.79	\$	\$
Resurfacing Grant - 2021	662,483.00		301,061.87			361,421.13
Resurfacing Grant - 2022		689,994.00				689,994.00
Recycling Tonnage:						
Fiscal Year 2018	14,230.69					14,230.69
Fiscal Year 2019	364.17					364.17
Fiscal Year 2020	20,989.11					20,989.11
Fiscal Year 2021		22,156.59				22,156.59
County of Hudson Open Space Grants:						
Library and Library Park Improvements	0.80			0.80		
Harrison Courts	458,850.00		339,638.22			119,211.78
Opold Settlement Grant		42,314.75				42,314.75
COPS Hiring Grant		625,000.00				625,000.00
Distracted Driving Crackdown		8,750.00	4,340.00	4,410.00		
Hudson County C.A.A.R.E. - 2021	10,000.00			10,000.00		
FEMA Hazard Mitigation Grant Match	71,137.78			71,137.78		
Police Body Armor	1,079.98	2,097.78				3,177.74
Drive SOBER or Get Pulled Over		8,750.00	5,600.00			3,150.00
CDBG COVID-19 MS Project		198,073.00	198,073.00			
Bulletproof Vests	6,532.25					6,532.25
Body Worn Camera Grant	25,678.80		12,839.20			12,839.60
Safety Incentive Grant:						
Year 2013	1,725.00					1,725.00
Year 2014	1,000.00					1,000.00
Year 2018	1,000.00					1,000.00
Senior Citizen Food Program:						
Year 2021-029	26,950.27		5,582.42	21,367.85		
Year 2021-529	75,000.00			75,000.00		
NJ DEP Green Acres - Park Development		750,000.00				750,000.00
NJ DEP Green Acres - Stewardship		750,000.00				750,000.00
Equitable Sharing Agreement:						
Year 2017	5,750.39		2,291.25			3,459.14
Year 2018	59,049.61					59,049.61
Year 2019	10,840.32		8,549.07			2,291.25
Year 2020	25,501.43		4,742.93			20,758.50
Year 2021	23,693.93					23,693.93
Alcohol Education and Rehabilitation Fund	39,993.96	6,633.16	2,991.02		1,557.96	45,194.06
Emergency Management:						
Year 2012 - Match	4,567.04					4,567.04
Year 2013 - Match	5,000.00					5,000.00
Year 2014 - Match	5,000.00					5,000.00
Year 2015 - Match	5,000.00					5,000.00
Year 2017 - Match	2,922.60					2,922.60
Clean Community Program:						
Year 2022		30,991.44				30,991.44
Year 2021	20,552.67					20,552.67
Year 2020	19,301.08					19,301.08
Year 2019	21,404.19		7,889.25			13,514.94
Year 2018	6,618.75		6,618.75			
Municipal Alliance on Alcoholism and Drug Abuse:						
July 2021 to June 2022 - State Share	2,059.00		2,059.00			
July 2021 to June 2022 - Local Match	986.25		986.25			
July 2022 to June 2023 - State Share		5,065.00	4,221.00			844.00
July 2022 to June 2023 - Local Match		3,461.25	3,461.25			
SAFER Grant:						
Year 2020	16,960.96			16,960.96		
DMHAS Alliance Fund For ACES Trauma Education		1,837.00				1,837.00
Peer Grouping Senior Nutrition Program		10,000.00	9,997.75	2.25		
ARP - Firefighter Grant		28,000.00				28,000.00
Senior Citizen Food Program - 291 - 2022		208,561.00	187,453.89	0.75		21,106.36
Senior Citizen Food Program - 029 - 2022		94,961.00	94,961.00			
Senior Citizen Food Program - 529 - 2022		50,727.00	50,727.00			
Senior Citizen Outreach Program - 2021	29,612.44			29,612.44		
Drunk Driver Enforcement Fund - 2019	48,059.16				(1,557.96)	46,501.20
	<u>\$ 1,733,654.40</u>	<u>\$ 3,537,372.97</u>	<u>\$ 1,254,084.12</u>	<u>\$ 232,251.62</u>	<u>\$ -</u>	<u>\$ 3,784,691.63</u>

Reference

A

Below

A-4

A-1

Reserve

A

Ref.

Budget Appropriations

A-3

\$ 3,533,911.72

Local Share - Budget Appropriation

A-4

3,461.25

Above

\$ 3,537,372.97

TOWN OF HARRISON
GRANT FUND

RESERVE FOR GRANTS - UNAPPROPRIATED

A-35

	<u>Ref.</u>	
Balance December 31, 2021	A	\$1,049,877.93
Increased by:		
Cash Receipts	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="margin-right: 10px;">1,677,288.18</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		2,727,166.11
Decreased by:		
Applied to Anticipated Revenue	A-2	<div style="display: flex; justify-content: flex-end;"> <div style="margin-right: 10px;">1,049,877.93</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance December 31, 2022	A, Below	<div style="display: flex; justify-content: flex-end;"> <div style="margin-right: 10px;">\$1,677,288.18</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>
 <u>Analysis of Balance</u>		
American Rescue Plan - 2022		\$1,049,877.94
American Rescue Plan - Hudson County		
Allocation - 2022		598,150.07
Opioid Settlement Funds		25,805.72
Body Armor Replacement Fund		<div style="display: flex; justify-content: flex-end;"> <div style="margin-right: 10px;">3,454.45</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
	Above	<div style="display: flex; justify-content: flex-end;"> <div style="margin-right: 10px;">\$1,677,288.18</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

TOWN OF HARRISON
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS

B-1

Ref.	Animal Control Fund	Community Development Block Grant	Total Trust Other	General Trust	Unemployment Insurance	Marriage Surcharge	Profit Sharing Forfeiture	Trust Other			Ordinance Trust Fund	Construction Escrow Deposits	Developers' Escrow Deposits
								Affordable Housing Trust Fund					
B	\$ 4,134.00	\$ 232,000.00	\$ 15,167,390.66	\$ 8,116,687.55	\$ 1,001,985.82	\$ 1,150.00	\$ 32,653.21	\$ 198,151.07			\$ 5,381,152.57	\$ 153,715.50	\$ 301,884.94
Increased by:													
B-2		115,180.00											
B-3			1,100,000.00	1,100,000.00									
B-5	293.40												
B-6	1,704.00												
B-9			1,825.00			1,825.00							
B-11			60,709.82		60,709.82								
B-12			423,800.00	423,800.00									
B-13			10,503.00	10,503.00									
B-15			29.96	29.96									
B-16			586,798.14	18,426.67									
B-17	1,997.40		1,401,849.51	794,911.35			208.27				588,303.22	18,426.67	578,371.47
			3,595,515.43	2,347,670.98	60,709.82	1,825.00	208.27				588,303.22	18,426.67	578,371.47
	6,131.40	232,000.00	18,762,906.09	10,464,358.53	1,062,705.64	2,975.00	32,861.48	198,151.07			5,949,455.79	172,142.17	880,256.41
Decreased by:													
B-4	2,177.40												
B-5													
B-9	293.40		1,825.00			1,825.00							
B-8		115,180.00											
B-11			38,834.82		38,834.82								
B-12			232,000.00	232,000.00									
B-16			76,378.85	16,959.54									
B-17	2,470.80		1,108,451.44	1,085,865.40							5,626.50	16,959.54	59,419.31
			1,457,490.11	1,334,824.94	38,834.82	1,825.00					5,626.50	16,959.54	59,419.31
B	\$ 3,660.60	\$ 232,000.00	\$ 17,305,415.98	\$ 9,129,533.59	\$ 1,023,870.82	\$ 1,150.00	\$ 32,861.48	\$ 198,151.07			\$ 5,943,829.29	\$ 155,182.63	\$ 820,837.10
Balance December 31, 2022													

TOWN OF HARRISON
TRUST FUND

DUE FROM HUDSON COUNTY

B-2

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 115,180.00
Decreased by:		
Cash Receipts	B-1	<u>115,180.00</u>
		<u>\$ -</u>

DUE FROM CURRENT FUND

B-3

	<u>Ref.</u>		
Balance December 31, 2021	B		\$ 838,129.89
Increased by:			
Other Reserves	B-17		<u>1,581,210.88</u>
			2,419,340.77
Decreased by:			
Cash Receipts	B-1	\$1,100,000.00	
Monies Expended in Current Fund	B-17	<u>907,767.46</u>	
			<u>2,007,767.46</u>
Balance December 31, 2022	B		<u>\$ 411,573.31</u>

TOWN OF HARRISON
TRUST FUND

DUE TO CURRENT FUND -
ANIMAL CONTROL TRUST FUND

B-4

	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Animal Control Trust Fund	<u>\$2,233.20</u>	<u>\$2,177.40</u>	<u>\$55.80</u>
<u>Reference</u>	<u>B-6</u>	<u>B-1</u>	<u>B</u>

TOWN OF HARRISON
TRUST FUND

DUE TO/(FROM) STATE OF NEW JERSEY

B-5

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>
Balance December 31, 2021	B	\$ 4.80
Increased by:		
Cash Receipts	B-1	<u>293.40</u>
		298.20
Decreased by:		
Cash Disbursed	B-1	<u>293.40</u>
Balance December 31, 2022	B	<u><u>\$ 4.80</u></u>

TOWN OF HARRISON
TRUST FUND

RESERVE FOR ANIMAL CONTROL EXPENDITURES

B-6

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 4,129.20
Increased by:		
License Fees	B-1	1,704.00
		<u>5,833.20</u>
Decreased by:		
Excess Fund Balance Due to Current Fund	B-4	2,233.20
Balance December 31, 2022	B	<u>\$ 3,600.00</u>

License Fees Collected

Year

2020	\$ 1,812.00
2021	1,788.00
	<u>3,600.00</u>
Maximum Allowed	<u>\$ 3,600.00</u>

INTERFUNDS PAYABLE

B-7

	<u>Ref.</u>	CDBG Trust Fund Due to Current Fund
Balance December 31, 2021	B	<u>\$232,000.00</u>
Balance December 31, 2022	B	<u>\$232,000.00</u>

TOWN OF HARRISON
TRUST FUND

RESERVE FOR CDBG

B-8

	<u>Ref.</u>	
Balance December 31, 2021	B	\$115,180.00
Decreased by:		
Cash Disbursed	B-1	<u>115,180.00</u>
		<u>\$ -</u>

DUE TO STATE OF NEW JERSEY - MARRIAGE SURCHARGE

B-9

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 1,150.00
Increased by:		
State Fees Collected	B-1	<u>1,825.00</u>
		<u>2,975.00</u>
Decreased by:		
Cash Disbursed	B-1	<u>1,825.00</u>
Balance December 31, 2022	B	<u>\$ 1,150.00</u>

DUE TO FEDERAL GOVERNMENT

B-10

	<u>Ref.</u>	
Balance December 31, 2021	B	<u>\$ 31,550.35</u>
Balance December 31, 2022	B	<u>\$ 31,550.35</u>

TOWN OF HARRISON
TRUST FUND

RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE

B-11

	<u>Ref.</u>	
Balance December 31, 2021	B	\$1,001,995.82
Increased by:		
Cash Receipts	B-1	<u>60,709.82</u>
		1,062,705.64
Decreased by:		
Unemployment Claims	B-1	<u>38,834.82</u>
Balance December 31, 2022	B	<u><u>\$1,023,870.82</u></u>

RESERVE FOR PREMIUM ON TAX SALE

B-12

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 472,600.00
Increased by:		
Cash Receipts	B-1	<u>423,800.00</u>
		896,400.00
Decreased by:		
Cash Disbursed	B-1	<u>232,000.00</u>
Balance December 31, 2022	B	<u><u>\$ 664,400.00</u></u>

TOWN OF HARRISON
TRUST FUND

RESERVE FOR PARKING OFFENSES ADJUDICATION ACT

B-13

	<u>Ref.</u>	
Balance December 31, 2021	B	\$109,982.69
Increased by:		
Cash Receipts	B-1	<u>10,503.00</u>
Balance December 31, 2022	B	<u><u>\$120,485.69</u></u>

RESERVE FOR EMERGENCY ASSISTANCE

B-14

	<u>Ref.</u>	
Balance December 31, 2021	B	<u>\$ 400.73</u>
Balance December 31, 2022	B	<u><u>\$ 400.73</u></u>

RESERVE FOR LIBRARY DONATIONS

B-15

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 4,697.26
Increased by:		
Cash Receipts	B-1	<u>29.96</u>
Balance December 31, 2022	B	<u><u>\$ 4,727.22</u></u>

TOWN OF HARRISON
TRUST FUND

RESERVE FOR DEVELOPERS' ESCROW

B-16

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 455,600.44
Increased by:		
Escrow Deposits	B-1	<u>596,798.14</u>
		1,052,398.58
Decreased by:		
Escrow Disbursed	B-1	<u>76,378.85</u>
Balance December 31, 2022	B	<u><u>\$ 976,019.73</u></u>

TOWN OF HARRISON
TRUST FUND

OTHER RESERVES

B-17

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Recreation	\$ 38,469.11	\$ 7,450.00	\$	\$ 45,919.11
Public Defender Fees	36,663.58	875.00		37,538.58
Police Department	437,717.22		233,694.37	204,022.85
Fire Department	13,163.45	365.00		13,528.45
Police Off-Duty	522,697.44	841,594.88	734,973.53	629,318.79
Recycling	46,515.37	43,895.89		90,411.26
Tax Title Redemption	7,320.72	180,890.66	178,127.54	10,083.84
Business District Merchants	737.85			737.85
Board of Health Building Donations	6,800.00			6,800.00
Construction Performance	494,294.60		8,688.24	485,606.36
Fee Ordinance Trust	5,361,152.57	588,303.22	5,626.50	5,943,829.29
Affordable Housing Trust	198,151.07			198,151.07
Storm Recovery	2,049,600.22	329,616.00	172,793.93	2,206,422.29
DARE Program	308.20			308.20
Police Forfeiture Account	32,653.21	208.27		32,861.48
Deposits on Recreation Uniform	7,225.00	4,650.00	2,150.00	9,725.00
Library Memorial Donations	10,000.00			10,000.00
Accumulated Sick Leave	3,323,947.63	410,000.00	635,137.61	3,098,810.02
Public Art, Open Space and Recreation Trust	<u>1,340,126.02</u>	<u>575,211.47</u>	<u>45,027.18</u>	<u>1,870,310.31</u>
	<u>\$13,927,543.26</u>	<u>\$2,983,060.39</u>	<u>\$2,016,218.90</u>	<u>\$14,894,384.75</u>

Reference

B

Below

Below

B

Ref.

Cash Receipts
Cash Disbursements
Due from Current Fund

B-1
B-1
B-3

\$1,401,849.51

1,581,210.88

Above

\$2,983,060.39

\$

1,108,451.44

907,767.46

\$2,016,218.90

TOWN OF HARRISON
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
TREASURER

C-2

	<u>Ref.</u>		
Balance December 31, 2021	C		\$17,191,017.01
Increased by Receipts:			
HCIA Reimbursement	C-4	\$ 82,780.00	
Grants Receivable	C-5	108,000.00	
Due to Current Fund	C-7	79.50	
Improvement Authorizations - Refunded	C-9	128,019.20	
Capital Improvement Fund	C-10	4,104,183.43	
Reserve for Library Construction	C-11	168,166.15	
Reserve for Debt Service	C-14	<u>11,135.82</u>	
			<u>4,602,364.10</u>
			21,793,381.11
Decreased by Disbursements:			
Due to Current Fund	C-7	2,446,004.11	
Improvement Authorizations	C-9	963,529.80	
Reserve for Library Construction	C-11	<u>17,495.25</u>	
			<u>3,427,029.16</u>
Balance December 31, 2022	C		<u><u>\$18,366,351.95</u></u>

TOWN OF HARRISON
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH

C-3

Ordinance Number	Balance Dec. 31, 2021	Receipts	Disbursements		Transfers		Balance Dec. 31, 2022
			Improvement Authorizations	Other	From	To	
Fund Balance	\$ 2,389.89	\$	\$	\$ 2,446,004.11	\$	\$	\$ 2,389.89
Due To/From) Current Fund	6,100,004.11	79.50					3,654,079.50
Reserve for Debt Service	345,807.47	11,135.82					356,943.29
Due from Hudson County Improvement Authority	(374,784.83)	82,780.00					(292,004.83)
Capital Improvement Fund	7,594,815.05	4,104,183.43			450,000.00	172,674.43	11,421,672.91
Reserve for Library Construction	420,731.29	168,166.15	17,495.25				571,402.19
Reserve to Pay School Debt	14,498.68						14,498.68
Reserve for Facilities' Renovations	292,004.83		5,074.37				292,004.83
Improvements to Town-Owned Buildings	5,074.37						
Acquisition of SCBA and Other Equipment/Improvement							
Town Grounds	82,738.65						82,738.65
Purchase and Development of a Park on the Southerly							
Side of Cape May Street	843,481.21						
Acquisition of Fire Engine Pump	10,308.39		37,683.61		10,308.39	154,000.00	959,797.60
Road Resurfacing	138,046.98						138,046.98
Engineering/Upgrade HVAC	100,000.00						100,000.00
Purchase of Sweeper	2,366.04				2,366.04		
Improvement to IT	54,118.27		54,118.27				(654,000.00)
Various Improvements to the Little League Field	(586,294.98)	108,000.00	9,705.02		154,000.00		
Purchase of Computer Equipment	10,110.00		10,110.00				89,855.65
Police Equipment and Radio Upgrade	268,541.20	12,839.20	31,524.75				263,096.48
Various Improvements to the Little League Field	245,944.15	115,180.00	98,027.67		160,000.00		497,891.24
Property Acquisition and Improvements	507,791.24		9,900.00				306,968.77
Purchase of Fire Engine/Pumper	675,000.00		369,031.23				31,911.85
Fire Headquarters Plant Upgrades	65,000.00		33,088.15				16,659.09
Purchase of Tactical Equipment - Special Ops	100,325.00		83,665.91				36,411.18
Purchase of Parking Enforcement Vehicles	85,000.00		48,588.82				36,011.00
Purchase of Heavy Duty Vehicles	200,000.00		163,989.00			180,000.00	170,977.00
Fire - Water Rescue Equipment			9,023.00			200,000.00	200,000.00
Fire - Ambulance						50,000.00	20,000.00
Fire - Rescue and Firefighter Equipment Upgrade							50,000.00
Fire - SCBA Bottles							
	\$ 17,191,017.01	\$ 4,602,364.10	\$ 981,025.05	\$ 2,446,004.11	\$ 776,674.43	\$ 776,674.43	\$ 18,366,351.95
Reference	C-2	C-2	C-2	C-2	Contra	Contra	C-2

TOWN OF HARRISON
GENERAL CAPITAL FUND

DUE FROM HUDSON COUNTY IMPROVEMENT AUTHORITY

C-4

	<u>Ref.</u>	
Balance December 31, 2021	C	\$ 374,784.83
Decreased by:		
Cash Receipts	C-2	<u>82,780.00</u>
Balance December 31, 2022	C	<u><u>\$ 292,004.83</u></u>

GRANTS RECEIVABLE

C-5

	<u>Ref.</u>		
Balance December 31, 2021	C		\$4,185,339.79
Decreased by:			
Cash Receipts	C-2	\$108,000.00	
Grants Cancelled	C-9	<u>423,339.79</u>	
			<u>531,339.79</u>
Balance December 31, 2022	C,Below		<u><u>\$3,654,000.00</u></u>

<u>Analysis of Balance</u>	<u>Ordinance Number</u>	
NJ DEP ONRR Grant	1376	\$3,000,000.00
Hudson County Open Space	1396	<u>654,000.00</u>
		<u><u>\$3,654,000.00</u></u>

Reference

Above

TOWN OF HARRISON
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-6

	<u>Ref.</u>		
Balance December 31, 2021	C		\$45,247,718.94
Increased by:			
Refunding 2022 Issue	C-15	\$4,580,000.00	
Refunding CJUF 2022 Issue	C-18	<u>7,505,000.00</u>	
			<u>12,085,000.00</u>
			57,332,718.94
Decreased by:			
Debt Retirement:			
Serial Bonds 2012 Issue	C-15	4,400,000.00	
CJUF Bonds 2021 A-1 Issue	C-18	1,395,000.00	
CJUF Bonds 2021 A Issue	C-18	5,815,000.00	
Budget Appropriations:			
NJEIT Loan Payable	C-8	1,085,798.34	
Serial Bonds Payable	C-15	830,000.00	
School Bonds Payable	C-16	740,000.00	
Other Bonds Payable	C-17	1,403,646.30	
CJUF Bonds Payable	C-18	<u>205,000.00</u>	
			<u>15,874,444.64</u>
Balance December 31, 2022	C		<u><u>\$41,458,274.30</u></u>

TOWN OF HARRISON
GENERAL CAPITAL FUND

DUE TO CURRENT FUND

C-7

	<u>Ref.</u>	
Balance December 31, 2021	C	\$6,100,004.11
Increased by:		
Cash Receipts	C-2	79.50
		<u>6,100,083.61</u>
Decreased by:		
Cash Disbursed	C-2	2,446,004.11
		<u>2,446,004.11</u>
Balance December 31, 2022	C	<u><u>\$3,654,079.50</u></u>

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN

C-8

	<u>Ref.</u>	
Balance December 31, 2021	C	\$8,766,871.19
Decreased by:		
2022 Maturities	C-6	1,085,798.34
		<u>1,085,798.34</u>
Balance December 31, 2022	C	<u><u>\$7,681,072.85</u></u>

IMPROVEMENT AUTHORIZATIONS

[illegible]

TOWN OF HARRISON
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND

C-10

	<u>Ref.</u>		
Balance December 31, 2021	C		\$ 7,594,815.05
Increased by:			
Budget Appropriation	C-2	\$4,104,183.43	
Improvement Authorizations Cancelled	C-9	<u>172,674.43</u>	
			<u>4,276,857.86</u>
			11,871,672.91
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-9		<u>450,000.00</u>
Balance December 31, 2022	C		<u><u>\$11,421,672.91</u></u>

RESERVE FOR LIBRARY CONSTRUCTION

C-11

	<u>Ref.</u>		
Balance December 31, 2021	C		\$ 420,731.29
Increased by:			
Cash Receipts	C-2	<u>168,166.15</u>	
			588,897.44
Decreased by:			
Cash Disbursed	C-2		<u>17,495.25</u>
Balance December 31, 2022	C		<u><u>\$ 571,402.19</u></u>

TOWN OF HARRISON
GENERAL CAPITAL FUND

RESERVE FOR FACILITIES RENOVATIONS

C-12

	<u>Ref.</u>	
Balance December 31, 2021	C	<u>\$292,004.83</u>
Balance December 31, 2022	C	<u><u>\$292,004.83</u></u>

RESERVE TO PAY SCHOOL DEBT

C-13

	<u>Ref.</u>	
Balance December 31, 2021	C	<u>\$ 14,498.68</u>
Balance December 31, 2022	C	<u><u>\$ 14,498.68</u></u>

RESERVE FOR DEBT SERVICE

C-14

	<u>Ref.</u>	
Balance December 31, 2021	C	\$345,807.47
Increased by:		
Cash Receipts	C-2	<u>11,135.82</u>
Balance December 31, 2022	C	<u><u>\$356,943.29</u></u>

SERIAL BONDS PAYABLE - MUNICIPAL

Maturities of								
Purpose	Original Issue		Bonds Outstanding		Interest			
	Date	Amount	Date	Amount	Rate	Balance		
Early Retirement Incentive	05-01-03	\$ 2,685,000.00				Dec. 31, 2021		
						Dec. 31, 2022		
			05-01-23	\$ 100,000.00	5.690%			
			05-01-24	105,000.00	5.690			
			05-01-25	115,000.00	5.690			
			05-01-26	120,000.00	5.690			
			01-01-27	125,000.00	5.690			
			05-01-28	135,000.00	5.690			
			05-01-29	140,000.00	5.690			
			05-01-30	150,000.00	5.690			
			05-01-31	160,000.00	5.690			
			05-01-32	165,000.00	5.690			
			05-01-33	175,000.00	5.690			
General Improvements, Series 2012A-1	04-11-12	4,100,000.00				\$ 1,585,000.00		
Secured Revenue Bonds, Series 2012	08-09-12	6,369,000.00				500,000.00		
			08-15-23/27	260,000.00	5.25			
			08-15-28/32	310,000.00	5.625			
General Obligation Refunding Bonds, Series 2022-1	03-02-22	4,580,000.00	08-15-33/37	310,000.00	6.00	4,635,000.00		
			04-15-23	320,000.00	1.804			
			04-15-24	315,000.00	2.104			
			04-15-25	305,000.00	2.313			
			04-15-26	300,000.00	2.386			
			04-15-27	295,000.00	2.536			
			04-15-28	340,000.00	2.613			
			04-15-29	330,000.00	3.182			
			04-15-30	325,000.00	3.182			
			04-15-31	315,000.00	3.182			
			04-15-32	310,000.00	3.182			
			04-15-33	300,000.00	3.582			
			04-15-34	295,000.00	3.582			
			04-15-35	285,000.00	3.582			
			04-15-36	275,000.00	3.582			
			04-15-37	270,000.00	3.931			
						\$ 4,580,000.00		
						\$ 6,720,000.00		
						\$ 4,580,000.00		
						\$ 5,230,000.00		
						\$ 1,490,000.00		
						500,000.00		
						\$ 95,000.00		
						500,000.00		
						4,635,000.00		
						4,580,000.00		
						\$ 4,580,000.00		
						\$ 5,230,000.00		
						\$ 1,490,000.00		
						500,000.00		
						\$ 95,000.00		
						500,000.00		
						4,635,000.00		
						4,580,000.00		

Reference

Ref.

Serial Bonds Payable
Debt Retired

\$ 830,000.00
4,400,000.00

\$ 5,230,000.00

TOWN OF HARRISON
GENERAL CAPITAL FUND

SCHOOL SERIAL BONDS PAYABLE (TYPE I)

C-16

Purpose	Original Issue		Maturities of Bonds Outstanding Dec. 31, 2022		Interest Rate	Balance Dec. 31, 2021	Decrease	Balance Dec. 31, 2022
	Date	Amount	Date	Amount				
School - ERI	05-01-03	\$1,595,000.00	05-01-23	\$ 60,000.00	5.690%			
			05-01-24/25	65,000.00	5.690			
			05-01-26	70,000.00	5.690			
			05-01-27/28	75,000.00	5.690			
			05-01-29/30	85,000.00	5.690			
			05-01-31	90,000.00	5.690			
			05-01-32	100,000.00	5.690			
			05-01-33	105,000.00	5.690	\$ 930,000.00	\$ 55,000.00	\$ 875,000.00
Refunding Bonds, Series 2017	07-19-17	5,210,000.00	07-15-23	675,000.00	4.000			
			07-15-24	670,000.00	4.000			
			07-15-25	660,000.00	4.000			
			07-15-26/27	655,000.00	5.000			
			07-15-28	550,000.00	5.000			
			07-15-29	450,000.00	5.000			
			07-15-30	210,000.00	5.000	5,210,000.00	685,000.00	4,525,000.00
						<u>\$6,140,000.00</u>	<u>\$740,000.00</u>	<u>\$5,400,000.00</u>
					Reference	C	C-6	C

TOWN OF HARRISON
GENERAL CAPITAL FUND

OTHER BONDS
(DUE TO HUDSON COUNTY IMPROVEMENT AUTHORITY)

C-17

	<u>Ref.</u>	
Balance December 31, 2021	C	\$16,205,847.75
Decreased by:		
2021 Maturities	C-6	<u>1,403,646.30</u>
Balance December 31, 2022	C,Below	<u><u>\$14,802,201.45</u></u>

Maturity Schedule

<u>Year</u>	<u>Principal</u>
12-15-23	\$ 1,328,722.00
12-15-24	1,261,390.00
12-15-25	1,196,635.95
12-15-26	1,134,970.65
12-15-27	1,076,068.80
12-15-28	1,022,072.85
12-15-29	970,591.95
12-15-30	921,532.95
12-15-31	874,771.65
12-15-32	830,214.90
12-15-33	788,640.00
12-15-34	748,278.00
12-15-35	711,853.00
12-15-36	677,226.00
12-15-37	645,312.15
12-15-38	<u>613,920.60</u>
Above	<u><u>\$14,802,201.45</u></u>

TOWN OF HARRISON
GENERAL CAPITAL FUND

SERIAL BONDS PAYABLE - C-JUE

C-18
Sheet #1

Purpose	Original Issue		Maturities of Bonds Outstanding Dec. 31, 2022		Interest Rate	Balance Dec. 31, 2021	Increase	Decrease	Balance Dec. 31, 2022
	Date	Amount	Date	Amount					
General Improvements, Series 2012A-1	04-11-12	\$1,785,000.00	04-01-23/26	\$ 50,000.00	5.00 %				
			04-01-27/30	60,000.00	5.00				
			04-01-31/32	70,000.00	5.00				
			04-01-33/34	70,000.00	5.125				
			04-01-35/37	80,000.00	5.125				
			04-01-38	80,000.00	5.250				
			04-01-39	85,000.00	5.250				
			04-01-40/42	90,000.00	5.250	\$1,445,000.00		\$1,445,000.00	\$
Secured Revenue Bonds, Series 2012	08-09-12	6,369,000.00	08-15-23	165,000.00	5.25				
			08-15-24	175,000.00	5.25				
			08-15-25	185,000.00	5.25				
			08-15-26	195,000.00	5.25				
			08-15-27	205,000.00	5.625				
			08-15-28	215,000.00	5.625				
			08-15-29	225,000.00	5.625				
			08-15-30	240,000.00	5.625				
			08-15-31	250,000.00	5.625				
			08-15-32	265,000.00	5.625				
			08-15-33	280,000.00	6.00				
			08-15-34	295,000.00	6.00				
			08-15-35	315,000.00	6.00				
			08-15-36	335,000.00	6.00				
			08-15-37	355,000.00	6.00				
			08-15-38	375,000.00	6.00				
			08-15-39	400,000.00	6.00				
			08-15-40	420,000.00	6.00				
			08-15-41	445,000.00	6.00				
			08-15-42	475,000.00	6.00	5,970,000.00		5,970,000.00	

TOWN OF HARRISON
GENERAL CAPITAL FUND

SERIAL BONDS PAYABLE - CJUF

C-18
Sheet #2

Purpose	Original Issue		Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2021	Increase	Decrease	Balance Dec. 31, 2022
	Date	Amount	Date	Amount					
General Obligation Refunding Bonds, Series 2022-2	3-02-22	\$7,505,000.00	04-15-23	\$290,000.00	1.804 %	\$	\$	\$	\$
			04-15-24	290,000.00	2.104				
			04-15-25	295,000.00	2.313				
			04-15-26	305,000.00	2.386				
			04-15-27	320,000.00	2.536				
			04-15-28	325,000.00	2.613				
			04-15-29	325,000.00	3.182				
			04-15-30	335,000.00	3.182				
			04-15-31	350,000.00	3.182				
			04-15-32	360,000.00	3.182				
			04-15-33	370,000.00	3.582				
			04-15-34	375,000.00	3.582				
			04-15-35	400,000.00	3.582				
			04-15-36	410,000.00	3.582				
			04-15-37	425,000.00	3.931				
			04-15-38	430,000.00	3.931				
			04-15-39	450,000.00	3.931				
			04-15-40	470,000.00	3.931				
			04-15-41	485,000.00	3.931				
			04-15-42	495,000.00	3.931				
						<u>7,505,000.00</u>			<u>7,505,000.00</u>
						<u>\$7,415,000.00</u>	<u>\$7,415,000.00</u>	<u>\$7,415,000.00</u>	<u>\$7,505,000.00</u>
					<u>Reference</u>	<u>C</u>	<u>Below</u>	<u>C</u>	
					<u>Ref.</u>				
					Serial Bonds Payable	C-6	\$ 205,000.00		
					Debt Retired Series A-1	C-6	1,395,000.00		
					Debt Retired Series A	C-6	5,815,000.00		
					Above		<u>\$7,415,000.00</u>		

TOWN OF HARRISON
WATER/SEWER UTILITY

RECEIPTS AND DISBURSEMENTS - TREASURER

D-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2021	D	\$ 8,206,474.71	\$ 822,070.86
Increased by Receipts:			
Fire Hydrant Service	D-3	\$ 98,000.00	\$
Miscellaneous	D-3	299,239.92	
Rents Collected	D-7	4,010,221.75	
Consumer Account Overpayments	D-17	14,443.80	
Reserve for Water/Sewer Connection Fees	D-18	32,536.02	
Reserve for Meter Rentals	D-19	5,000.00	
Capital Improvement Fund	D-21		270,000.00
Budget Refunds	Contra	<u>2,700.00</u>	
		<u>4,462,141.49</u>	<u>270,000.00</u>
		12,668,616.20	1,092,070.86
Decreased by Disbursements:			
Budget Appropriations	D-4	2,896,590.39	
Appropriation Reserves	D-14	437,218.29	
Reserve for Meter Rentals	D-19	9,700.00	
Budget Refunds	Contra	<u>2,700.00</u>	
		<u>3,346,208.68</u>	
Balance December 31, 2022	D	<u>\$ 9,322,407.52</u>	<u>\$1,092,070.86</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

ANALYSIS OF CAPITAL CASH

D-6

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2021</u>	<u>Increase</u>	<u>Balance Dec. 31, 2022</u>
Fund Balance		\$ 1,646.42	\$	\$ 1,646.42
Capital Improvement Fund		271,735.78	270,000.00	541,735.78
Due from State of New Jersey		(91,590.00)		(91,590.00)
<u>Improvement Authorizations</u>				
Acquisition of Equipment and Improvement to Water Supply System	809	(4.00)		(4.00)
Various Capital Improvements	1279	136,828.97		136,828.97
Various Capital Improvements	933	116,171.12		116,171.12
Vacuum Truck	1425a	88,137.57		88,137.57
Various Capital Improvements	1425b	24,145.00		24,145.00
Exploratory Work/Water Distribution Installs	1447	275,000.00		275,000.00
		<u>\$822,070.86</u>	<u>\$270,000.00</u>	<u>\$1,092,070.86</u>
<u>Reference</u>		<u>D</u>	<u>D-5</u>	<u>D</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

CONSUMER ACCOUNTS RECEIVABLE

D-7

	<u>Ref.</u>		
Balance December 31, 2021	D		\$ 317,830.13
Increased by:			
Billings (Net)	Reserve		<u>3,840,234.96</u>
			4,158,065.09
Decreased by:			
Cash Received	D-5	\$4,010,221.75	
Overpayments Applied	D-17	<u>9,976.17</u>	
	D-3		<u>4,020,197.92</u>
Balance December 31, 2022	D		<u>\$ 137,867.17</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

LIENS RECEIVABLE

D-8

	<u>Ref.</u>	
Balance December 31, 2021	D	<u>\$ 146.03</u>
Balance December 31, 2022	D	<u><u>\$ 146.03</u></u>

INVENTORY

D-9

	<u>Ref.</u>	
Balance December 31, 2021	D	<u>\$135,436.37</u>
Balance December 31, 2022	D	<u><u>\$135,436.37</u></u>

TOWN OF HARRISON
WATER/SEWER UTILITY

INTERFUNDS RECEIVABLE

D-10

Capital
Fund

Increased by:	<u>Ref.</u>	
Cancelled Receivable	D-11	<u>\$91,590.00</u>
Balance December 31, 2022	D, Below	<u><u>\$91,590.00</u></u>
<u>Analysis of Balance</u>		
Due from Water/Sewer Operating Fund	Above	<u><u>\$91,590.00</u></u>

DUE FROM STATE OF NEW JERSEY
WASTE WATER TREATMENT LOAN RECEIVABLE

D-11

	<u>Ref.</u>	
Balance December 31, 2021	D	\$91,590.00
Decreased by:		
Cancelled	D-10	<u>91,590.00</u>
		<u><u>\$ -</u></u>

TOWN OF HARRISON
WATER/SEWER UTILITY

FIXED CAPITAL

D-12

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Increase</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Distribution Mains and Accessories	\$ 803,988.74	\$	\$ 803,988.74
General Equipment	612,634.82		612,634.82
Reacquisition of the Town's Water and Waste Water Systems	9,498,601.60		9,498,601.60
Other Improvements	<u>2,706,451.46</u>	<u>85,560.00</u>	<u>2,792,011.46</u>
	<u><u>\$13,621,676.62</u></u>	<u><u>\$85,560.00</u></u>	<u><u>\$13,707,236.62</u></u>
<u>Reference</u>	<u>D</u>	<u>D-22</u>	<u>D</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-13

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
	<u>Number</u>	<u>Date</u>		
Improvements to Water Supply System in the First and Second Wards	933	6-03-96	\$ 78,871.12	\$ 78,871.12
Various Capital Improvements	1279	6-05-13	174,128.97	174,128.97
Various Capital Improvements: Purchase of Vacuum Truck	1425a	12-01-20	88,137.57	88,137.57
Purchase of Insertion Valves and Equipment	1425b	12-01-20	24,145.00	24,145.00
Exploratory Work/Water Distribution Installs	1447	8-03-21	<u>275,000.00</u>	<u>275,000.00</u>
			<u>\$640,282.66</u>	<u>\$640,282.66</u>
		<u>Reference</u>	<u>D</u>	<u>D</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

APPROPRIATION RESERVES

D-14

	Balance Dec. 31, 2022		Balance After		
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Expended</u>	<u>Balance Lapsed</u>
<u>Operating</u>					
Salaries and Wages	\$	\$ 1,954.34	\$ 1,954.34	\$	\$ 1,954.34
Other Expenses	28,305.78	107,913.26	136,219.04	24,263.72	111,955.32
Sewer Disposal (PVSC)		107,028.55	107,028.55		107,028.55
Water Purchased		445,191.42	445,191.42	412,954.57	32,236.85
<u>Statutory Expenditures</u>					
Social Security System		2,647.38	2,647.38		2,647.38
	<u>\$28,305.78</u>	<u>\$664,734.95</u>	<u>\$693,040.73</u>	<u>\$437,218.29</u>	<u>\$255,822.44</u>
<u>Reference</u>	<u>D</u>	<u>D</u>		<u>D-5</u>	<u>D-1</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

ACCRUED INTEREST ON BONDS

D-15

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 9,978.13
Decreased by:		
Cancelled	D-1	<u>9,978.13</u>
		<u>\$ -</u>

ACCOUNTS PAYABLE

D-16

	<u>Ref.</u>	
Balance December 31, 2021	D	<u>\$47,557.31</u>
Balance December 31, 2022	D	<u>\$47,557.31</u>

CONSUMER ACCOUNT OVERPAYMENTS

D-17

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 9,976.17
Increased by:		
Cash Receipts	D-5	<u>14,443.80</u>
		24,419.97
Decreased by:		
Applied to Consumer Accounts Receivable	D-7	<u>9,976.17</u>
Balance December 31, 2022	D	<u>\$14,443.80</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

RESERVE FOR WATER/SEWER CONNECTION FEES

D-18

	<u>Ref.</u>	
Balance December 31, 2021	D	\$4,240,919.93
Increased by:		
Cash Receipts	D-5	<u>32,536.02</u>
Balance December 31, 2022	D	<u>\$4,273,455.95</u>

RESERVE FOR METER RENTALS

D-19

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 12,600.00
Increased by:		
Cash Receipts	D-5	<u>5,000.00</u> 17,600.00
Decreased by:		
Cash Disbursed	D-5	<u>9,700.00</u>
Balance December 31, 2022	D	<u>\$ 7,900.00</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

IMPROVEMENT AUTHORIZATIONS

D-20

<u>Improvement Description</u>	<u>Ordinance</u>			<u>Balance</u>	<u>Balance</u>
	<u>Number</u>	<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2022</u>
				<u>Funded</u>	<u>Funded</u>
Various Capital Improvements	1279	6-05-13	\$300,000.00	\$136,828.97	\$136,828.97
Improvements to Water Supply System in the First and Second Wards	933	6-03-96	264,000.00	116,171.12	116,171.12
Various Capital Improvements: Purchase of Vacuum Truck	1425a	12-01-20	500,000.00	88,137.57	88,137.57
Purchase of Insertion Valves and Equipment	1425b	12-01-20	105,000.00	24,145.00	24,145.00
Exploratory Work/Water Distribution Installs	1447	8-03-21	275,000.00	<u>275,000.00</u>	<u>275,000.00</u>
				<u>\$640,282.66</u>	<u>\$640,282.66</u>
		<u>Reference</u>		<u>D</u>	<u>D</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

CAPITAL IMPROVEMENT FUND

D-21

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 271,735.78
Increased by:		
Budget Appropriation	D-5	<u>270,000.00</u>
Balance December 31, 2022	D	<u><u>\$ 541,735.78</u></u>

RESERVE FOR AMORTIZATION

D-22

	<u>Ref.</u>		
Balance December 31, 2021	D		\$ 13,236,955.28
Increased by:			
Capital Outlay	D-12	\$ 85,560.00	
General Serial Bonds	D-24	<u>145,000.00</u>	
			<u>230,560.00</u>
Balance December 31, 2022	D		<u><u>\$ 13,467,515.28</u></u>

TOWN OF HARRISON
WATER/SEWER UTILITY

DEFERRED RESERVE FOR AMORTIZATION

D-23

	<u>Ref.</u>	
Balance December 31, 2021	D	<u>\$ 880,000.00</u>
Balance December 31, 2022	D,Below	<u><u>\$ 880,000.00</u></u>
<u>Analysis of Balance</u>		
Ordinance #1425A - Purchase of Vacuum Truck		\$ 500,000.00
Ordinance #1425B - Insertion Valves and Equipment		105,000.00
Ordinance #1447 - Exploratory Work/Water Distribution Installs		<u>275,000.00</u>
	Above	<u><u>\$ 880,000.00</u></u>

TOWN OF HARRISON
WATER/SEWER UTILITY

SERIAL BONDS PAYABLE

D-24

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Balance Dec. 31, 2021</u>	<u>Decrease</u>
General Bonds, Series 2012A-2	4-11-2012	\$1,495,000.00	<u>\$145,000.00</u>	<u>\$145,000.00</u>
		<u>Reference</u>	<u>D</u>	<u>D-22</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

D-25

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2021</u>	<u>Balance Dec. 31, 2022</u>
	<u>Number</u>	<u>Date</u>		
Acquisition of Equipment and Improvement to Water Utility System	809	8-05-86	\$ 4.00	\$ 4.00
		<u>Reference</u>	<u>D</u>	<u>D</u>

INTERFUNDS PAYABLE

D-26

	<u>Ref.</u>	<u>Operating Fund</u>
Increased by:		
Cancelled Receivable	D-1	\$ 91,590.00
Balance December 31, 2022	D, Below	\$ 91,590.00
<u>Analysis of Balance</u>		
Due to Water/Sewer Capital Fund	Above	\$ 91,590.00

TOWN OF HARRISON
PARKING UTILITY

RECEIPTS AND DISBURSEMENTS - TREASURER

E-5

	<u>Ref.</u>		<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2021	E		\$ 6,390,485.56	\$5,532,885.03
Increased by Receipts:				
Miscellaneous	E-1,3	\$ 89,755.06		
Garage/Lot Income	E-1,3	2,773,776.72		
Parking Meters	E-1,3	464,200.04		
Parking Permits	E-1,3	21,750.00		
Advertising Revenue	E-1,3	17,100.00		
Deficit (General Budget)	E-1,3	<u>720,830.68</u>		
			<u>4,087,412.50</u>	
			10,477,898.06	<u>5,532,885.03</u>
Decreased by Disbursements:				
Budget Appropriations	E-4	2,180,829.31		
Appropriation Reserves	E-9	202,851.72		
Accrued Interest on Bonds	E-11	1,657,262.50		
Improvement Authorizations	E-12			207,623.32
Due to Current Fund	E-13	<u>236,649.92</u>		
			<u>4,277,593.45</u>	
Balance December 31, 2022	E		<u><u>\$ 6,200,304.61</u></u>	<u><u>\$5,532,885.03</u></u>

TOWN OF HARRISON
PARKING UTILITY

ANALYSIS OF CAPITAL CASH

E-6

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2021</u>	<u>Improvement Authorizations</u>	<u>Balance Dec. 31, 2022</u>
Fund Balance		\$ 66,531.92	\$	\$ 66,531.92
Reserve for Debt Service		2,700,000.00		2,700,000.00
Reserve for Capital Needs		450,000.00		450,000.00
Capital Improvement Fund		898,000.00		898,000.00
<u>Improvement Authorizations</u>				
Acquisition of Existing Parking Facility	1368	307,953.00	192,047.00	115,906.00
Purchase/Installation Parking Fee Revenue Collection System	1388	612,024.90	15,576.32	596,448.58
Repairs to Harrison Parking Center	1393	498,375.21		498,375.21
		<u>\$ 5,532,885.03</u>	<u>\$ 207,623.32</u>	<u>\$ 5,325,261.71</u>
<u>Reference</u>		<u>E,E-5</u>	<u>E-5</u>	<u>E,E-5</u>

TOWN OF HARRISON
PARKING UTILITY

FIXED CAPITAL

E-7

	Balance <u>Dec. 31, 2021</u>	<u>Increase</u>	Balance <u>Dec. 31, 2022</u>
Acquisition of Existing Parking Facility	\$ 46,217,047.00	\$192,047.00	\$ 46,409,094.00
Purchase/Installation Parking Fee			
Revenue Collection System	37,975.10	15,576.32	53,551.42
Repairs to Harrison Parking Center	<u>801,624.79</u>		<u>801,624.79</u>
	<u>\$ 47,056,646.89</u>	<u>\$207,623.32</u>	<u>\$ 47,264,270.21</u>

Reference

E

E-8

E

TOWN OF HARRISON
PARKING UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

E-8

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2021</u>	<u>Transfer to Fixed Capital</u>	<u>Balance Dec. 31, 2022</u>
	<u>Number</u>	<u>Date</u>			
Acquisition of Existing Parking Facility	1368	7-25-18	\$49,000,000.00	\$192,047.00	\$2,590,906.00
Purchase/Installation Parking Fee Revenue Collection System	1388	5-07-19	650,000.00	15,576.32	596,448.58
Repairs to Harrison Parking Center	1393	7-18-19	1,300,000.00		498,375.21
			<u>\$3,893,353.11</u>	<u>\$207,623.32</u>	<u>\$3,685,729.79</u>
		<u>Reference</u>	<u>E</u>	<u>E-7</u>	<u>E</u>

TOWN OF HARRISON
PARKING UTILITY

APPROPRIATION RESERVES

E-9

	Balance Dec. 31, 2021		Balance After		Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Expended</u>	<u>Lapsed</u>
<u>Operating</u>					
Salaries and Wages	\$	\$ 17,134.56	\$ 17,134.56	\$	\$ 17,134.56
Other Expenses	137,498.18	429,611.66	567,109.84	202,851.72	364,258.12
<u>Statutory Expenditures</u>					
Social Security		1,313.37	1,313.37		1,313.37
	<u>\$137,498.18</u>	<u>\$448,059.59</u>	<u>\$585,557.77</u>	<u>\$202,851.72</u>	<u>\$382,706.05</u>
<u>Reference</u>	<u>E</u>	<u>E</u>		<u>E-5</u>	<u>E-13</u>

TOWN OF HARRISON
PARKING UTILITY

ACCOUNTS PAYABLE

E-10

	<u>Ref.</u>	
Balance December 31, 2021	E	<u>\$ 3,678.40</u>
Balance December 31, 2022	E	<u><u>\$ 3,678.40</u></u>

ACCRUED INTEREST ON BONDS

E-11

	<u>Ref.</u>	
Balance December 31, 2021	E	\$ 426,808.86
Increased by:		
Budget Appropriation	E-4	<u>1,657,262.50</u>
		2,084,071.36
Decreased by:		
Cash Disbursed	E-5	<u>1,657,262.50</u>
Balance December 31, 2022	E	<u><u>\$ 426,808.86</u></u>

TOWN OF HARRISON
PARKING UTILITY

IMPROVEMENT AUTHORIZATIONS

E-12

Improvement Description	Ordinance		Balance		Balance	
	Number	Date	Amount	Funded	Unfunded	Dec. 31, 2022
Acquisition of an Existing Parking Facility	1368	7-25-18	\$ 49,000,000.00	\$ 307,953.00	\$ 2,475,000.00	\$ 2,475,000.00
Purchase/Installation Parking Fee Revenue Collection System	1388	5-07-19	650,000.00	612,024.90	596,448.58	
Repairs to Harrison Parking Center	1393	7-18-19	1,300,000.00	498,375.21	498,375.21	
				<u>\$ 1,418,353.11</u>	<u>\$ 2,475,000.00</u>	<u>\$ 2,475,000.00</u>
			Reference	E	E	E
				E-5	E-5	E

TOWN OF HARRISON
PARKING UTILITY

DUE TO CURRENT FUND

E-13

	<u>Ref.</u>	
Balance December 31, 2021	E	\$ 4,236,649.92
Increased by:		
Appropriation Reserve Cancelled	E-9	<u>382,706.05</u>
		4,619,355.97
Increased by:		
Cash Disbursement	E-5	<u>236,649.92</u>
Balance December 31, 2022	E	<u><u>\$ 4,382,706.05</u></u>

RESERVE FOR DEBT SERVICE

E-14

	<u>Ref.</u>	
Balance December 31, 2021	E	<u>\$ 2,700,000.00</u>
Balance December 31, 2022	E	<u><u>\$ 2,700,000.00</u></u>

RESERVE FOR CAPITAL NEEDS

E-15

	<u>Ref.</u>	
Balance December 31, 2021	E	<u>\$ 450,000.00</u>
Balance December 31, 2022	E	<u><u>\$ 450,000.00</u></u>

TOWN OF HARRISON
PARKING UTILITY

CAPITAL IMPROVEMENT FUND

E-16

	<u>Ref.</u>	
Balance December 31, 2021	E	<u>\$ 898,000.00</u>
Balance December 31, 2022	E	<u><u>\$ 898,000.00</u></u>

RESERVE FOR AMORTIZATION

E-17

	<u>Ref.</u>	
Balance December 31, 2021	E	\$2,910,000.00
Increased by:		
Serial Bonds Paid	E-19	<u>1,025,000.00</u>
Balance December 31, 2022	E	<u><u>\$3,935,000.00</u></u>

DEFERRED RESERVE FOR AMORTIZATION

E-18

	<u>Ref.</u>	
Balance December 31, 2021	E	<u>\$1,950,000.00</u>
Balance December 31, 2022	E	<u><u>\$1,950,000.00</u></u>

TOWN OF HARRISON
PARKING UTILITY

SERIAL BONDS PAYABLE

E-19

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2022</u>
			<u>Date</u>	<u>Amount</u>				
General Bonds, Series 2018	9-18-2018	\$46,525,000.00	9-01-23	\$1,075,000.00	5.000 %			
			9-01-24	1,130,000.00	5.000			
			9-01-25	1,190,000.00	5.000			
			9-01-26	1,250,000.00	5.000			
			9-01-27	1,315,000.00	5.000			
			9-01-28	1,385,000.00	5.000			
			9-01-29	1,440,000.00	3.000			
			9-01-30	1,485,000.00	3.000			
			9-01-31	1,530,000.00	3.125			
			9-01-32	1,580,000.00	3.250			
			9-01-33	1,630,000.00	3.250			
			9-01-34	1,685,000.00	3.375			
			9-01-35	1,745,000.00	3.500			
			9-01-36	1,805,000.00	3.500			
			9-01-37	1,875,000.00	3.625			
			9-01-38	1,945,000.00	4.000			
			9-01-39	2,020,000.00	3.625			
			9-01-40	2,095,000.00	3.750			
			9-01-41	2,180,000.00	4.000			
			9-01-42	2,265,000.00	3.750			
			9-01-43	2,355,000.00	3.750			
			9-01-44	2,440,000.00	3.750			
			9-01-45	2,535,000.00	3.750			
			9-01-46	2,635,000.00	3.750			
						<u>\$43,615,000.00</u>	<u>\$1,025,000.00</u>	<u>\$42,590,000.00</u>
					<u>Reference</u>	<u>E</u>	<u>E-17</u>	<u>E</u>

TOWN OF HARRISON
PARKING UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

E-20

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Amount</u>	<u>Balance</u>	<u>Balance</u>
	<u>Number</u>	<u>Date</u>		<u>Dec. 31, 2021</u>	<u>Dec. 31, 2022</u>
Acquisition of Existing Parking Facility	1368	7-25-18	\$ 49,000,000.00	<u>\$2,475,000.00</u>	<u>\$2,475,000.00</u>
			<u>Reference</u>	<u>E</u>	<u>E</u>

TOWN OF HARRISON
PAYROLL FUND

CASH RECEIPTS AND DISBURSEMENTS

F-1

	<u>Ref.</u>		
Balance December 31, 2021	F		\$ 406,603.08
Increased by:			
Net Payroll		\$10,980,583.79	
Payroll Deductions		<u>9,017,741.20</u>	
	F-2		\$19,998,324.99
Other Receipts	F-2		<u>8,745,669.89</u>
			<u>28,743,994.88</u>
			29,150,597.96
Decreased by:			
Net Payroll		10,980,583.79	
Payroll Deductions Paid to Agencies		9,139,104.64	
Other Disbursements		<u>8,745,669.89</u>	
	F-2		<u>28,865,358.32</u>
Balance December 31, 2022	F		<u>\$ 285,239.64</u>

TOWN OF HARRISON
PAYROLL FUND

PAYROLL DEDUCTIONS PAYABLE

F-2

<u>Description</u>	<u>Balance Dec. 31, 2021</u>	<u>Receipts</u>	<u>Other Receipts</u>	<u>Disbursements</u>	<u>Balance Dec. 31, 2022</u>
Net Salaries and Wages	\$	\$10,980,583.79	\$	\$10,980,583.79	\$
Federal Income Tax		2,404,318.07		2,404,318.07	
Social Security Tax		1,482,032.64		1,482,032.64	
New Jersey State Income Tax		848,676.56		848,676.56	
FLI		24,673.70		24,673.70	
Unemployment Insurance Fund		10,863.01		10,863.01	
New Jersey SUI	2,431.42	26,165.13		24,144.13	4,452.42
Retro PFRS	32,465.11				32,465.11
Pension	121,331.97	1,482,035.23	3,659,410.00	5,117,900.72	144,876.48
Supplemental Annuity		4,979.52		4,564.44	415.08
Contributory Insurance		28,656.22		26,258.42	2,397.80
Deferred Compensation		521,916.05		521,916.05	
Credit Union		1,189,718.00		1,189,718.00	
Health Contribution	150,405.48	741,064.11		891,469.59	
Civil Service		1,370.00		1,370.00	
FMBA Dues		54,558.28		54,558.28	
PBA Dues		45,440.00		45,440.00	
State Health Benefits Plan			5,085,582.05	5,085,582.05	
American Fidelity		31,714.39		31,714.39	
PBA Insurance	(13.00)	168.96	13.00	183.04	(14.08)
Garnishee		12,665.07		12,665.07	
Worker's Compensation	(18.01)		18.01		
Unidentified/Reconciling	0.11		646.83	0.11	646.83
Child Support		106,726.26		106,726.26	
Total	\$306,603.08	\$19,998,324.99	\$8,745,669.89	\$28,865,358.32	\$185,239.64
Reference	F	F-1	F-1	F-1	F

TOWN OF HARRISON
PAYROLL FUND

DUE TO CURRENT FUND

F-3

	<u>Ref.</u>	
Balance December 31, 2021	F	<u>\$100,000.00</u>
Balance December 31, 2022	F	<u><u>\$100,000.00</u></u>

PART II

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING**

ROSTER OF OFFICIALS

SINGLE AUDIT ATTACHMENTS

GENERAL COMMENTS, FINDINGS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and Members of
the Town Council
Town of Harrison
Harrison, New Jersey 07029

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the various funds - regulatory basis of the Town of Harrison, State of New Jersey as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of Harrison, State of New Jersey's basic financials statements, and have issued our report thereon dated August 8, 2023. These financial statements - regulatory basis have been prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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


Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Harrison, State of New Jersey's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS


JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
August 8, 2023

SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Mayor and Members of
the Town Council
Town of Harrison
Harrison, New Jersey 07029

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Harrison, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Harrison, State of New Jersey's major federal programs for the year ended December 31, 2022. The Town of Harrison, State of New Jersey's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Harrison, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Harrison, State of New Jersey and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Harrison, State of New Jersey's compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town of Harrison, State of New Jersey's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Harrison, State of New Jersey's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Harrison, State of New Jersey's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Harrison, State of New Jersey's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Harrison, State of New Jersey's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Harrison, State of New Jersey's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Compliance (Continued)

Our consideration of the internal control was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS


JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
August 8, 2023

TOWN OF HARRISON
COUNTY OF HUDSON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule A
Sheet #1

<u>Federal Funding Department and Description</u>	<u>Grant Number</u>	<u>CFDA Number</u>	<u>Program Amount</u>	<u>2022 Funds Received</u>	<u>Cancelled</u>	<u>Disbursements</u>	
						<u>Fiscal Year</u>	<u>Total</u>
<u>Department of Justice</u>							
<u>Asset Forfeiture Program:</u>							
<u>Equitable Sharing Program:</u>							
2017 Award		16.922	\$ 79,867.80	\$	\$	\$ 2,291.25	\$ 76,408.66
2018 Award		16.922	62,272.77				3,223.16
2019 Award		16.922	20,110.40			8,549.07	17,819.16
2020 Award		16.922	25,501.43			4,742.93	4,742.93
2021 Award		16.922	23,693.93				
			<u>211,446.33</u>			<u>15,583.25</u>	<u>102,193.91</u>
<u>United States of Homeland Security</u>							
<u>SAFER Grant:</u>							
2020 Award		97.083	222,096.00		16,960.96		205,135.04
			<u>222,096.00</u>		<u>16,960.96</u>		<u>205,135.04</u>
<u>Department of the Treasury</u>							
<u>American Rescue Plan:</u>							
<u>Local Fiscal Recovery Funds</u>							
	046010	21.027	1,049,877.93	1,049,877.93		1,049,877.93	1,049,877.93
			<u>1,049,877.93</u>	<u>1,049,877.93</u>		<u>1,049,877.93</u>	<u>1,049,877.93</u>
<u>Department of Law and Public Safety</u>							
<u>Passed-Through State of New Jersey:</u>							
<u>Drunk Driving Enforcement - 2019</u>		20.616	70,657.05				22,597.89
<u>Distracted Driving Crackdown - 2022</u>		20.616	8,750.00	4,340.00	4,410.00	4,340.00	4,340.00
<u>Drive Sober or Get Pulled Over - 2022</u>		20.616	8,750.00			5,600.00	5,600.00
			<u>88,157.05</u>	<u>4,340.00</u>	<u>4,410.00</u>	<u>9,940.00</u>	<u>32,537.89</u>
<u>Department of Land and Public Safety</u>							
<u>New Jersey State Police:</u>							
<u>FEMA - Hurricane IDA</u>							
	069910	97.036	24,185.02	24,185.02		24,185.02	24,185.02
			<u>24,185.02</u>	<u>24,185.02</u>		<u>24,185.02</u>	<u>24,185.02</u>

TOWN OF HARRISON
COUNTY OF HUDSON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule A
Sheet #2

Federal Funding Department and Description	Grant Number	CFDA Number	Program Amount	2022 Funds Received	Cancelled	Disbursements	
						Fiscal Year	Total
Department of Human Services Senior Outreach Program:							
2020 Award		10.559	\$ 182,430.00	\$ 136,385.66	\$	\$	\$ 182,430.00
2021 Award		10.559	182,430.00	136,385.66			152,817.56
			364,860.00				335,247.56
Senior Citizen Food Program:							
2021 Award		10.559	153,468.27	74,156.21		5,582.42	57,100.42
2022 Award		10.559	354,249.00	45,989.12	0.75	333,141.89	333,141.89
			507,717.27	120,145.33	0.75	338,724.31	390,242.31
Direct Award - Community Development Block Grant:							
CARES Act - Decon Engine		14.218	198,073.00	198,073.00		198,073.00	198,073.00
			198,073.00	198,073.00		198,073.00	198,073.00
Municipal Alliance on Drugs:							
7/1/21 - 6/30/22	005521	93.279	5,065.00	5,065.00		2,059.00	5,065.00
7/1/22 - 6/30/23	005521	93.279	5,065.00			4,221.00	4,221.00
			10,130.00	5,065.00	38,333.42	6,280.00	9,286.00
			\$2,676,542.60	\$1,538,071.94	\$59,705.13	\$1,642,663.51	\$2,346,778.66

See accompanying notes to financial statements.

**TOWN OF HARRISON
COUNTY OF HUDSON**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022**

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Town of Hudson, County of Hudson, New Jersey. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed-through other government agencies, is included on the Schedule of Expenditures of Federal Awards.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is 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 generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Town's regulatory basis financial statements.

NOTE 3 - BASIS OF PRESENTATION

The information in these schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

NOTE 5 - RELATIONSHIP TO REGULATORY BASIS FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Town's regulatory basis financial statements. These amounts are reported in either the Current Fund, General Capital Fund or Trust Other Fund. Matching contributions expended by the Town in accordance with terms of the various grants are not reported in the accompanying schedules.

NOTE 6 - DE MINIMIS INDIRECT COST RATE

The Town has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

TOWN OF HARRISON
COUNTY OF HUDSON, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Modified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes √ No

Control deficiency(ies) identified?

_____ Yes √ None
Reported

Significant deficiency identified not considered
to be material weaknesses?

_____ Yes √ None
Reported

Noncompliance material to financial statements noted?

_____ Yes √ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes √ No

Control deficiency(ies) identified?

_____ Yes √ None
Reported

Significant deficiency identified not considered
to be material weaknesses?

_____ Yes √ None
Reported

Type of auditor's report issued on compliance
for major programs:

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 500.516(a) of the Uniform Guidance?

_____ Yes √ No

Identification of major federal programs:

CFDA Number(s)

Name of Federal Program or Cluster

21.027

American Rescue Plan – Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A
and Type B Programs

\$750,000.00

Auditee Qualified as low-risk auditee

_____ Yes √ No

**TOWN OF HARRISON
COUNTY OF HUDSON, NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022
(Continued)**

Section II - Financial Statement Audit - Reported Findings Under *Government Auditing Standards*

NONE REPORTED

Section III - Federal Awards - Findings and Questioned Costs

NONE REPORTED

Section IV - Schedule of Prior Year Findings

NONE REPORTED

ROSTER OF OFFICIALS FOR THE YEAR 2022
AND REPORT ON SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
James A. Fife	Mayor	\$
Ellen Mendoza	Councilwoman	
James P. Doran, Ed.D.	Councilman	
Maria Camano	Councilwoman	
Francisco Nascimento	Councilman to January 21, 2022	
Delfim Sarabando	Councilman from February 1, 2022 to December 31, 2022	
Laurence Bennett	Councilman	
Michael T. Dolaghan	Councilman	
Jesus R. Huaranga	Councilman	
Eleanor Villalta	Councilwoman	
Paul J. Zarbetski	Town Clerk	
	Officer for Searches for Municipal Improvements	
	Town Attorney	
Gabriela Simoes Dos Santos	Chief Financial Officer	100,000.00
	Treasurer	
Rocco Russamanno	Engineer	
	Construction Official	
Elizabeth McNamara	Magistrate	100,000.00
John A. Kohanski	Municipal Court Clerk	100,000.00
Albert J. Cifelli	Tax Assessor	
	Public Defender	
Janet Castro	Health Officer, Director of Welfare	
Maria DeBarros	Registrar of Vital Statistics	
Anna Nicosia	Tax Collector	245,000.00

The Travelers Insurance Company provides excess public officials' liability and employment practices liability up to \$10,000,000.00 limit in excess of the JIF Retention Level of \$250,000.00.

The Fidelity and Deposit Company of MD provides crime insurance up to a \$1,000,000.00 limit, subject to a \$10,000.00 deductible.

All the bonds were examined and appeared to be appropriately executed.

GENERAL COMMENTS AND FINDINGS

Contracts and Agreements Required to be Advertised per (N.J.S.A. 40A:11-4)

N.J.S.A. 40A:11-4a states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

It is pointed out that the Governing Body of the Town has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Town Attorney should be sought before a commitment is made.

The statutory bidding threshold effective July 1, 2020 was the sum of \$44,000.00 in accordance with the provisions of N.J.S.A. 40A:11-3a, based on the appointment of a qualified purchasing agent. It is noted that the Town does not have a Qualified Purchasing Agent.

Notwithstanding N.J.S.A. 40:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the "Pay to Play Law" provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold known as "window contracts" can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity.

The minutes indicate that bids were requested by public advertising for the service contracts, general equipment, materials and supplies, vehicle and road equipment and construction and repair contracts.

The minutes also indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for professional services in accordance with the provisions of N.J.S.A. 19:44A-20.5.

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

Purchases, Contracts or Agreements Not Required to be Advertised (N.J.S. 40A:11-6.1)

N.J.S. 40A:11-6.1 states "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds \$6,600.00, quotations as to the cost or price, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder".

Our examination indicated that quotes are obtained on a consistent basis with the provisions of N.J.S. 40A:11-6.1.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S. 54:4-67, as amended, provides the method for authorizing interest and the maximum rate 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 4, 2022, adopted the following resolution authorizing interest to be charged on delinquent taxes:

“That pursuant to N.J.S. 54:4-67, Revised Statutes of New Jersey, that the Tax Collector of the Town of Harrison, is hereby authorized and directed to charge no interest on taxes due to the Town of Harrison provided that payment of the installment due is paid within ten days after the date upon which the same became payable; and be it further RESOLVED, that thereafter the interest rate on delinquent taxes shall be eight percent (8%) per annum on the first \$1,500.00 of the delinquency and eighteen percent (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.”

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

Municipalities may now charge an additional 6% penalty for delinquent taxes or liens that exceed \$10,000.00. It appears that the Town of Harrison has not amended their resolution to reflect this additional 6% charge.

On October 15, 2020, the Governor signed Executive Order 190 which bars 1) all municipal water utilities from shutting off the water supply to residential accounts, or accounts primarily serving residential customers, due to nonpayment; and 2) collecting fees and charges for late or otherwise untimely water payments or water supply service reconnections that have accrued, and will continue to accrue, during the Public Health Emergency declared in response to COVID-19. As a result, municipalities cannot bring delinquent water charges to tax sale for the remainder of the public health emergency. This Order shall take effect on October 15, 2020 and shall remain in effect until March 15, 2021. On March 3, 2021, the Governor signed Executive Order 229 which extended the expiration date to June 30, 2021. On June 14, 2021, the Governor signed Executive Order 246, which extended the expiration date to December 31, 2021. On December 31, 2021, the Governor signed executive order 54081, which extended the expiration date to March 15, 2022.

The Town’s last tax sale was December 15, 2022 and was complete except for items subject to bankruptcy.

Financial Records - Treasurer

Records for cash receipts, cash disbursements and budgetary accounting are maintained by the Treasurer. Revenue and appropriation reports are filed monthly with the Town Clerk.

Free Public Library

Town Appropriations:

The amount required to be appropriated and raised by taxes in the Annual Budget of the Town of Harrison is set forth by statute (N.J.S. 40:54-8, as amended) and can be no less than a sum equivalent to one third of a mill on every dollar of equalized valuations of assessable property in the Town.

Municipal appropriations and expenditures for the last three years are summarized as follows:

<u>Year</u>	<u>Appropriation</u>	<u>Expenditures</u>	
		<u>Budget Year</u>	<u>Subsequent Year</u>
2022	\$ 528,939.00	\$ 344,165.88	\$
2021	485,000.00	311,934.08	173,065.92
2020	485,000.00	302,372.36	188,900.43

State Library Aid:

Rules and regulations for the receipt of Per Capita State Library Aid (N.J.A.C. 6:68-1.8), adopted by the State Board of Education, provide that public libraries accumulating State Aid funds submit a plan for the use of such funds to the State Librarian for approval.

Revised N.J.A.C. 6:68-1.8 regulations read as follows:

"State Aid funds must be expended within two years of the date of receipt of the funds. If not expended, the Board of Trustees or the County Library Commission must submit to the State Librarian a plan for the use of the unspent balances. Failure to submit such a plan, or disapproval of the plan by the State Librarian shall result in the withholding of State Aid payments."

Revenue Collections

N.J.S. 40A:5-15 provides that "all monies, including monies collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after receipt thereof, either:

- a) Be paid to the officer charged with the custody of the general funds of the local unit in its designated legal depository or
- b) Be deposited to the credit of the local unit in its designated legal depository."

In tracing recorded receipts for conformity with the provisions of this statute, it was noted that deposits or turnovers of monies were made within 48 hours after receipt.

Health Department

Finding 2022-01:

Condition:

A letter from the Health Department was sent out to existing Fund Establishments indicating that it was time for their license renewal. However, the date to file was not in agreement with the date as prescribed by Ordinance 182. Corrective action was taken in 2023 to ensure compliance with the Ordinance.

Water/Sewer Utility Fund

Finding 2022-02:

Condition:

Inventory for the Water/Sewer Utility Fund was not updated as of December 31, 2022.

Recommendation:

That each year, inventory for the Water/Sewer Utility Fund be updated by Town personnel.

Municipal Court

General Account

For the audit, the May 2023 Monthly Management Report was examined and the following items were noted:

- A. Tickets Assigned Not Issued Report indicated that seven hundred ten (710) tickets are over 181 days old. These tickets should be recalled.

- B. Follow-up Incomplete Report indicated that thirty-four (34) tickets are over three years old. As per Rule 7:8-9(f), once the case is over three years old, the ticket must be dismissed.

It is noted that Court personnel review this report on a monthly basis and they should constantly try to recall these tickets from the Police Department. It is an ongoing struggle because every month a new batch of tickets are listed on this report.

There is no recommendation required.

Status of Prior Year's Audit Recommendations

A review was performed on all prior year recommendations and all those lacking corrective action have been repeated in this year's recommendations and marked with an asterisk.

Corrective Action

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received. A plan was prepared for items found in the 2021 Report on Examination of Accounts.

A review was performed on all prior years recommendations and corrective action was taken on all.

Miscellaneous

A report summarizing collections of Dog License Fees and remittances of State Registration Fees was also prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from individual employee salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination, this function being an internal procedure of payroll preparation.

The totals of outstanding checks shown in the cash reconciliations herein are in agreement with the records in the office of the Town Treasurer.

The Uniform Construction Code Enforcement Fee Report has been prepared and filed with the New Jersey Department of Community Affairs.

One copy of this report was filed with the New Jersey Division of Local Government Services.

A summary or synopsis of this report was prepared for publication and filed with the Town Clerk.

RECOMMENDATION

Water/Sewer Utility Fund

That each year, inventory for the Water/Sewer Utility Fund be updated by Town personnel.


* * *

The foregoing comments and resultant recommendation are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

We shall be pleased to confer with any members of the Town Council on questions that might arise with respect to any matters in this report.

We desire to express our appreciation for the assistance and courtesies rendered by the Town Officials and employees during the course of the examination.

Respectfully submitted,

A handwritten signature in cursive script that reads "Samuel Klein and Company LLP".

SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

A handwritten signature in cursive script that reads "Joseph J. Faccone".

JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
August 8, 2023

