HARRISON REDEVELOPMENT AGENCY
COUNTY OF HUDSON, NEW JERSEY

REPORT OF AUDIT
ON THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

HARRISON REDEVELOPMENT AGENCY

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Harrison Redevelopment Agency
Harrison, New Jersey 07029

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Harrison Redevelopment Agency, County of Hudson, State of New Jersey (the "Agency"), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which comprise the Agency's financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2022 and December 31, 2021, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (Government Auditing Standards) issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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 misstatements, 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, *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 Harrison Redevelopment Agency, 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 Harrison Redevelopment Agency, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6 through 7 are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The information included in the supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The combining and individual account financial statements, is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual account information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The combining and individual fund financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2023 on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Samuel Klein & Company LLP

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Joseph J. Faccone

JOSEPH J. FACCONE, RMA, PA

Newark, New Jersey
July 28, 2023

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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 Board of Commissioners
Harrison Redevelopment Agency
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 Harrison Redevelopment Agency as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Harrison Redevelopment Agency's basic financial statements, and have issued our report thereon dated July 28, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Harrison Redevelopment Agency'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 Harrison Redevelopment Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Harrison Redevelopment Agency'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harrison Redevelopment Agency'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

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Joseph J. Faccone

JOSEPH J. FACCONE, RMA, PA

Newark, New Jersey
July 28, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Harrison Redevelopment Agency's (the "Agency") annual financial report, the management of the Agency provides a narrative discussion and analysis of the financial activities of the Agency for the audit year ending December 31, 2022.

The Agency's financial performance is discussed and analyzed within the context of the accompanying financial statements and notes following this section.

Discussion of Financial Statements Included in Annual Audit

The Agency prepares and presents its financial statements on several different bases, because of accounting requirements and for internal use purposes.

The first set of statements which consist of the Comparative Statements of Net Position, the Comparative Statements of Revenues, Expenses and Changes in Net Position, and the Comparative Statements of Cash Flows is prepared on an accrual basis and is in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to enterprise funds of state and local governments. These statements are the official financial statements of the Harrison Redevelopment Agency.

After the first set of statements and the "Notes to Financial Statements" that follow are supplemental schedules.

The Agency has historically presented its financial statements on a "GAAP Basis", and continues to do so because it relates more fairly to the annual budget for the same period. The annual budget records all encumbrances as charges against the adopted appropriation even if the items or services have not been received.

Contained in the supplemental information are statements that report the Schedule of Operating Revenues and Expenditures funded by Operating Revenues Compared to Budget. This statement compares the "Budget" revenues and expenses to "Actual" revenues and expenses. This includes operating revenues and expenses, nonoperating revenues and nonoperating expenses.

The Budget to Actual statement is a very important statement to the Agency management staff, because it is how we measure our financial performance, particularly as it compares to the approved and adopted annual budget and how it relates to the operational performance.

Other information or statements incorporated within the annual audit report are the Schedules of Cash Receipts, Cash Disbursements and Changes in Cash and Cash Equivalents - Unrestricted and the Analysis of Accounts Payable.

For the purpose of the Management Discussion and Analysis, the ensuing discussion will review the financial statements of the Agency, those prepared on an accrual basis and in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to enterprise funds of state and local governments. This is the first set of statements included in the annual audit report.

Comparative Statements of Net Position

The Harrison Redevelopment Agency's Total Assets increased $122,881.42 due to an increase in cash and cash equivalents. Total liabilities decreased $18,455.04 due to a decrease in accounts payable. Assets exceeded liabilities by $784,938.78. This compares to 2021 where the assets exceeded liabilities by $607,055.57.

Comparative Statements of Net Position (Continued)

The Harrison Redevelopment Agency had a Net Position of $784,938.78, comprised of the following:

Unrestricted - Undesignated	$784,938.78

	As of December 31,	
	2022	2021
Total Current Assets	$ 897,169.07	$ 755,832.61
Total Restricted Assets	2,387,503.75	2,405,958.79
Total Assets	3,284,672.82	3,161,791.40
Total Current Liabilities Payable from Current Assets	77,702.55	118,249.30
Total Current Liabilities Payable from Restricted Assets	2,387,503.75	2,405,958.79
Total Long-Term Liabilities	34,527.74	30,527.74
Total Liabilities	2,499,734.04	2,554,735.83
Net Position	$ 784,938.78	$ 607,055.57

Total Current Assets increased because cash and cash equivalents have increased.

Total Current Liabilities Payable from Current Assets increased because of a net increase in accounts payable and prepaid administration fees.

Comparative Statements of Revenues, Expenses and Changes in Net Position

Operating Expenses decreased $139,639.96 due to a decrease of new redevelopment projects for legal services and planning as it pertains to the redevelopment process.

Total Net Position as of December 31, 2022 increased $177,883.21, from a net position of $607,055.57 to a net position of $784,938.78.

	2022	2021
Operating Expenses	$ 253,792.45	$ 393,432.41
Operating Loss	(253,792.45)	(393,432.41)
Nonoperating Revenues/(Expenses) - Net	431,675.66	657,992.90
Operating Income	177,883.21	264,560.49
Change in Net Position	177,883.21	264,560.49
Net Position, Beginning	607,055.57	342,495.08
Net Position, Ending	$ 784,938.78	$ 607,055.57

Statements of Cash Flows

The net increase in Cash and Cash Equivalents was $122,735.17.

Future Economic Outlook

The Harrison Redevelopment Agency continues to work toward the acquisition and redevelopment of the areas designated as redevelopment.

Despite continued economic uncertainties in the region, the Agency expects that increasing growth and development in the area and the strong demand for residential, commercial and retail projects in the Hudson County area will be beneficial to the ongoing redevelopment efforts of the Agency.

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
COMPARATIVE STATEMENTS OF NET POSITION
DECEMBER 31, 2022 AND DECEMBER 31, 2021

Exhibit A

ASSETS	Balance Dec. 31, 2022	Balance Dec. 31, 2021
Current Assets:		
Cash and Cash Equivalents	$ 850,602.86	$ 709,412.65
Accounts Receivable	46,566.21	46,419.96
Total Current Assets	897,169.07	755,832.61
Restricted Assets:		
Cash and Cash Equivalents	1,553,752.83	1,572,207.87
Grants Receivable	833,750.92	833,750.92
Total Restricted Assets	2,387,503.75	2,405,958.79
TOTAL ASSETS	$3,284,672.82	$3,161,791.40
LIABILITIES		
Current Liabilities Payable from Current Assets:		
Accounts Payable	$ 67,702.55	$ 108,249.30
Prepaid Administration Fee	10,000.00	10,000.00
Total Current Liabilities Payable from Current Assets	77,702.55	118,249.30
Current Liabilities Payable from Restricted Assets:		
Reserve for Escrows	95,593.29	114,048.33
Reserve for Grants	2,291,910.46	2,291,910.46
Total Current Liabilities Payable from Restricted Assets	2,387,503.75	2,405,958.79
Long-Term Liabilities:		
Accumulated Compensation Absences	34,527.74	30,527.74
Total Long-Term Liabilities	34,527.74	30,527.74
TOTAL LIABILITIES	$2,499,734.04	$2,554,735.83
NET POSITION		
Unreserved - Undesignated	$ 784,938.78	$ 607,055.57
TOTAL NET POSITION	$ 784,938.78	$ 607,055.57

See accompanying notes to financial statements.

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2022 AND DECEMBER 31, 2021

Exhibit B

	Dec. 31, 2022	Dec. 31, 2021
Operating Expenses:		
Administrative	$ 128,850.46	$ 123,479.25
Cost of Providing Services	124,941.99	269,953.16
Total Operating Expenses	253,792.45	393,432.41
Operating Loss	(253,792.45)	(393,432.41)
Nonoperating Revenues:		
Developer's Fees	143,823.53	166,286.30
Developer's Reimbursements	47,321.67	354,010.12
Town of Harrison - FA Administration Fee	80,000.00	85,000.00
Town of Harrison - Parking Agreement	150,000.00	
Town of Harrison - Affordable Housing Reimbursement	146.25	28,077.71
Miscellaneous	14,384.21	55,146.51
Total Nonoperating Revenues	435,675.66	688,520.64
Nonoperating Expenses:		
Accumulated Compensation Absences	4,000.00	30,527.74
Total Nonoperating Expenses	4,000.00	30,527.74
Operating Income	177,883.21	264,560.49
Change in Net Position	177,883.21	264,560.49
Net Position, Beginning of Year	607,055.57	342,495.08
Net Position, End of Year	$ 784,938.78	$ 607,055.57

See accompanying notes to financial statements.

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2022 AND DECEMBER 31, 2021

Exhibit C

	Dec. 31, 2022	Dec. 31, 2021
Cash Flows from Operating Activities:		
Increase in Net Position	$ 177,883.21	$ 264,560.49
Adjustments to Reconcile Change in Net Position to Net Cash Provided by (Used in) Operating Activities:		
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable	(146.25)	(46,419.96)
Increase/(Decrease) in Reserve for Escrows	(18,455.04)	(13,521.82)
Increase/(Decrease) in Accumulated Compensation Absences	4,000.00	30,527.74
Increase/(Decrease) in Prepaid Administration Fee		10,000.00
Increase/(Decrease) in Accounts Payable	(40,546.75)	5,765.90
Total Adjustments to Change in Net Position	(55,148.04)	(13,648.14)
Net Cash Provided by (Used in) Operating Activities	122,735.17	250,912.35
Net Increase/(Decrease) in Cash and Cash Equivalents	122,735.17	250,912.35
Cash and Cash Equivalents, Beginning of Year	2,281,620.52	2,030,708.17
Cash and Cash Equivalents, End of Year	$2,404,355.69	$2,281,620.52
Reconciliation to Balance Sheet:		
Unrestricted Cash and Cash Equivalents	$ 850,602.86	$ 709,412.65
Restricted Cash and Cash Equivalents	1,553,752.83	1,572,207.87
	$2,404,355.69	$2,281,620.52

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

1. REPORTING ENTITY

The Harrison Redevelopment Agency (the "Agency") is a public body corporate and politic of the State of New Jersey. The Agency was created by municipal ordinance on March 26, 1999 pursuant to the provisions of N.J.S.A. 40A:12A-1 et seq., for the purpose of carrying out the urban renewal program activities for the Town of Harrison. The Agency is empowered to exercise public and essential government functions, including acquisition, condemnation, clearance, renovation and redevelopment of property in designated blighted areas and to carry out redevelopment plans for the Town of Harrison.

The Agency is governed by a Board of Commissioners consisting of seven members, who are appointed by the Mayor of the Town of Harrison. No more than 2 members shall be officers or employees of the Town. The Board of Commissioners determines policy actions, approves resolutions and selects an executive director to be responsible for the overall operation of the Agency. Based upon this criteria and the possibility of the Agency providing a financial benefit to the Town, the Agency is considered a component unit of the Town.

On August 5, 1992, the Legislature of the State of New Jersey adopted the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.) which became effective on a retroactive basis to January 1, 1992. This law requires all redevelopment agencies to be subject to the provisions of the "Local Authorities Fiscal Control Law". As a result of this change, the Agency is subject to the laws, rules and regulations promulgated for Authorities in the State of New Jersey and must report to the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The Agency meets the criteria established by the Governmental Accounting Standards Board (GASB) to be deemed a component unit of the primary government unit, the Town of Harrison. This classification does not diminish the autonomous character of the Agency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Financial Statements

The financial statements of the Agency have been prepared on the accrual basis of accounting, with certain elimination entries, in accordance with governmental accounting standards applicable to local government units for enterprise funds. The Agency's operations are segregated into unrestricted operations, which include financial assistance and administrative functions for redevelopment of property in designated blighted areas for the Town of Harrison and the restricted operations of the Agency, which include the administration of the various financing programs for grants. All interfund balances and transactions have been eliminated for the purpose of financial reporting.

B. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Unrestricted - Cash, Cash Equivalents and Investments

Cash includes petty cash, change funds, cash in banks, savings accounts, money markets, or highly liquid securities with a maturity date of three (3) months or less from the date of purchase which may be withdrawn at any time without prior notice or penalty. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturity dates of three (3) months or less meet this definition. For the Statements of Cash Flows the Agency includes all cash, cash equivalents and investments.

D. Restricted - Cash, Cash Equivalents and Investments

Contributions received from various sources as grants are recorded in the period they become measurable. Developer financed construction is recorded in the period in which the system is donated to the Agency. Donated assets are recorded at fair market value at the date of the gift. Grants not externally restricted and utilized to finance operations are identified as non-operating revenues.

E. Intergovernmental Receivables and Payables

Transactions between the Agency and the Town of Harrison and other Town agencies that are representative of capital allotments/grant awards arrangements outstanding at the end of the fiscal year are referred to as intergovernmental receivables.

Amounts owed to the Town of Harrison and other governmental agencies at the end of the fiscal year as a result of contractual arrangements or advancements are reported as intergovernmental payables.

F. Deferred Revenue

There was no deferred revenue as of December 31, 2022.

G. Restricted Assets

Certain assets are restricted as a result of certain agreements entered into between the Agency and third parties. The cash balance of $1,553,752.83 is money being used for grants, escrows and other uses in the redevelopment zone.

H. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt to the extent expended consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Agency or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted consists of all other net position not included above.

I. Budgetary Information

An operating budget is adopted each fiscal year by the Agency. The Board may at their discretion modify the budget subsequent to adoption. The Board made one supplemental appropriation or transfer during the audit period. The legal level of budget control is defined in the Agency as the current budget plus other available funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

K. Accounting and Financial Reporting for Pensions

In fiscal year 2015, GASB Statement 68 became effective. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

GASB Statement 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date*" - an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, Paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Accounting and Financial Reporting for Pensions (Continued)

This Statement amends Paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The Agency had one eligible individual who was enrolled in the Public Employees' Retirement System (PERS). The billing for this individual was included in the Town's annual PERS billing, thus the breakout of this individual's unfunded liability is not disclosed in the Agency's Annual Report however, it is disclosed in the Town's Annual Report as a whole.

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

Recent Accounting Pronouncements Not Yet Effective

- *GASB Statement No. 93, Replacement of Interbank Offered Rates.* The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

  Effective Date: The removal of London Interbank Offered Rate (IBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The Agency does not expect this Statement to impact its financial statements.

  GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

- *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 asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

  Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The Agency does not expect this Statement to impact its financial statements.

- *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.

  Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The Agency does not expect this Statement to impact its financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Recent Accounting Pronouncements Not Yet Effective (Continued)

- *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.

  Effective Date: 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 governments, 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 Agency does not expect this Statement to impact its financial statements.

- *GASB 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.

  Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Agency does not expect this Statement to impact its financial statements.

3. 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 Depository 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, authorities are allowed to deposit funds in Government Money Market Mutual Funds purchased through state registered brokers/dealers and banks.

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

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Cash and Cash Equivalents (Continued)

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:

> 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 Agency's Trustee in the Agency'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 Agency will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Agency 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 Agency'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 Agency'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 Agency's cash, cash equivalents and investments consisted of:

	2022	2021
Investors Bank - Checking Accounts	$ 2,404,355.69	$ 2,281,620.52

The carrying amount of the Agency's cash, cash equivalents and investments at December 31, 2022 was $2,404,355.69. Of the bank balance, $250,000.00 was covered by Federal Depository Insurance and $2,154,355.69 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 Agency 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 Agency.

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

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

New Jersey statutes permit the Agency 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 Agency had funds invested and on deposit in checking accounts. The amount of the Agency's cash on deposit as of December 31, 2022 was $2,404,355.69. 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.

4. CONTINGENT LIABILITIES

The Agency is party to various legal proceedings. These legal proceedings are not likely to have a material adverse impact on the Agency, based upon inquiry of management and direct confirmation from the Agency Attorney.

The Agency had an accrued liability for compensated absences recorded at December 31, 2022 in the sum of $34,527.74.

5. PENSION PLANS

Plan Description

The Agency contributes to the Public Employees' Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Division of Pensions in the Department of the Treasury, State of New Jersey. The plan provides retirement, death, disability benefits and medical benefits to certain qualifying plan members and beneficiaries. The Public Employees' Retirement System was established January 1, 1955 under the provisions of N.J.S.A. 43:15A. The Public Employees' Retirement System issues publicly available financial reports that include financial statements and required supplementary information. This report may be obtained by writing to the State of New Jersey, Division of Pensions.

5. PENSION PLANS (Continued)

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 ¼ 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.

- 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 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 system's unfunded accrued liability changed (from a level percent of pay method to a level dollar of pay).

The Agency currently has one (1) employee enrolled in the Public Employees' Retirement Fund (PERS) through the State of New Jersey. This employee is included under the Town of Harrison's reporting for pension purposes. In accordance with GASB No. 68, the Agency is required to record the net pension liability as a liability on their balance sheets. However, with the commingling with the Town's employees, this amount cannot be ascertained.

Funding Policy

Employee contributions are based on a statutorily defined percentage of employees' annual compensation. Employer's contributions are actuarially determined annually by the Division of Pensions. The Agency's contributions to the PERS for the year ending December 31, 2022 were funded by the Pension Security Act Credit. All contributions were equal to the required contributions. The employees' contributions for PERS for the year ended December 31 was as follows:

Year Ended December 31	Employees' Contributions
2022	$7,237.80
2021	5,837.50
2020	4,267.41

6. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 5, the Agency provides postemployment health care benefits as part of the State Health Benefits Local Government Retired Employees' Plan.

6. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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.

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

The Agency currently has one (1) employee who receives health benefits. This employee is included under the Town of Harrison's reporting for Group Insurance purposes. The Agency reimburses the Town for the cost of the benefits. Because of this reporting, a liability for Other Postemployment Benefits could not be ascertained.

7. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of $1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. If the eligible elected or appointed official will earn less than $5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the municipal base salary required for eligibility in the DCRP was increased to $5,000.00.

The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

7. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

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 PFRS 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. The employer contribution is 4.05% which includes a member contribution match of 3.0%, Group Life Insurance is .74% of gross wages and Long-Term Disability is .31% of gross wages.

During the year 2022, there were no officials or employees enrolled in the DCRP.

8. DEFERRED COMPENSATION PLAN

There is currently no deferred compensation plan offered by the Agency.

9. CAPITAL ASSETS

The Agency did not have any capital assets at December 31, 2022.

10. IMPROVEMENT AUTHORIZATIONS

The Town of Harrison adopted Ordinance #1133 which provides funding for the acquisition of property within the waterfront redevelopment area. There was no down payment required in accordance with Section 37 of the Redevelopment Law. The purpose for funding is to provide financial assistance to the Harrison Redevelopment Agency, pursuant to N.J.S.A. 40A:12A-37, for the acquisition of real and personal property within the Redevelopment Area by the Agency in furtherance of the Redevelopment Plan. In addition to any real and personal property to be acquired, the Agency may also use such funds for the planning, clearing, grading and remediating any parcel of real property so acquired within the Redevelopment Area and for the payment of any necessary and incidental cost associated with the acquisition of the real and personal property, legal cost, planning cost and redevelopment related costs incurred or to be incurred by the Agency in implementing the Redevelopment Plan.

This Ordinance and related debt are shown on the Town of Harrison's financial records however, the Redevelopment Agency authorizes the spending against it.

11. RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to its employees and natural disasters. The Agency maintains commercial insurance coverage for general liability, damage and destruction of assets, errors and omissions, injuries to employees and natural disasters.

12. LITIGATION

The Agency attorney's letter did not indicate any litigation, claims or contingent liabilities that would have a material impact on the Agency.

13. 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 Agency 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"). The Agency has no outstanding debt and is not subject to this disclosure.

14. SUBSEQUENT EVENT

The Harrison Redevelopment Agency has evaluated subsequent events that occurred after the balance sheet date, but before July 28, 2023 and it was determined that the following item requires disclosure:

> Subsequent to the date of these financial statements, the COVID-19 Coronavirus effect continued to spread across the State of New Jersey and the Nation as a whole. The impact of this view on the Agency's operation in fiscal year 2023 cannot be reasonably estimated at this time, but may negatively affect revenues and expenditures.

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH AND CASH EQUIVALENTS
UNRESTRICTED ACCOUNTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Schedule 1

Cash and Cash Equivalents, December 31, 2021:		
Unrestricted		$ 709,412.65
Cash Receipts:		
Developer's Fees	$133,823.53	
Developer's Reimbursement	12,541.25	
Town of Harrison - FA Administration Fee	80,000.00	
Town of Harrison - Parking Agreement	150,000.00	
Prepaid Developer's Fee	10,000.00	
Miscellaneous	14,384.21	
		400,748.99
		1,110,161.64
Cash Disbursements:		
Accounts Payable	102,201.80	
Administrative Expenses	120,480.10	
Cost of Providing Services	36,876.88	
		259,558.78
Cash and Cash Equivalents, December 31, 2022:		
Unrestricted		$ 850,602.86

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN CASH AND CASH EQUIVALENTS
RESTRICTED ACCOUNTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Schedule 2

Cash and Cash Equivalents, December 31, 2021:		
Restricted		$1,572,207.87
Cash Receipts:		
Escrow Receipts	$ 49,000.00	
Interest on Escrow	9.76	
		49,009.76
		1,621,217.63
Cash Disbursed:		
Escrow Refunded	32,684.38	
Escrow Disbursements	34,780.42	
		67,464.80
Cash and Cash Equivalents, December 31, 2022:		
Restricted		$1,553,752.83

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
COMPARATIVE SCHEDULES OF OPERATING REVENUES AND EXPENDITURES FUNDED
BY OPERATING REVENUE COMPARED TO BUDGET
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2022 AND DECEMBER 31, 2021

Schedule 3

	Dec. 31, 2022			Dec. 31, 2021		
	Final Budget	Realized	Excess (Deficit)	Final Budget	Realized	Excess (Deficit)
Revenues						
Nonoperating Revenues:						
Developer's Fees	$140,000.00	$143,823.53	$ 3,823.53	$166,286.00	$166,286.30	$ 0.30
Developer's Reimbursements	180,000.00	47,321.67	(132,678.33)	180,000.00	354,010.12	174,010.12
Town of Harrison - Parking Agreement	150,000.00	150,000.00				
Town of Harrison - FA Administration Fee		80,000.00	80,000.00	85,000.00	85,000.00	
Town of Harrison - Affordable Housing Reimbursement	15,000.00	28,077.71	13,077.71	15,000.00	28,077.71	13,077.71
Miscellaneous		14,384.21	14,384.21		55,146.51	55,146.51
Total Nonoperating Revenues	485,000.00	463,607.12	(21,392.88)	446,286.00	688,520.64	242,234.64
Expenditures						
Administration:						
Salary and Wages	145,000.00	114,705.79	30,294.21	113,000.00	112,666.23	333.77
Fringe Benefits	9,000.00	8,370.36	629.64	9,000.00	8,264.88	735.12
Other Expenses	5,500.00	5,774.31	(274.31)	3,500.00	2,548.14	951.86
Cost of Providing Services:						
Other Expenses	325,500.00	128,941.99	196,558.01	320,786.00	269,953.16	50,832.84
Total Operating Expenses	485,000.00	257,792.45	227,207.55	446,286.00	393,432.41	52,853.59
Excess of Revenues Over/(Under) Expenditures	$ -	$205,814.67	$ 205,814.67	$ -	$295,088.23	$295,088.23

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
ANALYSIS OF RESERVE FOR GRANTS RECEIVABLE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Schedule 4

Balance December 31, 2021	$833,750.92
Balance December 31, 2022	$833,750.92

Analysis of Grants

			Balance Dec. 31, 2022		
	Grant Award	Balance Dec. 31, 2021	Oversight Fees Held in Escrow	Available	Total
New Jersey Economic Development Authority:					
#P20376 Spiegel Trucking Inc.	$ 4,003,046.00	$ 43,219.78	$ 43,219.78	$	$ 43,219.78
#P21428 Former Hartz Mountain Facility	316,536.00	4,790.45	4,790.45		4,790.45
#P19199 Former Hartz Mountain Facility	134,014.00	12,184.00	12,183.00	1.00	12,184.00
#P19800 Spiegel Trucking Inc.	862,940.00	78,449.00	78,449.00		78,449.00
#P24745 Spiegel Trucking Inc.	1,827,296.00	65,073.69	65,073.69		65,073.69
#P39598 Former Hartz Mountain Facility	4,694,888.00	630,034.00		630,034.00	630,034.00
	$11,838,720.00	$833,750.92	$203,715.92	$630,035.00	$833,750.92

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
ANALYSIS OF ACCOUNTS PAYABLE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Schedule 5

Balance December 31, 2021	$108,249.30
Increased by:	
Unpaid Charges 2022:	
Budget Appropriations	61,655.05
	169,904.35
Decreased by:	
Cash Disbursed	102,201.80
Balance December 31, 2022	$ 67,702.55

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
ANALYSIS OF RESERVE FOR GRANTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Schedule 6

Balance December 31, 2021	$2,291,910.46
Balance December 31, 2022	$2,291,910.46

Analysis of Grants

	Grant Award	Balance Dec. 31, 2021	Balance Dec. 31, 2022 Oversight Fees Held in Escrow	Balance Dec. 31, 2022 Available	Balance Dec. 31, 2022 Total
New Jersey Economic Development Authority:					
#P20376 Spiegel Trucking Inc.	$ 4,003,046.00	$ 796,997.44	$ 43,219.78	$ 753,777.66	$ 796,997.44
#P21428 Former Hartz Mountain Facility	316,536.00	14,835.17	4,790.45	10,044.72	14,835.17
#P19199 Former Hartz Mountain Facility	134,014.00	12,183.00	12,183.00		12,183.00
#P19800 Spiegel Trucking Inc.	862,940.00	522,552.30	78,449.00	444,103.30	522,552.30
#P24745 Spiegel Trucking Inc.	1,827,296.00	315,308.13	65,073.69	250,234.44	315,308.13
#P39598 Former Hartz Mountain Facility	4,694,888.00	630,034.42		630,034.42	630,034.42
	$11,838,720.00	$2,291,910.46	$203,715.92	$2,088,194.54	$2,291,910.46

ROSTER OF OFFICIALS

GENERAL COMMENTS, FINDINGS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

ROSTER OF OFFICIALS

AS OF DECEMBER 31, 2022

Name	Title
James Fife	Chairperson
Harold Stahl	Commissioner
Judith Listwan	Commissioner
Miguel Simoes	Commissioner
Robert Gerris	Commissioner
Raymond Lucas	Commissioner

GENERAL COMMENTS AND FINDINGS

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 Plan

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all authorities are required to prepare and submit to the Division of Local Government Services within 60 days from the date the audit is received, a Corrective Action Plan with regard to audit deficiencies.

Such a plan was submitted in regard to the 2021 Report of Audit.

Miscellaneous

The propriety of deductions from employee salaries for pension, Social Security, withholding tax and other purposes from employee payrolls were not verified as part of this audit. Remittances of deductions and withholdings to authorized agencies, however, were ascertained.

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

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

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

Other

In March 2016, the State of New Jersey Department of Environmental Protection, Site Remediation and Waste Management Program, Office of Brownfield Reuse approved the reallocation of oversight funding to pay for remedial investigation costs in the amount of $83,548.00 and remedial action costs in the amount of $13,402.50. This reallocation is for grant #24745 and the site name is Netti Spiegal Trucking.

Finding 2022-01:

Condition:

The Agency has several New Jersey Economic Development Authority Grants still outstanding. The Agency should verify with appropriate officials as to the status of these grants as it relates to available balances and to oversight fees pending.

Recommendation:

That the Agency verify all available balances and oversight fees pending as it relates to the New Jersey Economic Development Authority Grants.

RECOMMENDATION

* That the Agency verify all available balances and oversight fees pending as it relates to the New Jersey Economic Development Authority Grants.

* * *

*Repeated from prior year.

Acknowledgment

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

Filing Audit Report, N.J.S. 40A:5A-15

A copy of this report has been filed with the Division of Local Government Services.

Respectfully submitted,

Samuel Klein and Company LLP

SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Joseph J. Faccone

JOSEPH J. FACCONE, RMA, PA

Newark, New Jersey
July 28, 2023