

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

**REPORT ON
EXAMINATION OF ACCOUNTS
FOR THE YEAR 2023**

**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, 2023

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2023 and December 31, 2022, 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, 2023 and 2022, 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, 2023 and 2022 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 July 10, 2024 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.



SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONE, RMA, PA

Newark, New Jersey
July 10, 2024

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, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
<u>Regular Fund</u>			
Cash	A-4	\$ 46,401,340.99	\$ 40,054,708.81
Change Funds - Tax Collector	A-6	1,600.00	1,600.00
Due from State of New Jersey - Ch. 20, P.L. 1971	A-7	23,086.30	23,086.30
		<u>46,426,027.29</u>	<u>40,079,395.11</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	283.16	280.71
Tax Title Liens	A-9	238,446.70	159,511.32
Revenue Accounts Receivable	A-10	31,798.46	50,793.81
Interfunds Receivable	A-11	8,860,811.95	9,015,309.41
Property Acquired for Taxes at Assessed Valuation	A-12	216,700.00	216,700.00
		<u>9,348,040.27</u>	<u>9,442,595.25</u>
		<u>55,774,067.56</u>	<u>49,521,990.36</u>
<u>Federal and State Grant Fund</u>			
Cash	A-4	1,648,028.01	
Grants Receivable	A-14	8,228,650.13	4,460,419.86
		<u>8,228,650.13</u>	<u>6,108,447.87</u>
		<u>\$ 64,002,717.69</u>	<u>\$ 55,630,438.23</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, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Regular Fund			
Expenditure Accounts:			
Appropriation Reserves:			
Encumbered	A-3,15	\$ 1,547,123.59	\$ 583,995.89
Unencumbered	A-3,15	3,685,427.90	3,642,006.42
Other Payables:			
Reserve for School Debt Service	A-16	404,101.19	404,101.19
Reserve for Municipal Relief Aid	A-18	1,197,811.04	599,032.68
Developer Advancement for Debt Service	A-20	360,975.17	330,121.67
Interfunds Payable	A-21		411,573.31
Due to State - DCA Fees	A-22	3,719.00	2,614.00
Due to State - Miscellaneous	A-23	1,423.83	
County Taxes Payable	A-25	7,694.51	14,821.30
Prepaid Taxes	A-27	469,927.02	469,788.76
Reserve for Tax Appeals	A-28	9,655,652.97	9,708,145.12
Accounts Payable	A-29	808,591.63	763,230.03
Due to Hudson County - 5% Pilot Fees	A-30		228.18
Prepaid Riverpark PILOT Fees	A-31	27,666.90	29,282.58
Prepaid Revenue	A-32	13,132.51	1,500.00
Reserve for Revaluation	A-33	15,000.00	15,000.00
		<u>18,198,247.26</u>	<u>16,975,441.13</u>
Reserve for Receivables and Other Assets		9,348,040.27	9,442,595.25
Fund Balance	A-1	<u>28,227,780.03</u>	<u>23,103,953.98</u>
		<u>55,774,067.56</u>	<u>49,521,990.36</u>
Federal and State Grant Fund			
Interfunds Payable	A-26	790,275.85	646,468.06
Reserve for Grants - Appropriated	A-34	7,429,056.96	3,784,691.63
Reserve for Grants - Unappropriated	A-35	9,317.32	1,677,288.18
		<u>8,228,650.13</u>	<u>6,108,447.87</u>
		<u>\$ 64,002,717.69</u>	<u>\$ 55,630,438.23</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 2023</u>	<u>Year 2022</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	A-2	\$ 3,257,000.00	\$ 3,762,500.00
Miscellaneous Revenue Anticipated	A-2	40,505,611.86	36,588,798.57
Receipts from Current Taxes	A-2a	35,448,365.01	35,145,623.91
Receipts from Delinquent Taxes	A-2a	49,838.09	69.87
Nonbudget Revenue	A-2b	563,945.20	724,138.73
Other Credits to Income:			
Interfunds Returned	A-11	154,497.46	1,718,628.39
Unexpended Balance of Appropriation Reserves	A-15	2,374,560.53	2,221,472.89
Reserve for Federal and State Grants Cancelled	A-34	3,847.61	232,251.62
		<u>82,357,665.76</u>	<u>80,393,483.98</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages		18,622,800.00	17,545,900.00
Other Expenses		19,250,317.40	17,255,159.97
Capital Improvements		6,501,815.43	4,794,177.43
Municipal Debt Service		6,163,808.00	6,670,859.42
Deferred Charges and Statutory Expenditures		5,276,860.82	5,135,698.28
Transfer to Board of Education for Use of Local Schools		600,000.00	425,000.00
Local School District Purposes	A-3	975,780.50	1,011,200.00
		<u>57,391,382.15</u>	<u>52,837,995.10</u>
Prior Years' Revenue Refund			50.00
Federal and State Grants Receivable Cancelled	A-14	3,847.62	136,344.53
Local School District Tax	A-24	10,183,124.00	9,983,455.00
County Tax	A-25	6,398,278.58	6,207,084.51
Prior Year County Taxes	A-25	207.36	
		<u>73,976,839.71</u>	<u>69,164,929.14</u>
Statutory Excess to Fund Balance		8,380,826.05	11,228,554.84
<u>Fund Balance</u>			
Balance January 1	A	<u>23,103,953.98</u>	<u>15,637,899.14</u>
		<u>31,484,780.03</u>	<u>26,866,453.98</u>
Decreased by:			
Amount Utilized as Anticipated Revenue	A-2	<u>3,257,000.00</u>	<u>3,762,500.00</u>
Balance December 31	A	<u>\$28,227,780.03</u>	<u>\$23,103,953.98</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>\$ 3,257,000.00</u>	\$	<u>\$ 3,257,000.00</u>	\$
Miscellaneous Revenue					
Licenses:					
Alcoholic Beverages	A-10	50,000.00		51,341.52	1,341.52
Other	A-2a	35,000.00		49,966.20	14,966.20
Fees and Permits:					
Other	A-2a	60,000.00		62,553.50	2,553.50
Construction Code Official	A-10	600,000.00		213,714.00	(386,286.00)
Fines and Costs:					
Municipal Court	A-10	475,000.00		627,448.58	152,448.58
Other	A-10	1,000.00		4,996.63	3,996.63
Interest and Costs on Taxes	A-5	100,000.00		173,207.72	73,207.72
Interest on Investments and Deposits	A-10	325,000.00		2,037,994.03	1,712,994.03
Hotel Tax	A-10	300,000.00		433,786.20	133,786.20
Municipal Relief Fund	A-10	599,032.68		599,032.68	
Energy Receipt Tax	A-10	11,583,044.00		11,563,044.16	0.16
Borough of East Newark - Dispatching Services	A-10	45,000.00		45,000.00	
Borough of East Newark - Street Sweeping	A-10	20,000.00		20,000.00	
Borough of East Newark - Ambulance	A-10	6,500.00		6,500.00	
State and Federal Revenues Offset with Appropriations:					
New Jersey Transportation Trust Fund					
Authority Act	A-14	697,282.00		697,282.00	
Senior Citizen Food Program	A-14	47,487.00		47,487.00	
Senior Citizen Food Program Mid Year Allocation	A-14		113,262.00	113,262.00	
Drug Abuse (7/1/23 - 6/30/24)	A-14		5,065.00	5,065.00	
Senior Citizen Outreach Center	A-14	186,513.00		186,513.00	
Harrison Public Safety Communication Project	A-14	563,000.00		563,000.00	
2023 Farmers Market Equipment	A-14		1,220.00	1,220.00	
Recycling Tonnage Grant	A-14		24,335.55	24,335.55	
Clean Communities	A-14		34,761.12	34,761.12	
Alcohol Education and Rehabilitation	A-14		13,368.84	13,368.84	
Body Armor Replacement Fund	A-14	3,454.45		3,454.45	
ARP Congregate Nutrition	A-14		30,092.00	30,092.00	
Opioid Settlement	A-14	25,805.72	38,507.47	64,313.19	
NJ DCA Local Recreation Improvement Grant	A-14		84,000.00	84,000.00	
Hudson County Open Space - Dog Run	A-14		48,000.00	48,000.00	
NJ DCA Lead Grant Assistance Program	A-14		28,300.00	28,300.00	
NJ DEP Stormwater Assistance Grant	A-14		15,000.00	15,000.00	
Spotted Lanternfly Program	A-14		15,000.00	15,000.00	
2023 Peer Grouping Grant	A-14		17,895.00	17,895.00	
Distracted Driving Crackdown Grant	A-14	8,750.00		8,750.00	
Green Acres - Development Grant	A-14		1,400,000.00	1,400,000.00	
Green Acres - Stewardship Grant	A-14		1,400,000.00	1,400,000.00	
Drive SOBER or Get Pulled Over Grant	A-14		7,000.00	7,000.00	
DMHAS Alliance ACE Trauma Education	A-14		1,837.00	1,837.00	
Parking Lot Tax	A-10	235,000.00		441,534.29	206,534.29
Parking Lot Tax - Harrison Parking Center	A-10	350,000.00		437,227.34	87,227.34
NJEIT Loan Debt Service from Developer	A-10	1,205,458.34		1,205,458.34	
Developer Deficiency Payment	A-10	250,000.00		252,838.00	2,838.00
Administration Redevelopment Fees	A-10	200,000.00		292,494.87	92,494.87
CJUF Debt Obligation	A-10	537,018.06		537,018.05	(0.01)
Comcast Cable Fees	A-10	34,000.00		36,297.51	2,297.51
Verizon FIOS Fees	A-10	51,000.00		51,104.35	104.35
PILOT Harrison Housing Authority	A-10	125,000.00		146,061.00	21,061.00

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

A-2
Sheet #2

	<u>Ref.</u>	<u>Budget</u>	<u>N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Miscellaneous Revenue					
PILOT Vermella (Russo)	A-10	\$ 740,000.00	\$	\$ 767,029.69	\$ 27,029.69
PILOT River Park	A-10	1,095,000.00		1,113,247.01	18,247.01
PILOT Sycamore (Bergen Street)	A-10	395,000.00		416,453.63	21,453.63
PILOT Building #1	A-10	247,500.00		247,500.00	
PILOT River Park #2	A-10	500,000.00		550,919.90	50,919.90
PILOT Building #3	A-10	1,050,000.00		1,133,489.19	83,489.19
PILOT Building #5 (Urby)	A-10	1,300,000.00		1,438,614.41	138,614.41
PILOT Building E (Steel Works)	A-10	600,000.00		779,316.16	179,316.16
PILOT Panasonic	A-10	100,000.00		139,410.12	39,410.12
PILOT Building #6	A-10	900,000.00		1,040,784.85	140,784.85
PILOT Hampton Hotel	A-10	75,000.00		304,958.14	229,958.14
PILOT Port Authority of New York and New Jersey	A-10	84,392.00		84,392.00	
PILOT Red Bulls	A-10	1,200,000.00		1,327,733.48	127,733.48
PILOT Element Hotel	A-10	60,500.00		60,720.00	220.00
PILOT One Harrison (Hornrock)	A-10	950,000.00		1,020,871.71	70,871.71
PILOT Building F (Cobalt)	A-10	700,000.00		762,966.85	62,966.85
PILOT Accordia	A-10	225,000.00		374,090.40	149,090.40
PILOT Dey & Bergen	A-10	750,000.00		970,762.25	220,762.25
PILOT Building #4	A-10	1,200,000.00		1,433,633.09	233,633.09
PILOT Ben Harrison URE	A-10	950,000.00		1,224,547.23	274,547.23
Cell Tower Lease - AT&T	A-10	33,800.00		97,444.44	63,644.44
Senior Citizens Food Program	A-10	3,000.00		7,059.00	4,059.00
North Hudson Community Action Center Rent	A-10	24,000.00		24,000.00	
American Rescue Plan LFRF	A-10	1,049,877.94		1,049,877.94	
Uniform Fire Safety Act	A-10	30,000.00		37,235.25	7,235.25
	A-1	<u>32,962,415.19</u>	<u>3,277,643.98</u>	<u>40,505,611.86</u>	<u>4,265,552.69</u>
Receipts from Delinquent Taxes	A-1,2a	<u>125.00</u>		<u>49,838.09</u>	<u>49,713.09</u>
Amount to be Raised by Taxes for Support of Municipal Budgets:					
Local Taxes for Municipal Purposes	A-8	17,411,642.16			
Addition to Local School District Taxes	A-8	975,780.50			
Minimum Library Tax	A-8	574,012.00			
	A-2a	<u>18,961,434.66</u>		<u>19,289,412.43</u>	<u>327,977.77</u>
Total		55,180,974.85	3,277,643.98	63,101,862.38	4,643,243.55
Nonbudget Revenue	A-2b			563,945.20	563,945.20
	A-3	<u>\$ 55,180,974.85</u>	<u>\$ 3,277,643.98</u>	<u>\$ 63,665,807.58</u>	<u>\$ 5,207,188.75</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

Ref.

Other Licenses

Clerk	A-10	\$ 4,998.20
Vital Statistics	A-10	5,119.00
Construction Code	A-10	4,599.00
Fire	A-10	4,350.00
Board of Health	A-10	<u>30,900.00</u>
	A-2	<u>\$ 49,966.20</u>

Other Fees and Permits

Fire	A-10	\$ 6,989.00
Planning Board	A-10	10,315.00
Zoning Board	A-10	8,195.00
Road Opening - Clerk	A-10	7,294.00
Recreation	A-10	19,158.50
Clerk	A-10	<u>10,602.00</u>
	A-2	<u>\$ 62,553.50</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 2022	A-8	\$ 469,788.76
Cash Receipts of 2023 Including State Share of Senior Citizens' Exemptions	A-8 A-1	<u>34,978,576.25</u> \$ 35,448,365.01
Allocated to:		
Local School District Tax	A-24	10,183,124.00
County Tax	A-25	<u>6,398,278.58</u> <u>16,581,402.58</u> 18,866,962.43
Plus: Appropriation "Reserve for Uncollected Taxes"	A-3,Sheet #9	<u>422,450.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 19,289,412.43</u>
<u>Delinquent Tax Collections</u>		
Taxes Receivable	\$	280.71
Tax Title Liens		<u>49,557.38</u> <u>\$ 49,838.09</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:

Restitution	\$ 635.00
Tow Administration Fees	26,760.00
Interest on PILOTS	43,146.32
Cat License	5.00
Cannabis Tax	14,257.20
Parking Lot Interest	469.10
Damage to Town Property	23,797.02
Tax Sales/Tax Searches	100.00
Returned Check Fees	340.00
Credit Union Rent	7,000.00
Redevelopment Application Fees	16,219.00
Gun Permit Fees	6,800.00
Red Bull Parking	129,269.19
Rental Income - Town Property	2,750.00
Rental Income - Cleveland Avenue Firehouse	14,400.00
Copies	2,830.60
Voting Poll Rental	300.00
Auction of Town Property	12,980.00
Public Works Department	1,374.00
PILOT - Unanticipated - Building D	195,106.99
Vendor Refunds	1,545.17
PILOT - Unanticipated - Harrison Senior URE	7,422.71
Police Unclaimed Property	191.54
2% Administration Fee for Senior Citizens	319.67
Coning/Dumpster Fees	3,104.00
Excess Fund Balance - Animal Control Fund	1,668.00
PCB Settlement	17,414.03
Excess in Parking Utility	31,555.54
Miscellaneous	<u>2,185.12</u>

Total Miscellaneous Revenue Not Anticipated

A-1,2,5

\$ 563,945.20

See accompanying notes to financial statements.

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #1

<u>Appropriations</u>	<u>Appropriations</u>		<u>Expenditures</u>		<u>Unexpended Balance Cancelled</u>	
	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Encumbered</u>		
GENERAL GOVERNMENT						
Administrative and Executive:						
Salaries and Wages:						
Governing Body	\$ 14,500.00	\$ 33,500.00	\$ 33,458.31	\$	\$ 41.69	
Town Clerk's Office	492,300.00	480,300.00	464,746.53		15,553.47	
Other Expenses	97,500.00	67,500.00	29,514.10		36,008.07	
Elections:						
Salaries and Wages	7,800.00	7,800.00	3,326.24		4,473.76	
Other Expenses	14,025.00	14,025.00	12,100.76		1,924.24	
Financial Administration:						
Salaries and Wages	478,000.00	481,000.00	473,687.47		7,312.53	
Other Expenses:						
Budgetary and Accounting Fees	124,068.00	124,068.00		113,105.00	10,963.00	
Bond Registration	27,000.00	27,000.00	23,750.00		3,250.00	
Miscellaneous Other Expenses	91,500.00	137,500.00	107,282.78	24,160.00	6,057.22	
Payroll Processing	40,000.00	40,000.00	40,000.00	13,737.35	26,262.65	
Informational Technology:						
Salaries and Wages	243,100.00	218,100.00	204,690.98		13,409.02	
Other Expenses	210,100.00	210,100.00	160,807.20	6,988.22	42,304.58	
Town Historian:						
Other Expenses	1,400.00	1,400.00			1,400.00	
Assessment of Taxes:						
Salaries and Wages	82,625.00	82,625.00	82,326.14		298.86	
Other Expenses:						
Tax Appeal Fees	75,000.00	80,000.00	44,541.50	35,458.50	3,627.21	
Miscellaneous Other Expenses	7,500.00	10,500.00	6,872.79			
Collection of Taxes:						
Salaries and Wages	396,100.00	396,100.00	378,486.33		17,613.67	
Other Expenses	18,000.00	18,000.00	15,936.26		2,063.75	
Liquidation of Tax Title Liens and Foreclosed Property:						
Other Expenses	500.00	500.00	13.00		487.00	

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #2

<u>Appropriations</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>	<u>Unexpended Balance</u>			
	<u>Budget</u>	<u>Modified Budget</u>			<u>Encumbered</u>	<u>Cancelled</u>		
<u>APPROPRIATIONS WITHIN "CAPS"</u>								
<u>GENERAL GOVERNMENT</u>								
Legal Services and Costs:								
Salaries and Wages	\$ 153,500.00	\$ 128,500.00	\$ 115,032.31	\$ 70,661.45	\$ 13,467.69	\$		
Other Expenses	305,000.00	230,000.00	129,548.27		29,790.28			
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	60,000.00	11,806.93	37,932.05	10,261.02			
Zoning Board:								
Salaries and Wages	500.00	500.00			500.00			
Other Expenses	9,500.00	9,500.00	518.73	5,081.27	3,900.00			
Engineering Services and Costs:								
Other Expenses	220,000.00	120,000.00	26,338.71	43,900.00	49,761.29			
Public Buildings and Grounds:								
Other Expenses:								
Gasoline/Diesel Fuel	174,200.00	199,200.00	156,716.57		42,483.43			
Gas and Electric	248,300.00	228,300.00	188,264.60		40,035.40			
Municipal Court:								
Salaries and Wages	522,950.00	474,950.00	428,605.42		46,344.58			
Other Expenses	66,300.00	66,300.00	41,105.10	317.35	24,877.55			
Public Defender:								
Salaries and Wages	46,325.00	46,325.00	43,140.24		3,184.76			
Other Expenses	1,000.00	1,000.00			1,000.00			
Redevelopment Administration:								
Other Expenses	200,000.00	200,000.00		200,000.00				
Total General Government	<u>4,444,093.00</u>	<u>4,205,093.00</u>		<u>3,396,354.61</u>	<u>339,580.67</u>	<u>469,157.72</u>		
<u>PUBLIC SAFETY</u>								
Fire:								
Salaries and Wages	5,175,061.06	5,175,061.06		5,008,855.77		166,205.29		
Salaries and Wages - ARP LFRF - FED	524,938.94	524,938.94		524,938.94				
Other Expenses:								
Clothing Allowance	30,000.00	30,000.00		29,025.00		975.00		
Fire Hydrant Service	98,000.00	98,000.00		98,000.00				
Miscellaneous Other Expenses	285,000.00	275,000.00		109,025.38	50,954.15	115,020.47		

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #3

<u>Appropriations</u>	<u>Budget</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>	<u>Reserve</u>	<u>Unexpended Balance Cancelled</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	\$ 123,000.00	\$ 130,000.00	\$ 128,007.76	\$ 55.00	\$ 1,992.24	\$ 1,840.16					
Other Expenses	8,500.00	8,500.00	6,109.84								
Police:											
Salaries and Wages	6,675,061.00	6,675,061.00	6,154,382.80								
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	36,575.00								
240,000.00	369,000.00	200,805.03	109,309.27								
Miscellaneous Other Expenses											
Traffic Signals:											
Other Expenses											
Police and Fire Signal Alarm System:											
Other Expenses											
Police and Fire Radios and Communications:											
Other Expenses											
Emergency Management Control:											
Other Expenses											
Public Building Alarm System:											
Other Expenses											
Total Public Safety											
<u>STREETS AND ROADS</u>											
Public Works:											
Salaries and Wages	1,530,625.00	1,640,625.00	1,578,510.33								
Other Expenses	518,600.00	520,600.00	369,818.31								
Public Vehicle Maintenance:											
Other Expenses											
Street Lighting:											
Other Expenses											

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #4

<u>Appropriations</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>	<u>Unexpended Balance Cancelled</u>			
	<u>Budget</u>	<u>Modified Budget</u>						
<u>APPROPRIATIONS WITHIN "CAPS"</u>								
<u>STREETS AND ROADS</u>								
Snow Removal:					\$			
Salaries and Wages	\$ 146,500.00	\$ 146,500.00	\$ 146,500.00	\$	\$			
Other Expenses	197,100.00	197,100.00	197,100.00					
Recycling:								
Salaries and Wages	20,825.00	20,825.00	19,999.98		825.02			
Other Expenses	7,500.00	7,500.00			7,500.00			
Total Streets and Roads	<u>3,036,750.00</u>	<u>3,158,750.00</u>	<u>2,854,051.88</u>	<u>69,839.15</u>	<u>234,858.97</u>			
<u>SANITATION</u>								
Garbage and Trash Removal:								
Other Expenses	<u>1,800,000.00</u>	<u>1,860,000.00</u>	<u>1,749,577.64</u>	<u>407.88</u>	<u>110,014.48</u>			
<u>HEALTH AND WELFARE</u>								
Board of Health - Local Health Agency:								
Salaries and Wages	291,000.00	253,000.00	222,673.11		30,326.89			
Other Expenses	77,000.00	77,000.00	65,201.67		9,203.04			
Dog Regulations:								
Other Expenses	40,100.00	40,100.00	35,471.48		4,628.52			
Administration of Public Assistance:								
Other Expenses	8,000.00	8,000.00			8,000.00			
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	<u>14,000.00</u>	<u>14,000.00</u>	<u>4,348.00</u>		<u>9,652.00</u>			
Total Health and Welfare	<u>437,600.00</u>	<u>399,600.00</u>	<u>327,694.26</u>	<u>2,595.29</u>	<u>69,310.45</u>			
<u>Insurance (N.J.S.A. 40A:4-45.3(00)):</u>								
Insurance:								
General Liability	1,226,855.00	1,226,855.00	1,218,646.28		8,208.72			
Employee Group Health	6,316,294.00	6,170,294.00	4,899,568.87		1,269,121.33			
Total Insurance	<u>7,543,149.00</u>	<u>7,397,149.00</u>	<u>6,118,215.15</u>	<u>1,603.80</u>	<u>1,277,330.05</u>			

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #5

<u>Appropriations</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>	<u>Reserve</u>	<u>Unexpended Balance Cancelled</u>				
	<u>Budget</u>	<u>Modified Budget</u>								
<u>APPROPRIATIONS WITHIN "CAPS"</u>										
<u>RECREATION AND EDUCATION</u>										
Parks and Playgrounds:										
Salaries and Wages	\$ 324,175.00	\$ 303,175.00	\$ 275,866.24	\$ 167.41	\$ 27,308.76	\$ 19,945.48				
Other Expenses	86,700.00	86,700.00	66,587.11							
Senior Citizen Center:										
Other Expenses	70,000.00	70,000.00	9,308.96	20,008.62	40,682.42					
Celebration of Public Events, Anniversary or Holiday:										
Other Expenses	45,000.00	45,000.00	21,475.29	2,770.00	20,754.71					
Transportation for Senior Citizens and the Handicapped:										
Salaries and Wages	260,100.00	240,100.00	153,541.69		86,558.31					
Other Expenses	5,000.00	5,000.00			5,000.00					
Community Center:										
Other Expenses	15,000.00	15,000.00	7,340.00		7,660.00					
Total Recreation and Education	<u>805,975.00</u>	<u>764,975.00</u>	<u>534,119.29</u>	<u>22,946.03</u>	<u>207,909.68</u>					
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES N.J.A.C. 5:23-4.17)</u>										
State Uniform Construction Code:										
Construction Official:										
Salaries and Wages	585,550.00	585,550.00	580,549.68		11,100.00	5,000.32				
Other Expenses	66,500.00	56,500.00	7,433.04			37,966.96				
Sub-Code Official:										
Salaries and Wages	87,825.00	47,825.00	35,837.52		11,987.48					
Other Expenses	6,000.00	15,000.00	12,692.00		2,308.00					
Total State Uniform Construction Code	<u>745,875.00</u>	<u>704,875.00</u>	<u>636,512.24</u>	<u>11,100.00</u>	<u>57,262.76</u>					
<u>UNCLASSIFIED</u>										
Telephone	92,500.00	92,500.00	58,034.91		34,465.09					
Postage Machine	28,000.00	35,000.00	25,000.00		10,000.00					
Total Unclassified	<u>120,500.00</u>	<u>127,500.00</u>	<u>83,034.91</u>		<u>44,465.09</u>					
<u>CONTINGENT</u>										
Total Operations	<u>32,804,942.00</u>	<u>32,614,942.00</u>	<u>28,607,331.44</u>	<u>617,931.19</u>	<u>3,389,679.37</u>					

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #6

<u>Appropriations</u>	<u>Budget</u>	<u>Appropriations</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Expended</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>APPROPRIATIONS WITHIN "CAPS"</u>							
Detail:		\$ 18,712,800.00	\$ 18,622,800.00	\$ 17,582,102.79	\$ 617,931.19	\$ 1,040,697.21	\$ 2,348,982.16
Salaries and Wages	14,092,142.00	13,992,142.00	11,025,228.65				
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>							
Deficit Parking Utility	1,796,612.50	1,296,612.50	651,825.82				644,786.68
Contribution to:							
Public Employees' Retirement System	956,104.00	956,104.00	956,104.00				4,952.01
Social Security System (OASI)	725,000.00	740,000.00	735,047.99				
Police and Firemen's Retirement System of NJ	2,828,931.00	2,828,931.00	2,828,931.00				
Defined Contribution Retirement Program (DCRP)	10,000.00	10,000.00	90,000.00				10,000.00
Unemployment Compensation Insurance	90,000.00	90,000.00	90,000.00				
	6,406,647.50	5,921,647.50	5,261,908.81				14,952.01
Total Deferred Charges and Statutory Expenditures							644,786.68
Total Appropriations Within "CAPS"	39,211,569.50	38,536,589.50	33,869,240.25	617,931.19	3,404,631.38	644,786.68	
<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)	574,012.00	574,012.00	369,523.08				203,707.45
Police and Firemen's Retirement System of NJ	69,542.00	69,542.00	69,542.00				
Employee Group Health	421,506.00	421,506.00	421,506.00				
<u>INTERLOCAL AGREEMENTS</u>							
Borough of East Newark - Dispatching	45,000.00	45,000.00					
Borough of East Newark - Street Cleaning	20,000.00	20,000.00					
Borough of East Newark - Ambulance Service	6,500.00	6,500.00					
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE							
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					
Municipal Alliance on Alcoholism - Local Match	3,461.25	3,461.25					
Senior Citizen Outreach Program	186,513.00	186,513.00					
Senior Citizen Food Program	110,749.00	110,749.00					
Spotted Lantern Fly Program	15,000.00	15,000.00					

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #7

<u>Appropriations</u>	<u>Budget</u>	<u>Appropriations</u>		<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unencumbered</u>	<u>Unexpended Balance Cancelled</u>								
		<u>Modified Budget</u>	<u>Encumbered</u>															
APPROPRIATIONS EXCLUDED FROM "CAPS"																		
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE																		
Alcohol Education and Rehabilitation	\$ 13,368.84	\$ 13,368.84	\$ 13,368.84	\$ 13,368.84	\$ 13,368.84	\$ 13,368.84	\$ 13,368.84	\$ 13,368.84	\$ 13,368.84	\$ 13,368.84								
Recycling Tonnage Grant	24,335.55	24,335.55	24,335.55	24,335.55	24,335.55	24,335.55	24,335.55	24,335.55	24,335.55	24,335.55								
Clean Community Grant	34,761.12	34,761.12	34,761.12	34,761.12	34,761.12	34,761.12	34,761.12	34,761.12	34,761.12	34,761.12								
DMHAS Alliance ACEs Trauma Education	1,837.00	1,837.00	1,837.00	1,837.00	1,837.00	1,837.00	1,837.00	1,837.00	1,837.00	1,837.00								
Body Armor Replacement Grant	3,454.45	3,454.45	3,454.45	3,454.45	3,454.45	3,454.45	3,454.45	3,454.45	3,454.45	3,454.45								
Green Acres - Development Grant	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00								
Green Acres - Stewardship Grant	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00								
Harrison Public Safety Communication Project	563,000.00	563,000.00	563,000.00	563,000.00	563,000.00	563,000.00	563,000.00	563,000.00	563,000.00	563,000.00								
NJ DCA Lead Grant Assistance Project	28,300.00	28,300.00	28,300.00	28,300.00	28,300.00	28,300.00	28,300.00	28,300.00	28,300.00	28,300.00								
NJ DEP Stormwater Assistance Grant	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00								
Farmer's Market Equipment Grant - 2023	1,220.00	1,220.00	1,220.00	1,220.00	1,220.00	1,220.00	1,220.00	1,220.00	1,220.00	1,220.00								
Distracted Driving Grant	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00								
DCA Local Recreation Improvement Grant	84,000.00	84,000.00	84,000.00	84,000.00	84,000.00	84,000.00	84,000.00	84,000.00	84,000.00	84,000.00								
Drive Sober or Get Pulled Over	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00								
Hudson County Open Space Trust Fund - Dog Run	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00								
Opioid Settlement Grant	64,313.19	64,313.19	64,313.19	64,313.19	64,313.19	64,313.19	64,313.19	64,313.19	64,313.19	64,313.19								
2023 PEER Group	17,895.00	17,895.00	17,895.00	17,895.00	17,895.00	17,895.00	17,895.00	17,895.00	17,895.00	17,895.00								
CAA/CRRSA HDM (Home Delivered Meals)	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00								
ARP Congregate Nutrition	30,092.00	30,092.00	30,092.00	30,092.00	30,092.00	30,092.00	30,092.00	30,092.00	30,092.00	30,092.00								
Total Public and Private Programs Offset by Revenue	<u>4,121,115.40</u>	<u>4,121,115.40</u>	<u>4,121,115.40</u>	<u>4,121,115.40</u>	<u>4,121,115.40</u>	<u>4,121,115.40</u>	<u>4,121,115.40</u>	<u>4,121,115.40</u>	<u>4,121,115.40</u>	<u>4,121,115.40</u>								
Total Operations	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>								
Detail:																		
Other Expenses	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>	<u>5,258,175.40</u>								
CAPITAL IMPROVEMENTS																		
Capital Improvement Fund	4,029,533.43	4,029,533.43	4,029,533.43	4,029,533.43	4,029,533.43	4,029,533.43	4,029,533.43	4,029,533.43	4,029,533.43	4,029,533.43								
New Jersey Transportation Trust Fund Authority Act	697,282.00	697,282.00	697,282.00	697,282.00	697,282.00	697,282.00	697,282.00	697,282.00	697,282.00	697,282.00								
Public Safety Communication Capital Upgrade	1,100,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00								
Total Capital Improvements	<u>5,826,815.43</u>	<u>6,501,815.43</u>	<u>6,501,815.43</u>	<u>6,501,815.43</u>	<u>6,501,815.43</u>	<u>6,501,815.43</u>	<u>6,501,815.43</u>	<u>6,501,815.43</u>	<u>6,501,815.43</u>	<u>6,501,815.43</u>								
DEBT SERVICE																		
Payment of Bond Principal	420,000.00	420,000.00	420,000.00	420,000.00	420,000.00	420,000.00	420,000.00	420,000.00	420,000.00	420,000.00								
Developers' Bonds Payable - Principal and Interest	537,018.06	537,018.06	537,018.06	537,018.06	537,018.06	537,018.06	537,018.06	537,018.06	537,018.06	537,018.06								
Interest on Bonds	214,743.46	214,743.46	214,743.46	214,743.46	214,743.46	214,743.46	214,743.46	214,743.46	214,743.46	214,743.46								
NJET Loan Repayments for Principal and Interest	1,205,458.34	1,205,458.34	1,205,458.34	1,205,458.34	1,205,458.34	1,205,458.34	1,205,458.34	1,205,458.34	1,205,458.34	1,205,458.34								
Other Bonds Payable - Principal	1,328,722.00	1,328,722.00	1,328,722.00	1,328,722.00	1,328,722.00	1,328,722.00	1,328,722.00	1,328,722.00	1,328,722.00	1,328,722.00								

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #8

<u>Appropriations</u>	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
<u>DEBT SERVICE</u>					
Other Bonds Payable - Interest	\$ 1,771,278.00	\$ 1,771,278.00	\$ 1,771,278.00	\$	\$
Capital Lease Obligations:					
Principal	355,000.00	355,000.00	355,000.00		
Interest	331,588.14	331,588.14	331,588.14		
Total Debt Service	<u>6,163,868.00</u>	<u>6,163,868.00</u>	<u>6,163,868.00</u>	<u>6,163,868.00</u>	
Transfer to Board of Education for Use of Local Schools	600,000.00	600,000.00	600,000.00		
Total General Appropriations Excluded from "CAPS"	<u>17,848,798.83</u>	<u>18,523,798.83</u>	<u>17,313,809.91</u>	<u>929,192.40</u>	<u>280,796.52</u>
<u>FOR LOCAL DISTRICT SCHOOL PURPOSES</u>					
Type 1 District School Debt Service:					
Payment of Bond Principal	735,000.00	735,000.00	735,000.00		
Interest on Bonds	240,780.50	240,780.50	240,780.50		
	<u>975,780.50</u>	<u>975,780.50</u>	<u>975,780.50</u>	<u>975,780.50</u>	
Total Appropriations Excluded from "CAPS"					
	<u>18,824,579.33</u>	<u>19,499,579.33</u>	<u>18,289,590.41</u>	<u>929,192.40</u>	<u>280,796.52</u>
Sub- Total	58,036,168.83	58,036,168.83	52,158,830.66	1,547,123.59	3,685,427.90
Reserve for Uncollected Taxes	422,450.00	422,450.00	422,450.00		
Total Appropriations	<u>\$ 58,458,618.83</u>	<u>\$ 58,458,618.83</u>	<u>\$ 52,581,280.66</u>	<u>\$ 1,547,123.59</u>	<u>\$ 3,685,427.90</u>
Reference					
	A-3, Sheet #9	A	A	A	A-3, Sheet #9

TOWN OF HARRISON
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #9

	<u>Ref.</u>	<u>Appropriations</u> Modified Budget	<u>Expended</u> Paid or Charged
Adopted Budget	A-2	\$ 55,180,974.85	\$
Added by N.J.S. 40A:4-87	A-2	3,277,643.98	
Reserve for Uncollected Taxes	A-2a	(422,450.00)	422,450.00
Cancelled	Reserve	(644,786.68)	
Local Cash Match - Grants	A-4		3,461.25
Cash Disbursements	A-4		47,001,833.26
Interfunds Payable	A-21		343,600.00
Grant Funds - Appropriated	A-34		<u>4,809,936.15</u>
	A-1, Sheet #8	<u>\$ 57,391,382.15</u>	<u>\$ 52,581,280.66</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, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ 3,496.80	\$ 3,660.60
<u>CDBG Trust Fund</u>			
Cash	B-1	232,000.00	232,000.00
Due from Hudson County	B-2	118,097.00	
		350,097.00	232,000.00
<u>Other Funds</u>			
Cash	B-1	19,372,812.45	17,305,415.98
Due from Current Fund	B-3		411,573.31
		19,372,812.45	17,716,989.29
			\$17,952,649.89
LIABILITIES AND RESERVES			
<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	3,492.00	3,600.00
		3,496.80	3,600.60
<u>CDBG Trust Fund</u>			
Interfunds Payable	B-7	232,000.00	232,000.00
Reserve for CDBG	B-8	118,097.00	
		350,097.00	232,000.00
<u>Other Funds</u>			
Due to State of New Jersey - Marriage			
Surcharge	B-9	2,375.00	1,150.00
Due to Federal Government	B-10	31,550.35	31,550.35
Reserves for:			
Unemployment Compensation Insurance	B-11	1,142,417.59	1,023,870.82
Premium on Tax Sale	B-12	566,000.00	664,400.00
Parking Offenses Adjudication Act	B-13	129,971.69	120,485.69
Emergency Assistance	B-14	400.73	400.73
Library Donations	B-15	4,835.98	4,727.22
Developers' Escrow	B-16	1,034,015.68	976,019.73
Other Reserves	B-17	16,461,245.43	14,894,384.75
		19,372,812.45	17,716,989.29
			\$17,952,649.89

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, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Cash	C-2	\$21,170,528.09	\$18,366,351.95
Due from Hudson County Improvement Authority	C-4	292,004.83	292,004.83
Grants Receivable	C-5	3,654,000.00	3,654,000.00
Deferred Charges to Future Taxation:			
Funded	C-6	<u>37,586,753.96</u>	<u>41,458,274.30</u>
		<u>\$62,703,286.88</u>	<u>\$63,770,631.08</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-15	\$ 5,650,000.00	\$ 6,070,000.00
School Serial Bonds Payable	C-16	4,665,000.00	5,400,000.00
Other Bonds	C-17	13,473,479.45	14,802,201.45
CJUF Bonds Payable	C-18	7,215,000.00	7,505,000.00
Due to Current Fund	C-7	3,706,980.56	3,654,079.50
New Jersey Environmental Infrastructure Trust Loan	C-8	6,583,274.51	7,681,072.85
Improvement Authorizations:			
Funded	C-9	7,616,617.96	5,999,365.49
Capital Improvement Fund	C-10	12,591,206.34	11,421,672.91
Reserve for Library Construction	C-11	547,192.09	571,402.19
Reserve for Facilities Renovations	C-12	280,704.11	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	356,943.29
Fund Balance	C-1	<u>2,389.89</u>	<u>2,389.89</u>
		<u>\$62,703,286.88</u>	<u>\$63,770,631.08</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, 2022	C	<u>\$2,389.89</u>
Balance December 31, 2023	C	<u>\$2,389.89</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>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
<u>Operating Fund</u>			
Cash	D-5	\$10,152,691.96	\$ 9,322,407.52
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-7	118,721.38	137,867.17
Liens Receivable	D-8	146.03	146.03
Inventory - Materials and Supplies	D-9	99,120.89	135,436.37
		<u>10,370,680.26</u>	<u>9,595,857.09</u>
<u>Capital Fund</u>			
Cash	D-5	2,377,260.74	1,092,070.86
Interfunds Receivable	D-10		91,590.00
Fixed Capital	D-11	14,287,936.88	13,707,236.62
Fixed Capital Authorized and Uncompleted	D-12	1,255,882.53	640,282.66
		<u>17,921,080.15</u>	<u>15,531,180.14</u>
		<u><u>\$28,291,760.41</u></u>	<u><u>\$25,127,037.23</u></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, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
<u>Operating Fund</u>			
Appropriation Reserves:			
Reserved	D-4,13	\$ 674,476.74	\$ 519,690.84
Encumbered	D-4,13	15,195.00	231,718.02
Accounts Payable	D-14	47,557.13	47,557.13
Consumer Account Overpayments	D-15	13,381.41	14,443.80
Reserve for Water/Sewer Connection Fees	D-16	4,305,991.97	4,273,455.95
Reserve for Meter Rentals	D-17	1,800.00	7,900.00
Interfunds Payable	D-18		91,590.00
		<u>5,058,402.25</u>	<u>5,186,355.74</u>
Reserve for Receivables and Inventory	Reserve	217,988.30	273,449.57
Fund Balance	D-1	<u>5,094,289.71</u>	<u>4,136,051.78</u>
		<u>10,370,680.26</u>	<u>9,595,857.09</u>
<u>Capital Fund</u>			
Due to Hudson County	D-19	0.01	
Improvement Authorizations:			
Funded	D-20	1,255,882.53	640,282.66
Capital Improvement Fund	D-21	1,119,735.78	541,735.78
Reserve for Amortization	D-22	13,467,515.28	13,467,515.28
Deferred Reserve for Amortization	D-23	2,076,300.13	880,000.00
Fund Balance	D-2	1,646.42	1,646.42
		<u>17,921,080.15</u>	<u>15,531,180.14</u>
		<u>\$28,291,760.41</u>	<u>\$25,127,037.23</u>
Bonds and Notes Authorized but Not Issued	D-24	\$ 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 2023</u>	<u>Year 2022</u>
<u>Revenue</u>			
Operating Surplus Anticipated	D-3	\$ 150,000.00	\$ 150,000.00
Water/Sewer Rents	D-3	3,943,041.44	4,020,197.92
Fire Hydrant Service	D-3	98,000.00	98,000.00
Other Credits to Income:			
Nonbudget Revenue	D-3	286,292.82	299,239.92
Appropriation Reserves Lapsed	D-13	384,329.34	255,822.44
Accrued Interest on Bonds Cancelled			9,978.13
Overpayments Adjustment	D-15	1,062.39	
		<u>4,862,725.99</u>	<u>4,833,238.41</u>
<u>Expenditures</u>			
Operations:			
Salaries and Wages		265,000.00	235,000.00
Other Expenses		2,890,000.00	2,884,700.00
Capital Improvements		578,000.00	360,218.00
Debt Service			148,081.25
Statutory Expenditures		20,000.00	20,000.00
	D-4	<u>3,753,000.00</u>	<u>3,647,999.25</u>
Other Debits to Income:			
Prior Year Revenue Refund	D-5	1,488.06	
Cancelled Receivable			<u>91,590.00</u>
Statutory Excess to Fund Balance		1,108,237.93	1,093,649.16
<u>Fund Balance</u>			
Balance January 1	D	4,136,051.78	3,192,402.62
		5,244,289.71	4,286,051.78
Decreased by:			
Utilized as Anticipated Revenue	Above	<u>150,000.00</u>	<u>150,000.00</u>
Balance December 31	D	<u>\$5,094,289.71</u>	<u>\$4,136,051.78</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, 2022	D	<u>\$1,646.42</u>
Balance December 31, 2023	D	<u>\$1,646.42</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	3,505,000.00	3,943,041.44	438,041.44
Fire Hydrant Service	D-1,5	98,000.00	98,000.00	
		3,753,000.00	4,191,041.44	438,041.44
Nonbudget Revenue	D-1,5		286,292.82	286,292.82
	D-4	<u>\$3,753,000.00</u>	<u>\$4,477,334.26</u>	<u>\$724,334.26</u>

Analysis of Nonbudget Revenue

New Meters	\$ 4,060.00
Shut Off/Reconnected	75.00
Flow Test	6,352.00
PV Rebate of Connection Fees	855.24
Return Check Fee	40.00
Water Penalty	13,688.78
Property Damage	56.65
Interest on Investments	261,165.15
Above	<u>\$ 286,292.82</u>

See accompanying notes to financial statements.

TOWN OF HARRISON
WATER/SEWER UTILITY

STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-4

	2023 Budget Appropriation	Modified Budget	Expendited		Reserved
			Paid or Charged	Encumbered	
<u>Operating</u>					
Salaries and Wages	\$ 265,000.00	\$ 265,000.00	\$ 248,769.98	\$ 15,195.00	\$ 16,230.02
Other Expenses	266,000.00	266,000.00	121,056.34		129,748.66
Sewer Disposal (PVSC)	900,000.00	900,000.00	792,698.17		107,301.83
Water Purchased	1,724,000.00	1,724,000.00	1,304,501.89		419,498.11
<u>Capital Improvements</u>					
Capital Outlay	378,000.00	578,000.00	578,000.00		
Capital Improvement Fund	200,000.00				
<u>Statutory Expenditures</u>					
Social Security System	<u>20,000.00</u>	<u>20,000.00</u>	<u>18,301.88</u>		<u>1,698.12</u>
	<u>\$3,753,000.00</u>	<u>\$3,753,000.00</u>	<u>\$3,063,328.26</u>		<u>\$674,476.74</u>
<u>Reference</u>		<u>D-3</u>	<u>D-1.5</u>	<u>D.D-1</u>	<u>D.D-1</u>

See accompanying notes to financial statements.

TOWN OF HARRISON
PARKING UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
<u>Operating Fund</u>			
Cash	E-5	<u>\$ 6,245,079.81</u>	<u>\$ 6,200,304.61</u>
<u>Capital Fund</u>			
Cash	E-5	5,224,697.71	5,325,261.71
Fixed Capital	E-7	47,364,834.21	47,264,270.21
Fixed Capital Authorized and Uncompleted	E-8	<u>3,585,165.79</u> <u>56,174,697.71</u>	<u>3,685,729.79</u> <u>56,275,261.71</u>
		<u><u>\$62,419,777.52</u></u>	<u><u>\$62,475,566.32</u></u>

LIABILITIES, RESERVES AND FUND BALANCE

<u>Operating Fund</u>			
Appropriation Reserves:			
Reserved	E-4,9	\$ 534,264.35	\$ 163,997.72
Encumbered	E-4,9	72,743.50	85,322.97
Accounts Payable	E-10	41,916.95	3,678.40
Accrued Interest on Bonds	E-11	426,808.86	426,808.86
Due to Current Fund	E-13	<u>4,031,555.54</u> <u>5,107,289.20</u>	<u>4,382,706.05</u> <u>5,062,514.00</u>
Fund Balance	E-1	<u>1,137,790.61</u> <u>6,245,079.81</u>	<u>1,137,790.61</u> <u>6,200,304.61</u>
<u>Capital Fund</u>			
Serial Bonds Payable	E-19	41,515,000.00	42,590,000.00
Improvement Authorizations:			
Funded	E-12	1,110,165.79	1,210,729.79
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	5,010,000.00	3,935,000.00
Reserve for Deferred Amortization	E-18	1,950,000.00	1,950,000.00
Fund Balance	E-2	<u>66,531.92</u> <u>56,174,697.71</u>	<u>66,531.92</u> <u>56,275,261.71</u>
		<u><u>\$62,419,777.52</u></u>	<u><u>\$62,475,566.32</u></u>
Bonds and Notes Authorized but Not Issued	E-20	<u>\$ 2,475,000.00</u>	<u>\$ 2,475,000.00</u>

See accompanying notes to financial statements.

TOWN OF HARRISON
PARKING UTILITY

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

E-1

	<u>Ref.</u>	<u>Year 2023</u>	<u>Year 2022</u>
<u>Revenue</u>			
Garage/Lot Income	E-3,5	\$ 2,933,077.18	\$ 2,773,776.72
Parking Meters	E-3,5	632,444.89	464,200.04
Parking Permits	E-3,5	29,150.00	21,750.00
Advertising Revenue	E-3,5	17,100.00	17,100.00
Deficit (General Budget)	E-3,5	651,825.82	720,830.68
Other Credits to Income:			
Nonbudget Revenue	E-3,5	272,014.61	89,755.06
		<u>4,535,612.50</u>	<u>4,087,412.50</u>
<u>Expenditures</u>			
Operations:			
Operating		1,830,550.00	1,390,550.00
Debt Service		2,679,762.50	2,682,262.50
Statutory Expenditures	E-4	25,300.00	14,600.00
		<u>4,535,612.50</u>	<u>4,087,412.50</u>
Statutory Excess to Fund Balance		-	-
<u>Fund Balance</u>			
Balance January 1	E	<u>1,137,790.61</u>	<u>1,137,790.61</u>
Balance December 31	E	<u>\$ 1,137,790.61</u>	<u>\$ 1,137,790.61</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, 2022	E	<u>\$66,531.92</u>
Balance December 31, 2023	E	<u>\$66,531.92</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	\$2,272,000.00	\$2,933,077.18	\$ 661,077.18
Parking Meters	E-1,5	430,000.00	632,444.89	202,444.89
Parking Permits	E-1,5	21,000.00	29,150.00	8,150.00
Advertising Revenue	E-1,5	16,000.00	17,100.00	1,100.00
Deficit (General Budget)	E-1,5	1,796,612.50	651,825.82	(1,144,786.68)
Nonbudget Revenue	E-1,5,Below	<hr/>	<hr/> 272,014.61	<hr/> 272,014.61
	E-4	<u>\$4,535,612.50</u>	<u>\$4,535,612.50</u>	<u>\$</u> <u>-</u>
Analysis of Nonbudget Revenue				
Commercial Parking			\$ 22,200.00	
Interest on Investments			<hr/> 249,841.61	
	Above		<u>\$ 272,041.61</u>	

See accompanying notes to financial statements.

TOWN OF HARRISON
PARKING UTILITY

STATEMENT OF EXPENDITURES - REGULATORY BASIS

E-4

	<u>2023 Budget Appropriation</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Expended</u>		
					<u>Encumbered</u>	<u>Reserved</u>
<u>Operating</u>						
Salaries and Wages	\$ 330,550.00	\$ 300,550.00	\$ 119,676.50	\$ 72,743.50		\$ 180,873.50
Other Expenses	1,500,000.00	1,530,000.00	1,120,174.84			337,081.66
<u>Debt Service</u>						
Payment of Bonds	1,075,000.00	1,075,000.00	1,075,000.00			
Interest on Bonds	1,604,762.50	1,604,762.50	1,604,762.50			
<u>Statutory Expenditures</u>						
Social Security System	<u>25,300.00</u>	<u>25,300.00</u>	<u>8,990.81</u>			<u>16,309.19</u>
	<u>\$4,535,612.50</u>	<u>\$4,535,612.50</u>	<u>\$3,928,604.65</u>			<u>\$534,264.35</u>
<u>Reference</u>						
	E-3	E-1.Below	E-1		E-E-1	
					<u>Ref.</u>	
Cash Disbursed						\$2,323,842.15
Accrued Interest on Bonds						E-5 E-11 1,604,762.50
Above						<u>\$3,928,604.65</u>

See accompanying notes to financial statements.

TOWN OF HARRISON
PAYROLL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E

<u>ASSETS</u>	Ref.	Balance <u>Dec. 31, 2023</u>	Balance <u>Dec. 31, 2022</u>
Cash	F-1	<u>\$283,708.90</u>	<u>\$285,239.64</u>
		<u><u>\$283,708.90</u></u>	<u><u>\$285,239.64</u></u>
<u>LIABILITIES</u>			
Payroll Deductions Payable Due to Current Fund	F-2 F-3	<u>\$183,708.90</u> <u>100,000.00</u>	<u>\$185,239.64</u> <u>100,000.00</u>
		<u><u>\$183,708.90</u></u>	<u><u>\$185,239.64</u></u>

See accompanying notes to financial statements.

TOWN OF HARRISON
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

G

<u>ASSETS</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Land and Buildings	\$56,562,071.42	\$56,546,801.87
Infrastructure	3,827,300.00	3,827,300.00
Vehicles	6,566,003.49	5,514,856.01
Machinery and Equipment	3,560,058.71	3,123,396.10
	<u>\$70,515,433.62</u>	<u>\$69,012,353.98</u>
 <u>RESERVES</u>		
Investment in Capital Fixed Assets	<u>\$70,515,433.62</u>	<u>\$69,012,353.98</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWN OF HARRISON

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2023

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

- **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 Town does not expect this Statement to impact its 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)

- *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.

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

- *GASB Statement No. 102 Certain Risk Disclosures.* The objective of this Statement is to provide users of government financial statements with essential information about risk related to a government's vulnerabilities due to certain concentrations or constraints.

Effective Date: The requirements of this Statement are effective for fiscal year beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

The Town does not expect this Statement to impact its 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 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, 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:

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.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. 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, 2023 and 2022, the Town's cash, cash equivalents and investments consisted of:

	<u>2023</u>	<u>2022</u>
Kearny Bank - Checking Accounts	\$ 8,421.32	\$ 8,233.94
Valley National Bank - Checking Accounts	6,782,350.86	6,069,743.34
Investors Bank - Checking Accounts	<u>105,559,625.04</u>	<u>94,272,796.06</u>
	<u><u>\$ 112,350,397.22</u></u>	<u><u>\$ 100,350,773.34</u></u>

The carrying amount of the Town's cash, cash equivalents and investments at December 31, 2023 was \$112,350,397.22. Of the bank balance, \$508,421.32 was covered by Federal Depository Insurance, and \$111,841,975.90 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 2023 and 2022, no such investments were held by the Town.

As of December 31, 2023 and 2022, the Town had no investments.

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.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

- 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, 2023, the Town had funds invested and on deposit in checking accounts. The amount of the Town's cash on deposit as of December 31, 2023 was \$112,350,397.22. 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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020*</u>	<u>2019</u>
Tax Rate	<u>\$ 2.299</u>	<u>\$ 2.281</u>	<u>\$ 2.243</u>	<u>\$ 2.280</u>	<u>\$ 7.261</u>
Apportionment of Tax Rate:					
Municipal					
Municipal Library	\$ 1.126	\$ 1.130	\$ 1.122	\$ 1.103	\$ 3.531
County**	0.037	0.034	0.031	0.032	0.098
School***	0.414	0.403	0.375	0.393	1.319
	0.722	0.714	0.715	0.752	2.313

*Revaluation

**Including County Vocational School

***Including Local Share

Assessed Valuations

	<u>Year</u>	<u>Amount</u>
2023		\$ 1,545,759,614.00
2022		1,550,367,694.00
2021		1,529,305,084.00 *
2020		477,748,840.00
2019		475,115,366.00

*Revaluation

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2023	\$ 35,577,142.80 *	\$ 35,448,365.01	99.63 %
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

*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>	<u>Percentage of Tax Levy</u>
2023	\$ 283.16	\$ 238,446.70	\$ 238,729.86	0.67 %
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

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>
2023	\$ 216,700.00
2022	216,700.00
2021	216,700.00
2020	216,700.00 *
2019	71,700.00

*Revaluation

5. WATER/SEWER UTILITY BILLINGS AND COLLECTION

<u>Year</u>	<u>Billing</u>	<u>Water/Sewer Collections</u>
2023	\$ 3,938,403.95	\$ 3,943,041.44
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

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

6. FUND BALANCES APPROPRIATED

Year	Current Fund		Water/Sewer Utility Operating Fund		Parking Utility	
	Balance	Utilized in Budget of Succeeding Year	Balance	Utilized in Water Utility Budget of Succeeding Year	Balance	Utilized in Parking Utility Budget of Succeeding Year
	December 31		December 31		December 31	
2023	\$ 28,227,780.03	\$ 4,000,000.00	\$ 5,094,289.71	\$ 175,000.00	\$ 1,137,790.61	\$ -
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

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)

Description of Systems (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>2023</u>	<u>2022</u>	<u>2021</u>
Covered Employee Payroll	\$ 5,884,195	\$ 5,699,212	\$ 5,691,241
Total Payroll	20,654,570	19,998,325	18,869,219
Actuarial Contribution			
Requirements	1,012,775	916,945	885,443
Total Contributions	1,454,091	1,344,386	1,312,286
Employer Share	1,012,775	916,945	885,443
% of Covered Payroll	17.21%	16.09%	15.56%
Employee's Share	441,316	427,441	426,843
% of Covered Payroll	7.50%	7.50%	7.50%
PFRS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Covered Employee Payroll	\$ 9,447,978	\$ 8,114,841	\$ 7,748,510
Total Payroll	20,654,570	19,998,325	18,869,219
Actuarial Contribution			
Requirements	2,936,643	2,739,773	2,568,337
Total Contributions	3,881,438	3,551,257	3,343,188
Employer Share	2,936,643	2,739,773	2,568,337
% of Covered Payroll	31.08%	33.76%	33.15%
Employee's Share	944,795	811,484	774,851
% of Covered Payroll	10.00%	10.00%	10.00%

Assumptions

The collective total PERS pension liability for June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 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, 2023. The actuarial valuation used an inflation rate of 2.75% for price and 3.25% for wage, projected salary increases 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, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 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, 2023. 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, 2023. 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 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, 2023 and 2022, 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 Current Discount Rate	
	At 1% Decrease <u>(6.00%)</u>	<u>(7.00%)</u>	At 1% Increase <u>(8.00%)</u>
2023	<u>\$ 14,408,574</u>	<u>\$ 10,975,767</u>	<u>\$ 8,225,289</u>
	At Current Discount Rate		
	At 1% Decrease <u>(6.00%)</u>	<u>(7.00%)</u>	At 1% Increase <u>(8.00%)</u>
2022	<u>\$ 14,216,974</u>	<u>\$ 10,973,383</u>	<u>\$ 8,384,979</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>2023</u>	<u>2022</u>
Employer Net Pension Liability	\$ 10,975,767.00	\$ 10,973,383.00
Nonemployer Proportional Share of the Net Pension Liability	<u>92,535.00</u>	<u>92,933.00</u>
	<u><u>\$ 11,068,302.00</u></u>	<u><u>\$ 11,066,316.00</u></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, 2023 and 2022, 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 Current Discount Rate (7.00%)	At 1% Decrease (6.00%)	At 1% Increase (8.00%)
	2023	<u>\$ 40,218,141</u>	<u>\$ 24,373,726</u>	<u>\$ 19,410,306</u>
	2022	<u>\$ 39,035,184</u>	<u>\$ 24,113,135</u>	<u>\$ 19,636,062</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>2023</u>	<u>2022</u>
Employer Net Pension Liability	\$ 24,373,726.00	\$ 24,113,135.00
Non-employer Proportionate Share of the Net Pension Liability	<u>4,491,143.00</u>	<u>4,335,926.00</u>
	<u><u>\$ 28,864,869.00</u></u>	<u><u>\$ 28,449,061.00</u></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, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

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, 2023:

	<u>PERS</u>	<u>PFRS</u>
Net Pension Liabilities	\$ 10,975,767	\$ 24,373,726
Deferred Outflow of Resources	724,310	4,393,483
Deferred Inflow of Resources	1,295,287	4,411,095
Pension Expense (Benefit)	86,843	1,617,231
Contributions Made After Measurement Date	1,012,775	2,936,643

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, 2023 and 2022 and for the years ended June 30, 2023 and 2022 to the PFRS. The Town's proportionate share of the collective net pension liability as of June 30, 2023 and 2022 was .0757766064 and .0727129327 for PERS. The Town's proportionate share of the collective net pension liability as of June 30, 2023 and 2022 was 0.22060101 and 0.21066210% 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, 2023, the amount determined as the Town's proportionate share of the PERS net pension liability was \$10,975,767. For the year ended June 30, 2023, the Town would have recognized PERS pension expense of \$86,843. At June 30, 2023, deferred outflows of resources related to the PERS pension are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 104,942	\$ 44,865
Change of Assumptions	24,112	665,179
Net Difference Between Projected and Actual Investment Earnings	50,545	
Net Changes in Proportion	544,711	585,243
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>1,012,775</u>	<u></u>
	<u>\$ 1,737,085</u>	<u>\$ 1,295,287</u>

At June 30, 2023, the amount determined as the Town's proportionate share of the PFRS net pension liability was \$24,373,726. For the year ended June 30, 2023, the Town would have recognized PFRS pension expense of \$1,617,231. At June 30, 2023, 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)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,043,634	\$ 1,162,411
Change of Assumptions	52,607	1,645,811
Net Difference Between Projected and Actual Investment Earnings	1,241,308	
Net Changes in Proportion	2,055,934	1,602,873
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>2,936,643</u>	<u></u>
	<u><u>\$ 7,330,126</u></u>	<u><u>\$ 4,411,095</u></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, 2023) 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, 2023 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	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The following information under this Note is the latest information available as of the date of the audit. The State of New Jersey State Health Benefits Local Government Retired Employees' Plan Audit has not been issued as of June 30, 2023.

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, 2022. Additional information was not available as of the date of this audit.

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Total OPEB Liability (Continued)

At December 31, 2022 and 2021, the Town had a liability of \$49,396,606 and \$54,400,919 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2022 and 2021 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, 2022 and 2021 was .305869% and .302231%, respectively.

Total OPEB Liability

For the year ended December 31, 2022, the Town would have recognized OPEB (benefit) of \$(401,292). At December 31, 2022, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 6,592,182	\$ 16,858,109
Net Difference Between Projected and Actual		
Earnings on OPEB Plan Investments	13,004	
Difference Between Expected and Actual	2,550,894	9,156,031
Changes in Proportion and Differences Between the Town's Contributions and Proportionate Share of Contributions	<u>2,852,959</u>	<u>3,722,048</u>
Total	<u>\$ 12,009,039</u>	<u>\$ 29,736,188</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:	
2023	\$ (4,476,027)
2024	(4,479,979)
2025	(3,537,773)
2026	(1,579,990)
2027	(354,228)
2028 - 2029	(2,430,063)

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 and 7.82 years for the 2022 and 2021 amounts, respectively.

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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, 2021 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 period July 1, 2018 to June 30, 2021.

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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):	
Rate for all Future Years	2.75% to 6.55%
	Based on Years of Service
Police and Firemen's Retirement System (PFRS):	
Rate for all Future Years	3.25% to 16.25%
	Based on Years of Service
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, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Discount Rate

The discount rate for June 30, 2022 and 2021 was 3.54% and 2.16%, respectively. 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, 2022, 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:

	June 30, 2022		
	1% Decrease <u>2.54%</u>	At Current Discount Rate <u>3.54%</u>	1% Increase <u>4.54%</u>
Town's Proportionate Share of Net OPEB Liability	\$ 57,260,611	\$ 49,396,606	\$ 43,069,279
	June 30, 2021		
	1% Decrease <u>1.16%</u>	At Current Discount Rate <u>2.16%</u>	1% Increase <u>3.16%</u>
Town's Proportionate Share of Net OPEB Liability	\$ 64,019,447	\$ 54,400,919	\$ 46,778,029

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, 2022		
	1% Decrease <u>Healthcare Cost Trend Rate</u>	Healthcare Cost Trend Rate	1% Increase <u>Healthcare Cost Trend Rate</u>
Town's Proportionate Share of Net OPEB Liability	\$ 41,904,628	\$ 49,396,606	\$ 58,991,720
	June 30, 2021		
	1% Decrease <u>Healthcare Cost Trend Rate</u>	Healthcare Cost Trend Rate	1% Increase <u>Healthcare Cost Trend Rate</u>
Town's Proportionate Share of Net OPEB Liability	\$ 45,388,688	\$ 54,400,919	\$ 66,160,764

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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, 2022 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 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. Member contributions are matched by a 3.0% employer contribution.

During the Year 2023, 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.

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$ 32,921,753.96	\$ 36,058,274.30	\$ 39,107,718.94
Water/Sewer Utility:			
Bonds and Notes			145,000.00
Parking Utility:			
Bonds and Notes	<u>41,515,000.00</u>	<u>42,590,000.00</u>	<u>43,615,000.00</u>
	<u>74,436,753.96</u>	<u>78,648,274.30</u>	<u>82,867,718.94</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>\$ 76,911,757.96</u>	<u>\$ 81,123,278.30</u>	<u>\$ 85,342,722.94</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.749%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 4,665,000.00	\$ 4,665,000.00	\$
Parking Utility Debt	43,990,000.00	43,990,000.00	
General Debt	<u>32,921,753.96</u>	<u>19,961,686.20</u>	<u>12,960,067.76</u>
	<u>\$81,576,753.96</u>	<u>\$68,616,686.20</u>	<u>\$ 12,960,067.76</u>
Average Equalized Valuation Basis of Real Property (N.J.S. 40A:22)			<u>\$ 1,731,085,941.33</u>

Net debt divided by Average Equalized Valuation Basis of Real Property equals 0.749%.

10. MUNICIPAL DEBT (Continued)

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

3 1/2% of Equalized Valuation Basis	\$60,588,007.95
Net Debt	<u>12,960,067.76</u>
Remaining Borrowing Power	<u>\$47,627,940.19</u>

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	\$4,535,612.50
Deductions:	
Operating and Maintenance Cost	\$1,855,850.00
Debt Service	<u>2,679,762.50</u>
	<u>4,535,612.50</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, 2023, the Town's long-term debt is as follows:

General Obligation Bonds

\$2,685,000.00, 2003 ERI Bonds due in annual installments of \$105,000.00 to \$175,000.00 through May 2033, interest at 5.690%.	\$ 1,390,000.00
\$6,369,000.00, 2012 Secured Revenue Bonds due in annual installments of \$270,000.00 to \$340,000.00 through August 2037, interest at 5.25% to 6.00%.	<u>4,260,000.00</u> <u>\$ 5,650,000.00</u>

10. MUNICIPAL DEBT (Continued)

General Obligation Bonds (Continued)

<u>Year</u>	<u>2003 Issue</u>		<u>Refunded Sub-Series 2022-1</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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>\$ 1,390,000.00</u>	<u>\$ 431,302.00</u>	<u>\$ 4,260,000.00</u>	<u>\$ 978,803.09</u>	<u>\$ 5,650,000.00</u>	<u>\$ 1,410,105.09</u>
						<u>\$ 7,060,105.09</u>

10. MUNICIPAL DEBT (Continued)

CJUF Bonds:

<u>Year</u>	Refunded 2022 Sub-Series 2022-1		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 7,215,000.00</u>	<u>\$ 2,763,759.00</u>	<u>\$ 9,978,759.00</u>

CJUF Refunding Bonds Payable

\$7,505,000.00, 2022 Refunding Bonds due in annual installments of \$290,000.00 to \$495,000.00 through April 2042, interest at 5.00% to 5.25%. \$ 7,215,000.00

Parking Utility Bonds

\$46,525,000.00, 2018 General Bonds due in annual installments of \$1,130,000.00 to \$2,635,000.00 through March 2046, interest at 3.125% to 5.00%. \$ 41,515,000.00

Bond Anticipation Notes

There were no Bond Anticipation Notes as of December 31, 2023.

Bonds and Notes Authorized but Not Issued

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

	Balance Dec. 31, 2023
Water Utility Capital Fund: General Improvements	<u>\$ 4.00</u>
Parking Utility Capital Fund: General Improvements	<u>\$ 2,475,000.00</u>

10. MUNICIPAL DEBT (Continued)

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>
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	2,635,000.00	49,406.25	2,684,406.25
	<u>\$ 41,515,000.00</u>	<u>\$ 20,169,437.53</u>	<u>\$ 61,684,437.53</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 accredited 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>
12-15-24	\$ 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>\$13,473,479.45</u>	<u>\$33,076,517.55</u>	<u>\$46,549,997.00</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 accrued 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>
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	<u>660,000.00</u>	<u>18,562.50</u>	<u>678,562.50</u>
	<u>\$5,990,000.00</u>	<u>\$2,208,687.59</u>	<u>\$8,198,687.59</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			NJEIT Fee	Total
	Fund Loan Principal	Trust Loan Principal	Interest	Fund Loan Principal	Trust Loan Principal	Interest		
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>\$ 622,238.37</u>	<u>\$ 342,000.00</u>	<u>\$ 49,480.00</u>		<u>\$ 164,748.39</u>	<u>\$ 67,000.00</u>	<u>\$10,080.00</u>	<u>\$19,350.00</u>	<u>\$1,474,896.76</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		NJET Fee	Total
	Fund Loan Principal	Trust Loan Interest	Fund Loan Principal	Trust Loan Interest		
8/01/24	\$ 572,887.87	\$ 214,000.00	\$ 56,880.00	\$ 69,412.77	\$ 28,000.00	\$ 12,555.00
8/01/25	572,887.87	223,000.00	48,320.00	69,412.77	28,000.00	5,880.00
8/01/26	572,887.87	233,000.00	39,400.00	69,412.77	29,000.00	4,760.00
8/01/27	572,887.87	243,000.00	30,080.00	69,412.77	29,000.00	3,600.00
8/01/28	572,887.87	252,000.00	20,360.00	69,412.77	28,000.00	2,440.00
8/01/29	572,887.87	257,000.00	10,280.00	69,412.96	33,000.00	1,320.00
						956,455.83
	<u>\$ 3,437,327.22</u>	<u>\$ 1,422,000.00</u>	<u>\$ 205,320.00</u>	<u>\$ 416,476.81</u>	<u>\$ 25,000.00</u>	<u>\$ 75,330.00</u>
						<u><u>\$ 5,756,454.03</u></u>

13. SCHOOL DEBT (Continued)

Bond Anticipation Notes

There were no Bond Anticipation Notes outstanding as of December 31, 2023.

Bonds and Notes Authorized but Not Issued

There were no Bonds and Notes Authorized but Not Issued as of December 31, 2023.

14. CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2023 and 2022 was as follows:

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Buildings and Improvements	\$ 56,546,801.87	\$ 15,269.55	\$ -	\$ 56,562,071.42
Land	3,827,300.00			3,827,300.00
Vehicles	5,514,856.01	1,089,215.82	38,068.34	6,566,003.49
Machinery and Equipment	3,123,396.10	436,662.61		3,560,058.71
	<u>\$ 69,012,353.98</u>	<u>\$ 1,541,147.98</u>	<u>\$ 38,068.34</u>	<u>\$ 70,515,433.62</u>

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
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, 2023, 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	\$ 8,860,811.95	\$ -
Federal and State Grant Fund		790,275.85
General Trust Fund		232,000.00
General Capital Fund		3,706,980.56
Payroll Fund		100,000.00
Parking Operating Fund		4,031,555.54
	<u>\$ 8,860,811.95</u>	<u>\$ 8,860,811.95</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, 2023.

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, 2023, Town officials estimate that the sum of \$3,550,569.00 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 \$3,576,288.94.

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 2023. 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 \$9,655,652.97 for these appeals in the event that the tax reductions are granted.

19. CONTINGENT LIABILITIES (Continued)

b. Tax Appeals (Continued)

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, 2023 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 Governmental Accounting Standards Board issued GASB No. 87, Leases.

The Town has commitments to lease office equipment and vehicles under financing leases, as follows:

<u>Year</u>	<u>Financing Leases</u>
2024	\$ 39,301.84
2025	<u>1,300.92</u>
 Total Future Minimum Lease Payments	 <u>\$ 40,602.76</u>

The Town is also the Lessor to several lease agreements involving cell towers and building office space. These leases were classified as operating leases. Future minimum lease receivables are as follows:

<u>Year</u>	<u>Operating Leases</u>
2024	\$ 105,174.13
2025	31,000.00
2026	31,000.00
2027	31,000.00
2028	31,000.00
2029	19,000.00
2030	<u>2,916.65</u>
 Total Future Minimum Lease Payments	 <u>\$ 251,090.78</u>

22. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

The Governmental Accounting Standards Board issued GASB No. 96, disclosure requirements related to Subscription-Based Information Technology Arrangements.

The Town has a three (3) year Subscription-Based Arrangement with Microsoft Office 365. The Subscription Liability payments are as follows:

<u>Year</u>	<u>Subscription Liability</u>
2024	\$ 2,208.00
2025	2,208.00
2026	<u>2,208.00</u>
 Total Future Minimum Lease Payments	 <u>\$ 6,624.00</u>

23. 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, 2023, 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, 2023:

<u>Recipient</u>	<u>Purpose</u>	<u>Amount Abated</u>
Hampton Hotel	Commercial/Industrial	\$ 262,067.22
River Park	Other	520,800.48
Harrison Building 1	Other	269,963.68
Supor (Panasonic)	Commercial/Industrial	(11,412.94)
Element Hotel	Commercial/Industrial	541,719.74
River Park 2	Other	133,390.45
Harrison Building 3	Other	954.08
Block C	Other	367,495.47
Bergen Street	Other	21,427.76
Harrison Senior, LP	Affordable Housing	56,788.51
Block E	Other	258,686.63
Harrison Building 5	Other	(80,030.84)
Harrison Building 6	Other	293,033.00
Block F	Other	293,643.60
One Harrison	Other	139,270.20
Benjamin Harris GEO	Other	538,100.34
Day & Bergen	Other	217,929.55
Accordia	Other	(393,779.36)
Building 4	Other	708,780.83
Building D	Other	(251,783.42)
Port Authority NY and NJ	Other	<u>(84,392.00)</u>
		<u>\$ 3,802,652.98</u>

24. SUBSEQUENT EVENT

The Town of Harrison has evaluated subsequent events that occurred after the balance sheet date, but before July 10, 2024. 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, 2022	A	\$ 40,054,708.80	\$1,648,028.02
Increased by Receipts:			
Tax Collector	A-5	\$70,148,439.44	\$
Interfunds Receivable	A-11	382,841.35	
Grants Receivable	A-14		1,008,598.09
Elevator Inspection Fees Payable	A-17	29,445.00	
Reserve for Municipal Relief Fund Aid	A-18	1,197,811.04	
Developer Advancement for Debt Service	A-20	1,781,765.20	
Interfunds Payable	A-21,26	1,300,934.00	143,807.79
Due to State of New Jersey - DCA	A-22	10,915.00	
Due to State of New Jersey - Miscellaneous	A-23	1,423.83	
Prepaid Revenue	A-32	11,632.51	
Local Match - Grants	A-34		3,461.25
Reserve for Grants - Unappropriated	A-35		9,317.32
		<u>74,865,207.37</u>	<u>1,165,184.46</u>
		<u>114,919,916.17</u>	<u>2,813,212.47</u>
Decreased by Disbursements:			
2023 Budget Appropriations	A-3	47,001,833.26	
Local Match - Grants	A-3	3,461.25	
Interfunds Receivable	A-11	175,363.33	
2022 Appropriation Reserves	A-15	1,202,528.18	
Elevator Inspection Fees Payable	A-17	29,445.00	
Tax Overpayments	A-19	15,094.32	
Interfunds Payable	A-21	2,653,107.31	
Due to State of New Jersey - DCA	A-22	9,810.00	
Local School District Tax	A-24	10,183,124.00	
County Taxes Payable	A-25	6,405,612.73	
Reserve for Tax Appeals	A-28	52,492.15	
Accounts Payable	A-29	6,552.00	
Due to County PILOT Fees	A-30	780,151.65	
Federal, State and County Grants:			
Appropriated	A-34		1,165,184.46
Reserve for Grants - Unappropriated	A-35		1,648,028.01
		<u>68,518,575.18</u>	<u>2,813,212.47</u>
Balance December 31, 2023	A	<u>\$ 46,401,340.99</u>	<u>\$ -</u>

TOWN OF HARRISON
CURRENT FUND

RECEIPTS AND DISBURSEMENTS
CASH - COLLECTOR

A-5

Ref.

Increased by Receipts:

Interest and Costs on Taxes	A-2	\$ 173,207.72
Miscellaneous Revenue Not Anticipated	A-2b	563,945.20
Due from State of New Jersey	A-8	15,983.64
Taxes Receivable	A-8	34,962,592.61
Delinquent Taxes Receivable	A-8	280.71
Tax Title Liens	A-9	49,557.38
Revenue Accounts Receivable	A-10	33,090,260.47
Tax Overpayments	A-19	15,094.32
Prepaid Taxes	A-27	469,927.02
Due to County - PILOT Fees	A-30	779,923.47
Prepaid Riverpark PILOT Fees	A-31	<u>27,666.90</u>
		<u>\$70,148,439.44</u>

Decreased by:

Transfer to Treasurer:	
Current Fund	A-4
	<u>70,148,439.44</u>
	<u>\$ -</u>

TOWN OF HARRISON
CURRENT FUND

CHANGE FUNDS

A-6

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 1,600.00
Balance December 31, 2023	A,Below	<u>\$ 1,600.00</u>
<u>Analysis of Balance</u>		
Tax Collector's Office	Above	<u>\$ 1,600.00</u>

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

A-7

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 23,086.30
Increased by:		
Veterans' and Senior Citizens' Tax		
Deductions per Tax Billings		\$ 16,500.00
Less: Disallowed by Tax Collector		<u>516.36</u>
	A-8	
		<u>15,983.64</u>
		<u>39,069.94</u>
Decreased by:		
Cash Received from State of New Jersey	A-5	<u>15,983.64</u>
Balance December 31, 2023	A	<u>\$ 23,086.30</u>

TOWN OF HARRISON
CURRENT FUND

TAXES RECEIVABLE

A-8

	Balance Dec. 31, 2022	2023 Levy	Collections		Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2023
			2022	2023			
Real Estate:							
2021	\$ 14.62	\$	\$	\$ 14.62	\$	\$	\$
2022	266.09			266.09			
2023		<u>35,577,142.80</u>	<u>469,788.76</u>	<u>34,978,576.25</u>	<u>128,492.76</u>	<u>1.87</u>	<u>283.16</u>
	<u>\$ 280.71</u>	<u>\$ 35,577,142.80</u>	<u>\$ 469,788.76</u>	<u>\$ 34,978,856.96</u>	<u>\$ 128,492.76</u>	<u>\$ 1.87</u>	<u>\$ 283.16</u>
Reference	A		<u>Below</u>	<u>A-2a,27</u>	<u>A-2a,Below</u>	<u>A-9</u>	<u>Reserve</u>
							A

Ref.

Received from Delinquent Taxes	A-2a	\$ 280.71
Cash Received	A-5	\$ 34,962,592.61
Due from State of New Jersey	A-7	<u>15,993.64</u>
	Above	<u>\$ 34,978,856.96</u>

ANALYSIS OF 2023 PROPERTY TAX

	Tax Yield	Ref.		
General Purpose Tax	\$ 35,537,014.85	Tax Levy	A-24	\$ 10,183,124.00
Added/Omitted Taxes	936.35	Local School Tax Payable		
Tax Appeals	(2,618.00)	Addition to Local District	A-2	<u>975,780.50</u>
Added Taxes	41,809.60	School Tax		\$ 11,158,904.50
County Taxes Payable		County Taxes Payable	A-25	6,398,278.58
Local Amounts to be Raised				
Minimum Library Tax				
Additional Tax Levied				
Above	<u>\$ 35,577,142.80</u>	Above		<u>\$ 35,577,142.80</u>

TOWN OF HARRISON
CURRENT FUND

TAX TITLE LIENS

A-9

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 159,511.32
Increased by:		
Transfer from Taxes Receivable	A-8	128,492.76
		<u>288,004.08</u>
Decreased by:		
Cash Receipts	A-2a,5	49,557.38
Balance December 31, 2023	A	<u>\$ 238,446.70</u>

TOWN OF HARRISON
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-10
Sheet #1

	Ref.	Balance Dec. 31, 2022	Accrued	Collected 2023	Balance Dec. 31, 2023
<u>Clerk</u>					
Alcoholic Beverage Licenses	A-2	\$ 51,341.52	\$ 51,341.52	\$	\$
Other Fees and Permits	A-2a	17,896.00	17,896.00		
Other Licenses	A-2a	4,998.20	4,998.20		
<u>Health Officer (Including Registrar of Vital Statistics)</u>					
Licenses - Vital Statistics	A-2a	5,119.00	5,119.00		
Licenses - Health	A-2a	30,900.00	30,900.00		
<u>Fire Official</u>					
Other Fees and Permits	A-2a	6,989.00	6,989.00		
Other Licenses	A-2a	4,350.00	4,350.00		
<u>Planning Board</u>					
Other Fees and Permits	A-2a	10,315.00	10,315.00		
<u>Zoning Board</u>					
Other Fees and Permits	A-2a	8,195.00	8,195.00		
<u>Recreation</u>					
Other Fees and Permits	A-2a	19,158.50	19,158.50		
<u>Construction Code Official</u>					
Building Permits	A-2	213,714.00	213,714.00		
Other Licenses	A-2a	4,599.00	4,599.00		
<u>Municipal Court</u>					
Fines and Costs	A-2	50,793.81	608,453.23	627,448.58	31,798.46
Other	A-2	4,996.63		4,996.63	
<u>Treasurer</u>					
Interest on Investments - Treasurer	A-2	2,037,994.03	2,037,994.03		
Municipal Relief Aid	A-2	599,032.68	599,032.68		
Energy Receipts Tax	A-2	11,563,044.16	11,563,044.16		
Parking Lot Tax	A-2	441,534.29	441,534.29		
Parking Lot Tax - Harrison Parking Center	A-2	437,227.34	437,227.34		
Comcast Cable Fees	A-2	36,297.51	36,297.51		
Verizon FIOS Fees	A-2	51,104.35	51,104.35		
Uniform Fire Safety Rebate	A-2	37,235.25	37,235.25		
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	1,205,458.34	1,205,458.34		
Hotel Tax	A-2	433,786.20	433,786.20		
Cell Tower Lease - AT&T	A-2	97,444.44	97,444.44		
Administration Redevelopment Fees	A-2	292,494.87	292,494.87		
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	537,018.05	537,018.05		
Harrison Housing Authority - Payment in Lieu of Taxes	A-2	146,061.00	146,061.00		
PILOT Riverpark	A-2	1,113,247.01	1,113,247.01		
PILOT Riverpark 2	A-2	550,919.90	550,919.90		
PILOT Vermella (Russo)	A-2	767,029.69	767,029.69		
PILOT Sycamore Bergen Street	A-2	416,453.63	416,453.63		
PILOT Hampton Hotel	A-2	304,958.14	304,958.14		
PILOT Building #1	A-2	247,500.00	247,500.00		
PILOT Building #3	A-2	1,133,489.19	1,133,489.19		
PILOT Building #4	A-2	1,433,633.09	1,433,633.09		
PILOT Building #5 (Urby)	A-2	1,438,614.41	1,438,614.41		
PILOT Building #6	A-2	1,040,784.85	1,040,784.85		

TOWN OF HARRISON
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-10
Sheet #2

	Ref.	Balance Dec. 31, 2022	Accrued	Collected 2023	Balance Dec. 31, 2023
Treasurer					
PILOT Building E (Steel Works)	A-2	\$ 779,316.16		\$ 779,316.16	\$
PILOT One Harrison (Hornrock)	A-2	1,020,871.71		1,020,871.71	
PILOT Building F (Cobalt)	A-2	762,966.85		762,966.85	
PILOT Panasonic	A-2	139,410.12		139,410.12	
PILOT Element Hotel	A-2	60,720.00		60,720.00	
PILOT Red Bulls	A-2	1,327,733.48		1,327,733.48	
PILOT Accordia	A-2	374,090.40		374,090.40	
PILOT Dey & Bergen	A-2	970,762.25		970,762.25	
Senior Citizen Food Program	A-2	7,059.00		7,059.00	
American Rescue Plan LFRF	A-2	1,049,877.94		1,049,877.94	
PILOT Ben Harrison URE	A-2	1,224,547.23		1,224,547.23	
		<u>\$ 50,793.81</u>		<u>\$ 35,503,472.64</u>	
				<u>\$ 35,522,467.99</u>	
					<u>\$ 31,798.46</u>
	<u>Reference</u>	<u>A</u>	<u>Reserve</u>	<u>Below</u>	<u>A</u>
				<u>Ref.</u>	
Cash Receipts				A-5	\$ 33,090,260.47
Interfunds Receivable				A-11	52,980.56
Reserve for Municipal Relief Fund Aid				A-18	599,032.68
Developer Advancement for Debt Service				A-20	1,750,911.70
Prepaid Riverpark PILOT Fees				A-31	29,282.58
				Above	<u>\$ 35,522,467.99</u>

TOWN OF HARRISON
CURRENT FUND

INTERFUND RECEIVABLE

A-11

			Animal Control Fund	Federal and State Grant Fund	CDBG Trust Fund	Payroll Fund	Parking Operating Fund	General Capital Fund
Ref.		Total						
Balance December 31, 2022	A	\$9,015,309.41	\$55.80	\$646,468.06	\$232,000.00	\$100,000.00	\$4,382,706.05	\$3,654,079.50
Increased by:								
Cash Disbursed	A-4	175,363.33		143,807.79				
Revenue Accounts Receivable	A-10	52,980.56 9,243,653.30	55.80	790,275.85	232,000.00	100,000.00	4,414,261.59	52,980.56 3,707,060.06
Decreased by:								
Cash Receipts	A-4	382,841.35		55.80			382,706.05	79.50
Balance December 31, 2023	A	\$8,860,811.95	\$ -	\$790,275.85	\$232,000.00	\$100,000.00	\$4,031,555.54	\$3,706,980.56
Analysis of Net Credit to Operations								
Balance December 31, 2022	Above	\$9,015,309.41						
Balance December 31, 2023	Above	8,860,811.95						
Net Credit to Operations	A-1	\$ 154,497.46						

TOWN OF HARRISON
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION

A-12

	<u>Ref.</u>	
Balance December 31, 2022	A	<u>\$216,700.00</u>
Balance December 31, 2023	A	<u>\$216,700.00</u>

TOWN OF HARRISON
FEDERAL AND STATE GRANT FUND

BUDGET REFUNDS

A-13

Ref.

Increased by:

Cash Receipts	Reserve	\$1,102,884.52
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Decreased by:

Applied to 2023 Budget	Reserve	<u>1,102,884.52</u>
		<u>\$</u> <u>-</u>

TOWN OF HARRISON
GRANT FUND

GRANTS RECEIVABLE

A-14
Sheet #1

<u>Grant</u>	<u>Balance Dec. 31, 2022</u>	<u>2023 Budget Revenue Realized</u>	<u>Received</u>	<u>Reallocation</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2023</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
N.J. Transportation Trust Fund Act - 2023		697,282.00				697,282.00
Distracted Driving Grant		8,750.00	6,160.00			2,590.00
ARP Congregate Nutrition		30,092.00				30,092.00
Municipal Drug Alliance:						
July 1, 2023 to June 30, 2024						
	5,065.00					5,065.00
Hudson County Open Space - Harrison Courts	458,850.00					342,597.00
Hudson County Open Space - Cape May Park						(116,098.00)
Hudson County Open Space - RJM Dog Run						116,098.00
COPS Hiring Grant	625,000.00					48,000.00
Bulletproof Vests	6,532.25					68,650.12
Farmers Market Equipment						1,220.00
Body Worn Camera Grant	12,839.60					1,116.40
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						3,454.45
Opioid Settlement Grant						64,313.19
Clean Communities Grant - 2023						34,761.12
Drive Sober or Get Pulled Over	8,750.00					7,000.00
Home Delivered Nutrition						8,750.00
NJDCA Lease Assistance Grant						50,000.00
DMHAS Alliance for ACE Trauma Education	1,837.00					28,300.00
Recycling Tonnage Grant - 2023						1,837.00
Senior Outreach Center 2023 - 191						24,335.55
NJ DEP Stormwater Assistance Grant						186,513.00
Alcohol Education and Rehabilitation Grant						15,000.00
						13,368.84

TOWN OF HARRISON
GRANT FUND

GRANTS RECEIVABLE

A-14
Sheet #2

TOWN OF HARRISON
CURRENT FUND

APPROPRIATION RESERVES

A-15
Sheet #1

<u>Appropriations</u>	Balance Dec. 31, 2022		<u>Balance After Transfers</u>	<u>Expended</u>	<u>Balance Cancelled</u>			
	<u>Encumbered</u>	<u>Unencumbered</u>						
APPROPRIATIONS WITHIN "CAPS"								
GENERAL GOVERNMENT								
Administrative and Executive:								
Salaries and Wages:								
Governing Body	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04			
Town Clerk's Office		55,612.64	55,612.64	45,000.00	10,612.64			
Other Expenses	739.33	69,904.19	70,643.52	1,026.13	69,617.39			
Elections:								
Salaries and Wages		2,728.27	2,728.27		2,728.27			
Other Expenses		1,670.48	1,670.48		1,670.48			
Financial Administration:								
Salaries and Wages		6,776.16	6,776.16	5,052.72	1,723.44			
Other Expenses:								
Budgetary and Accounting Fees	121,635.00		121,635.00	121,635.00				
Miscellaneous Other Expenses	25,491.29	1,438.05	26,929.34	4,887.85	22,041.49			
Bond Registration		9,300.00	9,300.00		9,300.00			
Payroll Processing		26,715.35	26,715.35		26,715.35			
Information Technology:								
Salaries and Wages		35,838.81	35,838.81	35,000.00	838.81			
Other Expenses	9,632.00	26,793.52	36,425.52	10,401.63	26,023.89			
Town Historian:								
Other Expenses		1,400.00	1,400.00		1,400.00			
Assessment of Taxes:								
Salaries and Wages		288.46	288.46		288.46			
Other Expenses:								
Tax Appeal Fees	27,440.42	15,000.00	42,440.42	24,285.00	18,155.42			
Miscellaneous Other Expenses		5,630.54	5,630.54	2,825.00	2,805.54			
Collection of Taxes:								
Salaries and Wages		6,312.92	6,312.92		6,312.92			
Other Expenses		5,652.89	5,652.89	1,763.02	3,889.87			
Legal Services and Costs:								
Salaries and Wages		41.88	41.88		41.88			
Other Expenses	13,170.00	198,264.28	211,434.28	12,356.78	199,077.50			
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		32,876.04	32,876.04	32,246.59	629.45			
Other Expenses	2,875.48	3,762.94	6,638.42	5,408.66	1,229.76			
Public Defender:								
Salaries and Wages		2,259.76	2,259.76		2,259.76			
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	34,199.32	15,418.99	49,618.31	1,914.06	47,704.26			

TOWN OF HARRISON
CURRENT FUND

APPROPRIATION RESERVES

A-15
Sheet #2

<u>Appropriations</u>	Balance Dec. 31, 2022		<u>Balance After Transfers</u>	<u>Expended</u>	<u>Balance Cancelled</u>			
	<u>Encumbered</u>	<u>Unencumbered</u>						
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		292.81	1,668.00		1,960.81			
Engineering Services and Costs:								
Other Expenses	18,270.00	91,613.18	109,883.18	9,788.23	100,094.95			
Public Buildings and Grounds:								
Gas and Electric		54,674.76	54,674.76		54,674.76			
Gasoline/Diesel Fuel	10,226.77	55,021.51	65,248.28	16,199.80	49,048.48			
PUBLIC SAFETY								
Fire:								
Salaries and Wages		191,774.40	191,774.40	174,180.40	17,594.00			
Other Expenses:								
Clothing Allowance		6,375.00	6,375.00		6,375.00			
Miscellaneous Other Expenses	36,972.74	38,954.56	75,927.30	25,357.65	50,569.65			
Uniform Fire Safety Act - Fire Safety Hazard Bureau:								
Salaries and Wages		1,091.64	1,091.64		1,091.64			
Other Expenses	200.00	3,715.33	3,915.33	200.00	3,715.33			
Police:								
Salaries and Wages		184,234.85	184,234.85	102,670.22	81,564.63			
Other Expenses:								
Clothing Allowance		7,350.00	7,350.00		7,350.00			
Miscellaneous Other Expenses	139,659.86	12,360.33	152,020.19	147,110.03	4,910.16			
Traffic Signals:								
Other Expenses	5,652.70	22,199.39	27,852.09	5,457.60	22,394.49			
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	11,790.50	3,764.68	15,555.18	12,093.91	3,461.27			
Emergency Management Control:								
Other Expenses		3,000.00	3,000.00		3,000.00			
Public Building Alarm System:								
Other Expenses		7,115.00	7,115.00		7,115.00			
STREETS AND ROADS								
Public Works:								
Salaries and Wages		118,475.06	118,475.06	114,920.87	3,554.19			
Other Expenses	90,505.13	42,439.59	132,944.72	85,802.49	47,142.23			
Public Vehicle Maintenance:								
Other Expenses	16,106.63	32,667.02	48,773.65	23,919.39	24,854.26			
Street Lighting:								
Other Expenses		15,416.68	15,416.68		15,416.68			

TOWN OF HARRISON
CURRENT FUND

APPROPRIATION RESERVES

A-15
Sheet #3

<u>Appropriations</u>	Balance Dec. 31, 2022		<u>Balance After Transfers</u>	<u>Expended</u>	<u>Balance Cancelled</u>			
	<u>Encumbered</u>	<u>Unencumbered</u>						
APPROPRIATIONS WITHIN "CAPS"								
STREETS AND ROADS								
Recycling:								
Salaries and Wages	\$	\$ 400.02	\$ 400.02	\$	\$ 400.02			
Other Expenses		7,500.00	7,500.00		7,500.00			
SANITATION								
Garbage and Trash Removal:								
Other Expenses	795.00	98,475.34	99,270.34	94,716.71	4,553.63			
HEALTH AND WELFARE								
Board of Health - Local Health Agency:								
Salaries and Wages		19,084.07	19,084.07	15,000.00	4,084.07			
Other Expenses	1,700.00	15,126.56	16,826.56	9,844.97	6,981.59			
Dog Regulations:								
Other Expenses		4,220.00	4,220.00		4,220.00			
Administration of Public Assistance:								
Other Expenses		7,271.12	7,271.12		7,271.12			
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		577.25	577.25		577.25			
Insurance (N.J.S.A. 40A:4-45.3(00)):								
Insurance:								
General Liability		8,324.01	8,324.01		8,324.01			
Group Insurance		1,358,858.03	1,358,858.03	197,893.87	1,160,964.16			
RECREATION AND EDUCATION								
Parks and Playgrounds:								
Salaries and Wages		70,673.24	70,673.24	54,890.00	15,783.24			
Other Expenses	894.45	26,297.55	27,192.00	13,782.34	13,409.66			
Senior Citizen Center:								
Other Expenses	6,685.93	7,123.68	13,809.61		13,809.61			
Celebration of Public Events, Anniversary or Holiday:								
Other Expenses	1,905.06	37,751.93	39,656.99	4,828.03	34,828.96			
Transportation for Senior Citizens and the Handicapped:								
Salaries and Wages		108,502.59	108,502.59	100,159.57	8,343.02			
Other Expenses		4,870.01	4,870.01		4,870.01			
Community Center:								
Other Expenses	5,999.00	5,635.50	11,634.50	5,999.00	5,635.50			
UNCLASSIFIED								
Telephone		11,514.37	11,514.37	2,010.68	9,503.69			
Postage Machine		1,496.27	1,496.27		1,496.27			

TOWN OF HARRISON
CURRENT FUND

APPROPRIATION RESERVES

A-15
Sheet #4

<u>Appropriations</u>	Balance Dec. 31, 2022		<u>Balance After Transfers</u>	<u>Expended</u>	<u>Balance Cancelled</u>			
	<u>Encumbered</u>	<u>Unencumbered</u>						
APPROPRIATIONS WITHIN "CAPS"								
APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)								
Construction Code Official:								
Salaries and Wages	\$	\$ 25,448.18	\$ 25,448.18	\$	\$ 25,448.18			
Other Expenses		672.23	91,215.41	91,887.64	85,672.23			
Building Inspector:								
Salaries and Wages		21,199.00	21,199.00		21,199.00			
Other Expenses		1,365.00	1,365.00		1,365.00			
STATUTORY EXPENDITURES								
Contribution to:								
Defined Contribution Retirement Program (DCRP)		10,000.00	10,000.00		10,000.00			
Social Security System (OASI)		9,322.98	9,322.98		9,322.98			
CONTINGENT		5,000.00	5,000.00		5,000.00			
Total Appropriations Within "CAPS"	583,511.65	3,399,349.30	3,982,860.95	1,613,800.42	2,369,060.53			
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	484.24	184,773.12	185,257.36	185,257.36				
Tax Appeals Pending		500.00	500.00		500.00			
Employee Group Health		52,384.00	52,384.00	52,384.00				
Matching Funds for Federal and State Grants		5,000.00	5,000.00		5,000.00			
	\$ 583,995.89	\$ 3,642,006.42	\$ 4,173,118.31	\$ 1,851,441.78	\$ 2,374,560.53			

<u>Reference</u>	<u>A</u>	<u>A</u>	<u>Below</u>	<u>A-1</u>
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	<u>Ref.</u>
Cash Disbursed	A-4 \$ 1,202,528.18
Interfunds Payable	A-21 597,000.00
Accounts Payable	A-29 51,913.60
	Above \$ 1,851,441.78

TOWN OF HARRISON
CURRENT FUND

RESERVE FOR SCHOOL DEBT SERVICE

A-16

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 404,101.19
Balance December 31, 2023	A	<u>\$ 404,101.19</u>

ELEVATOR INSPECTION FEES PAYABLE

A-17

	<u>Ref.</u>	
Increased by:		
Cash Receipts	A-4	\$ 29,445.00
Decreased by:		
Cash Disbursements	A-4	<u>29,445.00</u>
		\$ <u> -</u>

TOWN OF HARRISON
CURRENT FUND

RESERVE FOR MUNICIPAL RELIEF FUND AID

A-18

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 599,032.68
Increased by:		
Cash Receipts	A-4	<u>1,197,811.04</u>
		<u>1,796,843.72</u>
Decreased by:		
Anticipated as Revenue	A-10	<u>599,032.68</u>
Balance December 31, 2023	A	<u><u>\$ 1,197,811.04</u></u>

TAX OVERPAYMENTS

A-19

	<u>Ref.</u>	
Increased by:		
Cash Receipts	A-5	\$ 15,094.32
Decreased by:		
Cash Disbursed	A-4	<u>15,094.32</u>
		<u><u>\$ -</u></u>

TOWN OF HARRISON
CURRENT FUND

DEVELOPER ADVANCEMENT FOR DEBT SERVICE

A-20

	<u>Ref.</u>	<u>Total</u>	<u>AR at Harrison</u>	<u>Harrison Commons</u>
Balance December 31, 2022	A	\$ 330,121.67	\$ 287,661.68	\$ 42,459.99
Increased by:				
Cash Receipts	A-4	<u>1,781,765.20</u> 2,111,886.87	<u>1,272,913.18</u> 1,560,574.86	<u>508,852.02</u> 551,312.01
Decreased by:				
Applied to Anticipated Revenue	A-10	<u>1,750,911.70</u>	<u>1,213,893.64</u>	<u>537,018.06</u>
Balance December 31, 2023	A	<u><u>\$ 360,975.17</u></u>	<u><u>\$ 346,681.22</u></u>	<u><u>\$ 14,293.95</u></u>

TOWN OF HARRISON
CURRENT FUND

INTERFUND PAYABLE

A-21

	<u>Ref.</u>	<u>Due to General Trust Fund</u>
Balance December 31, 2022	A	\$ 411,573.31
Increased by:		
Budget Appropriations	A-3	343,600.00
Cash Receipts	A-4	1,300,934.00
Appropriation Reserves	A-15	597,000.00
		<u>2,241,534.00</u>
		2,653,107.31
Decreased by:		
Cash Disbursed	A-4	<u>2,653,107.31</u>
		\$ -

TOWN OF HARRISON
CURRENT FUND

DUE TO STATE - DCA FEES

A-22

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 2,614.00
Increased by:		
Cash Receipt	A-4	<u>10,915.00</u>
		<u>13,529.00</u>
Decreased by:		
Cash Disbursed	A-4	<u>9,810.00</u>
Balance December 31, 2023	A	<u>\$ 3,719.00</u>

DUE TO STATE - MISCELLANEOUS

A-23

	<u>Ref.</u>	
Increased by:		
Cash Receipt	A-4	<u>\$ 1,423.83</u>
Balance December 31, 2023	A	<u>\$ 1,423.83</u>

LOCAL SCHOOL DISTRICT TAX PAYABLE

A-24

	<u>Ref.</u>	
Increased by:		
Levy - Calendar Year	A-1,2a,8	\$ 10,183,124.00
Decreased by:		
Cash Disbursements	A-4	<u>10,183,124.00</u>
		<u>\$ -</u>

TOWN OF HARRISON
CURRENT FUND

COUNTY TAXES PAYABLE

A-25

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 14,821.30
Increased by:		
Prior Year Adjustment	A-1	\$ 207.36
Levy - Year 2023		6,390,584.01
Added and Omitted Taxes		<u>7,694.57</u>
	A-1,2a,8	<u>6,398,485.94</u>
		<u>6,413,307.24</u>
Decreased by:		
Cash Disbursements	A-4	<u>6,405,612.73</u>
Balance December 31, 2023	A	<u>\$ 7,694.51</u>

FEDERAL AND STATE GRANT FUND
INTERFUNDS PAYABLE

A-26

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 646,468.06
Increased by:		
Cash Receipt	A-4	<u>143,807.79</u>
Balance December 31, 2023	A	<u>\$ 790,275.85</u>

TOWN OF HARRISON
CURRENT FUND

PREPAID TAXES

A-27

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 469,788.76
Increased by:		
Cash Receipts	A-5	<u>469,927.02</u>
		<u>939,715.78</u>
Decreased by:		
Applied to 2023 Taxes Receivable	A-8	<u>469,788.76</u>
Balance December 31, 2023	A	<u>\$ 469,927.02</u>

RESERVE FOR TAX APPEALS

A-28

	<u>Ref.</u>	
Balance December 31, 2022	A	\$9,708,145.12
Decreased by:		
Cash Disbursed	A-4	<u>52,492.15</u>
Balance December 31, 2023	A	<u>\$9,655,652.97</u>

TOWN OF HARRISON
CURRENT FUND

ACCOUNTS PAYABLE

A-29

	<u>Ref.</u>	
Balance December 31, 2022	A	\$763,230.03
Increased by:		
Transfer from Appropriation		
Reserves	A-15	<u>51,913.60</u>
		<u>815,143.63</u>
Decreased by:		
Cash Disbursed	A-4	<u>6,552.00</u>
Balance December 31, 2023	A	<u>\$808,591.63</u>

DUE TO COUNTY - PILOT FEES

A-30

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 228.18
Increased by:		
Cash Receipts	A-5	<u>779,923.47</u>
		<u>780,151.65</u>
Decreased by:		
Cash Disbursed	A-4	<u>780,151.65</u>
		<u>\$ -</u>

TOWN OF HARRISON
CURRENT FUND

PREPAID RIVERPARK PILOT FEES

A-31

	<u>Ref.</u>	
Balance December 31, 2022	A	\$29,282.58
Increased by:		
Riverpark PILOT Fees	A-5	<u>27,666.90</u>
		<u>56,949.48</u>
Decreased by:		
Applied to Revenue	A-10	<u>29,282.58</u>
Balance December 31, 2023	A	<u>\$27,666.90</u>

PREPAID REVENUE

A-32

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 1,500.00
Increased by:		
Cash Receipt	A-4	<u>11,632.51</u>
Balance December 31, 2023	A	<u>\$13,132.51</u>

RESERVE FOR REVALUATION

A-33

	<u>Ref.</u>	
Balance December 31, 2022	A	<u>\$15,000.00</u>
Balance December 31, 2023	A	<u>\$15,000.00</u>

TOWN OF HARRISON
GRANT FUND

RESERVE FOR GRANTS - APPROPRIATED

A-34

<u>Grant</u>	<u>Balance Dec. 31, 2022</u>	<u>2023 Budget Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Adjustment</u>	<u>Balance Dec. 31, 2023</u>
Transportation Trust Fund:						
Resurfacing Grant - 2023	\$ 361,421.13	\$ 697,282.00	\$ 155,678.08	\$	\$	\$ 697,282.00
Resurfacing Grant - 2021	689,994.00		332,436.68			205,743.05
Resurfacing Grant - 2022						367,557.32
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
Fiscal Year 2022		24,335.55				24,335.55
County of Hudson Open Space Grants:						
Cape May Park					116,098.00	116,098.00
RJM Park Dog Run		48,000.00				48,000.00
Harrison Courts	119,211.78		2,958.78	155.00	(116,098.00)	
Opioid Settlement Grant	42,314.75	64,313.19	5,797.75			100,830.19
COPS Hiring Grant	625,000.00		122,143.72			502,856.26
Distracted Driving Crackdown		8,750.00	6,160.00	2,590.00		
Harrison Public Safety Communication Grant		563,000.00				563,000.00
NJ DCA Lead Grant Assistance Program		28,300.00				28,300.00
Police Body Armor	3,177.74	3,454.45	1,079.96			5,562.23
Drive Sober or Get Pulled Over	3,150.00	7,000.00	3,150.00			7,000.00
NJ DEP Stormwater Assistance Grant		15,000.00				15,000.00
Bulletproof Vests	6,532.25		384.25			6,148.00
Body Worn Camera Grant	12,839.60		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:						
Home Delivered Nutrition		50,000.00	50,000.00			
Spoiled Lantern Fly Program		15,000.00	7,457.70			7,542.30
NJ DEP Green Acres - Park Development	750,000.00					750,000.00
NJ DEP Green Acres - Stewardship	750,000.00					750,000.00
NJ DEP Green Acres - Park Development		1,400,000.00				1,400,000.00
NJ DEP Green Acres - Stewardship		1,400,000.00				1,400,000.00
DCA Local Recreation Improvement Grant		84,000.00				84,000.00
Equitable Sharing Agreement:						
Year 2017	3,450.14		3,450.14			
Year 2018	59,049.61		32,416.85			26,638.76
Year 2019	2,291.25					2,291.25
Year 2020	20,758.50		20,758.50			
Year 2021	23,693.93		13,612.05			10,081.88
Alcohol Education and Rehabilitation Fund	45,194.06	13,368.84	9,524.08			49,038.82
Emergency Management:						
Year 2012 - Match	4,567.04		4,567.04			
Year 2013 - Match	5,000.00		4,031.08			968.92
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 2023		34,781.12				34,781.12
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	13,514.94					13,514.94
Farmers Market Equipment		1,220.00	1,116.41	103.59		
Municipal Alliance on Alcoholism and Drug Abuse:						
July 2023 to June 2024 - State Share		5,065.00	4,306.00			759.00
July 2023 to June 2024 - Local Match		3,461.25	1,266.25			2,195.00
July 2022 to June 2023 - State Share	844.00		844.00			
Peer Grouping Senior Nutrition		17,895.00	10,000.00			7,895.00
DMHAS Alliance Fund For ACES Trauma Education	1,837.00	1,837.00	3,674.00			
ARP - Firefighter Grant	28,000.00		28,000.00			
Senior Citizen Food Program - 291 - 2022	21,106.36		20,107.34	999.02		
Senior Citizen Food Program - 029 - 2023		110,749.00	110,749.00			
Senior Citizen Outreach Program 291 - 2023		186,513.00	186,513.00			
Congregate Nutrition		30,092.00				30,092.00
Drunk Driver Enforcement Fund - 2019	46,501.20		3,511.60			42,989.60
	<u>\$ 3,784,691.63</u>	<u>\$ 4,813,397.40</u>	<u>\$ 1,165,184.46</u>	<u>\$ 3,847.61</u>	<u>\$ -</u>	<u>\$ 7,429,056.96</u>

Reference A Below A-4 A-1 Reserve A

Ref.

Budget Appropriations	A-3	\$ 4,809,936.15
Local Share - Budget Appropriation	A-4	3,461.25
	Above	<u>\$ 4,813,397.40</u>

TOWN OF HARRISON
GRANT FUND

RESERVE FOR GRANTS - UNAPPROPRIATED

A-35

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 1,677,288.18
Increased by:		
Cash Receipts	A-4	<u>9,317.32</u>
		<u>1,686,605.50</u>
Decreased by:		
Applied to Anticipated Revenue	A-4	\$ 1,648,028.01
Applied to Grants Receivable	A-14	<u>29,260.17</u>
		<u>1,677,288.18</u>
Balance December 31, 2023	A, Below	<u>\$ 9,317.32</u>
 <u>Analysis of Balance</u>		
Opioid Settlement Funds		\$ 5,106.01
Body Armor Replacement Fund		<u>4,211.31</u>
		<u>\$ 9,317.32</u>
Above		

CHARGED CONCEPTS AND CONSTITUENT

TOWN OF HARRISON
TRUST FUND

DUE FROM HUDSON COUNTY

B-2

Ref.

Increased by:

Grant Award 2023 B-8 \$ 118,097.00

Balance December 31, 2023 B \$ 118,097.00

DUE FROM CURRENT FUND

B-3

Ref.

Balance December 31, 2022 B \$ 411,573.31

Increased by:

Other Reserves B-17 1,644,534.00
2,056,107.31

Decreased by:

Cash Receipts B-1 \$ 996,978.63
Monies Expended in Current Fund B-17 1,059,128.68
2,056,107.31
\$ -

TOWN OF HARRISON
TRUST FUND

DUE TO CURRENT FUND -
ANIMAL CONTROL TRUST FUND

B-4

	Balance <u>Dec. 31, 2022</u>	Increase	Decrease
Animal Control Trust Fund	<u>\$ 55.80</u>	<u>\$ 1,668.00</u>	<u>\$ 1,723.80</u>
	<u>Reference</u>	<u>B</u>	<u>B-6</u>
			<u>B-1</u>

TOWN OF HARRISON
TRUST FUND

DUE TO/(FROM) STATE OF NEW JERSEY

B-5

	<u>Ref.</u>	Animal Control Trust Fund
Balance December 31, 2022	B	\$ 4.80
Increased by:		
Cash Receipts	B-1	291.00
		295.80
Decreased by:		
Cash Disbursed	B-1	291.00
Balance December 31, 2023	B	\$ 4.80

TOWN OF HARRISON
TRUST FUND

RESERVE FOR ANIMAL CONTROL EXPENDITURES

B-6

	<u>Ref.</u>	
Balance December 31, 2022	B	\$ 3,600.00
Increased by:		
License Fees	B-1	1,560.00
		<u>5,160.00</u>
Decreased by:		
Excess Fund Balance Due to Current Fund	B-4	1,668.00
Balance December 31, 2023	B	<u>\$ 3,492.00</u>

License Fees Collected

	<u>Year</u>	
	2021	\$ 1,788.00
	2022	<u>1,704.00</u>
	Maximum Allowed	<u>\$ 3,492.00</u>

INTERFUND PAYABLE

B-7

	<u>Ref.</u>	<u>CDBG Trust Fund Due to Current Fund</u>
Balance December 31, 2022	B	<u>\$232,000.00</u>
Balance December 31, 2023	B	<u>\$232,000.00</u>

TOWN OF HARRISON
TRUST FUND

RESERVE FOR CDBG

B-8

	<u>Ref.</u>	
Increased by:		
Grant Award 2023	B-2	<u>\$118,097.00</u>
Balance December 31, 2023	B	<u>\$118,097.00</u>

DUE TO STATE OF NEW JERSEY - MARRIAGE SURCHARGE

B-9

	<u>Ref.</u>	
Balance December 31, 2022	B	\$ 1,150.00
Increased by:		
State Fees Collected	B-1	<u>2,425.00</u>
		<u>3,575.00</u>
Decreased by:		
Cash Disbursed	B-1	<u>1,200.00</u>
Balance December 31, 2023	B	<u>\$ 2,375.00</u>

DUE TO FEDERAL GOVERNMENT

B-10

	<u>Ref.</u>	
Balance December 31, 2022	B	<u>\$ 31,550.35</u>
Balance December 31, 2023	B	<u>\$ 31,550.35</u>

TOWN OF HARRISON
TRUST FUND

RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE

B-11

	<u>Ref.</u>	
Balance December 31, 2022	B	\$ 1,023,870.82
Increased by:		
Cash Receipts	B-1	<u>146,604.72</u>
		<u>1,170,475.54</u>
Decreased by:		
Unemployment Claims	B-1	<u>28,057.95</u>
Balance December 31, 2023	B	<u><u>\$ 1,142,417.59</u></u>

RESERVE FOR PREMIUM ON TAX SALE

B-12

	<u>Ref.</u>	
Balance December 31, 2022	B	\$ 664,400.00
Increased by:		
Cash Receipts	B-1	<u>103,500.00</u>
		<u>767,900.00</u>
Decreased by:		
Cash Disbursed	B-1	<u>201,900.00</u>
Balance December 31, 2023	B	<u><u>\$ 566,000.00</u></u>

TOWN OF HARRISON
TRUST FUND

RESERVE FOR PARKING OFFENSES ADJUDICATION ACT

B-13

	<u>Ref.</u>	
Balance December 31, 2022	B	\$ 120,485.69
Increased by:		
Cash Receipts	B-1	<u>9,486.00</u>
Balance December 31, 2023	B	<u>\$ 129,971.69</u>

RESERVE FOR EMERGENCY ASSISTANCE

B-14

	<u>Ref.</u>	
Balance December 31, 2022	B	\$ 400.73
Balance December 31, 2023	B	<u>\$ 400.73</u>

RESERVE FOR LIBRARY DONATIONS

B-15

	<u>Ref.</u>	
Balance December 31, 2022	B	\$ 4,727.22
Increased by:		
Cash Receipts	B-1	<u>108.76</u>
Balance December 31, 2023	B	<u>\$ 4,835.98</u>

TOWN OF HARRISON
TRUST FUND

RESERVE FOR DEVELOPERS' ESCROW

B-16

	<u>Ref.</u>	
Balance December 31, 2022	B	\$ 976,019.73
Increased by:		
Escrow Deposits	B-1	<u>137,475.51</u>
		<u>1,113,495.24</u>
Decreased by:		
Escrow Disbursed	B-1	<u>79,479.56</u>
Balance December 31, 2023	B	<u><u>\$ 1,034,015.68</u></u>

TOWN OF HARRISON
TRUST FUND

OTHER RESERVES

B-17

	<u>Balance</u>			<u>Balance</u>
	<u>Dec. 31, 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>Dec. 31, 2023</u>
Recreation	\$ 45,919.11	\$ 4,000.00	\$ 2,100.00	\$ 47,819.11
Public Defender Fees	37,538.58	2,650.00		40,188.58
Police Department	204,022.85			204,022.85
Fire Department	13,528.45	4,575.00		18,103.45
Police Off-Duty	629,318.79	1,300,934.00	1,028,450.47	901,802.32
Recycling	90,411.26	2,691.00		93,102.26
Tax Title Redemption	10,083.84	345,381.01	352,000.96	3,463.89
Business District Merchants	737.85			737.85
Board of Health Building Donations	6,800.00			6,800.00
Construction Performance	485,606.36		207,083.36	278,523.00
Fee Ordinance Trust	5,943,829.29	742,942.37	36,383.24	6,650,388.42
Affordable Housing Trust	198,151.07			198,151.07
Storm Recovery	2,206,422.29	343,600.00	30,678.21	2,519,344.08
DARE Program	308.20			308.20
Police Forfeiture Account	32,861.48	756.00		33,617.48
Deposits on Recreation Uniform	9,725.00	2,250.00		11,975.00
Library Memorial Donations	10,000.00			10,000.00
Accumulated Sick Leave	3,098,810.02	597,000.00	119,521.08	3,576,288.94
Public Art, Open Space and Recreation Trust	<u>1,870,310.31</u>	<u>131,172.07</u>	<u>134,873.45</u>	<u>1,866,608.93</u>
	<u>\$ 14,894,384.75</u>	<u>\$ 3,477,951.45</u>	<u>\$ 1,911,090.77</u>	<u>\$ 16,461,245.43</u>

<u>Reference</u>	<u>B</u>	<u>Below</u>	<u>Below</u>	<u>B</u>
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Ref.

Cash Receipts	B-1	\$ 1,833,417.45	\$
Cash Disbursements	B-1		851,962.09
Due from Current Fund	B-3	<u>1,644,534.00</u>	<u>1,059,128.68</u>
	Above	<u>\$ 3,477,951.45</u>	<u>\$ 1,911,090.77</u>

TOWN OF HARRISON
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
TREASURER

C-2

	<u>Ref.</u>	
Balance December 31, 2022	C	\$18,366,351.95
Increased by Receipts:		
Due to Current Fund	C-7	\$ 209,072.69
Improvement Authorizations - Refunded	C-9	12,839.60
Capital Improvement Fund	C-10	4,804,533.43
Reserve for Library Construction	C-11	<u>184,404.75</u>
		<u>5,210,850.47</u>
		<u>23,577,202.42</u>
Decreased by Disbursements:		
Due to Current Fund	C-7	156,171.63
Improvement Authorizations	C-9	2,030,587.13
Reserve for Library Construction	C-11	208,614.85
Reserve for Facilities Renovations	C-12	<u>11,300.72</u>
		<u>2,406,674.33</u>
Balance December 31, 2023	C	<u>\$21,170,528.09</u>

TOWN OF HARRISON
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH

Ordinance Number	Balance Dec. 31, 2022	Receipts	Disbursements			From	Transfers	To	Balance Dec. 31, 2023
			Improvement Authorizations	Other					
Fund Balance	\$ 2,369.89								\$ 2,369.89
Due To/From) Current Fund	3,654,079.50	\$ 209,072.69		\$ 156,171.63					\$ 3,706,980.56
Reserve for Debt Service	356,943.29								356,943.29
Due from Hudson County Improvement Authority	(292,004.83)								(292,004.83)
Capital Improvement Fund	11,421,672.91								12,591,206.34
Reserve for Library Construction	571,402.19								547,192.09
Reserve to Pay School Debt	14,498.68								14,498.68
Reserve for Facilities Renovations	292,004.83								290,704.11
Acquisition of SCBA and Other Equipment/Improvement									
Town Grounds	82,738.65								85,150.65
Purchase and Development of a Park on the Southerly									
Side of Cape May Street	955,797.60								483,517.60
Road Resurfacing	13,668	133,046.95							128,070.95
Engineering/Upgrade HVAC	1386C	100,000.00							
Various Improvements to the Little League Field	1396	(654,000.00)							(654,000.00)
Police Equipment and Radio Upgrade	1424	89,855.65							77,719.94
Various Improvements to the Little League Field	1426	263,096.45							255,513.81
Property Acquisition and Improvements	1433	497,891.24							488,821.26
Purchase of Fire Engine/Pumper	1445A	305,968.77							3,252.33
Fire Headquarters Plant Upgrades	1446B	31,911.85							31,911.85
Purchase of T4 Equipment - Special Ops	1446C	16,559.09							12,675.87
Purchase of Parking Enforcement Vehicles	1446D	36,411.18							36,411.18
Purchase of Heavy Duty Vehicles	1446E	36,011.00							27,385.86
Fire - Water Rescue Equipment	1446A	170,977.00							111,446.67
Fire - Ambulance	1466B	200,000.00							200,000.00
Fire - Rescue and Firefighter Equipment Upgrade	1466C	20,000.00							4,433.92
Fire - SCBA Bottles	1466D	50,000.00							4,887.85
Purchase of DEW Heavy Duty Vehicles	1475								457,956.96
IT Town-Wide Public Safety Video	1477								285,000.00
Police Park Sussex Street	1485A								
Road Resurfacing	1485B								200,000.00
Various Community Center Improvements	1485C								200,000.00
Finance/Fax Utility Software	1485D								250,000.00
Purchase of DEW Bucket Truck	1485E								170,000.00
Purchase of DEW Sweeper	1485F								325,000.00
Purchase of Roll Off Truck and Add On	1485H								210,000.00
Aerial Truck	1485I								120,000.00
Purchase of Dump Truck	1485J								250,000.00
Purchase of Mini Excavator	1485K								65,000.00
Overhead Doors - Various Municipal Buildings	1485L								225,000.00
Purchase of Holiday Decorations									222,025.00
									46,697.25
Reference									
	\$ 18,366,351.95	\$ 5,210,850.47	\$ 2,030,597.13	\$ 376,087.20	\$ 3,635,000.00	\$ 3,635,000.00	\$ 3,635,000.00	\$ 21,170,528.09	
									C2

TOWN OF HARRISON
GENERAL CAPITAL FUND

DUE FROM HUDSON COUNTY IMPROVEMENT AUTHORITY

C-4

	<u>Ref.</u>	
Balance December 31, 2022	C	<u>\$ 292,004.83</u>
Balance December 31, 2023	C	<u>\$ 292,004.83</u>

GRANTS RECEIVABLE

C-5

	<u>Ref.</u>	
Balance December 31, 2022	C	<u>\$ 3,654,000.00</u>
Balance December 31, 2023	C, Below	<u>\$ 3,654,000.00</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>\$ 3,654,000.00</u>

Reference Above

TOWN OF HARRISON
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-6

	<u>Ref.</u>	
Balance December 31, 2022	C	\$41,458,274.30
Decreased by:		
Budget Appropriations:		
NJEIT Loan Payable	C-8	\$1,097,798.34
Serial Bonds Payable	C-15	420,000.00
School Bonds Payable	C-16	735,000.00
Other Bonds Payable	C-17	1,328,722.00
CJUF Bonds Payable	C-18	<u>290,000.00</u>
		<u>3,871,520.34</u>
Balance December 31, 2023	C	<u>\$37,586,753.96</u>

TOWN OF HARRISON
GENERAL CAPITAL FUND

DUE TO CURRENT FUND

C-7

	<u>Ref.</u>	
Balance December 31, 2022	C	\$3,654,079.50
Increased by:		
Cash Receipts	C-2	<u>209,072.69</u>
		<u>3,863,152.19</u>
Decreased by:		
Cash Disbursed	C-2	<u>156,171.63</u>
Balance December 31, 2023	C	<u>\$3,706,980.56</u>

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN

C-8

	<u>Ref.</u>	
Balance December 31, 2022	C	\$7,681,072.85
Decreased by:		
2023 Maturities	C-6	<u>1,097,798.34</u>
Balance December 31, 2023	C	<u>\$6,583,274.51</u>

IMPROVEMENT AUTHORIZATIONS

13

TOWN OF HARRISON
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND

C-10

	<u>Ref.</u>	
Balance December 31, 2022	C	\$11,421,672.91
Increased by:		
Budget Appropriation	C-2	<u>4,804,533.43</u>
		<u>16,226,206.34</u>
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	C-9	<u>3,635,000.00</u>
Balance December 31, 2023	C	<u>\$12,591,206.34</u>

RESERVE FOR LIBRARY CONSTRUCTION

C-11

	<u>Ref.</u>	
Balance December 31, 2022	C	\$ 571,402.19
Increased by:		
Cash Receipts	C-2	<u>184,404.75</u>
		<u>755,806.94</u>
Decreased by:		
Cash Disbursed	C-2	<u>208,614.85</u>
Balance December 31, 2023	C	<u>\$ 547,192.09</u>

TOWN OF HARRISON
GENERAL CAPITAL FUND

RESERVE FOR FACILITIES RENOVATIONS

C-12

	<u>Ref.</u>	
Balance December 31, 2022	C	\$292,004.83
Decreased by:		
Cash Disbursed	C-2	<u>11,300.72</u>
Balance December 31, 2023	C	<u>\$280,704.11</u>

RESERVE TO PAY SCHOOL DEBT

C-13

	<u>Ref.</u>	
Balance December 31, 2022	C	\$ 14,498.68
Balance December 31, 2023	C	<u>\$ 14,498.68</u>

RESERVE FOR DEBT SERVICE

C-14

	<u>Ref.</u>	
Balance December 31, 2022	C	\$356,943.29
Balance December 31, 2023	C	<u>\$356,943.29</u>

TOWN OF HARRISON
GENERAL CAPITAL FUND

SERIAL BONDS PAYABLE - MUNICIPAL

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TOWN OF HARRISON
GENERAL CAPITAL FUND

SCHOOL SERIAL BONDS PAYABLE (TYPE I)

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Purpose	Original Issue		Maturities of Bonds Outstanding Dec. 31, 2023		Interest Rate	Balance Dec. 31, 2022		Decrease	Balance Dec. 31, 2023
	Date	Amount	Date	Amount		Dec. 31, 2022	Decrease		
School - ERI	05-01-03	\$1,595,000.00	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	\$ 875,000.00	\$ 60,000.00		\$ 815,000.00
Refunding Bonds, Series 2017	07-19-17	5,210,000.00	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	<u>4,525,000.00</u>	<u>675,000.00</u>		<u>3,850,000.00</u>
						<u>\$5,400,000.00</u>	<u>\$735,000.00</u>		<u>\$4,665,000.00</u>
								C-6	C
								Reference	

TOWN OF HARRISON
GENERAL CAPITAL FUND

OTHER BONDS
(DUE TO HUDSON COUNTY IMPROVEMENT AUTHORITY)

C-17

	<u>Ref.</u>	
Balance December 31, 2022	C	\$ 14,802,201.45
Decreased by:		
2023 Maturities	C-6	<u>1,328,722.00</u>
Balance December 31, 2023	C,Below	<u>\$ 13,473,479.45</u>

Maturity Schedule

<u>Year</u>	<u>Principal</u>
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>\$ 13,473,479.45</u>

TOWN OF HARRISON
GENERAL CAPITAL FUND

SERIAL BONDS PAYABLE - CJUF

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Reference

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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, 2022	D	\$ 9,322,407.52	\$1,092,070.86
Increased by Receipts:			
Fire Hydrant Service	D-3	\$ 98,000.00	\$
Miscellaneous	D-3	286,292.82	
Rents Collected	D-7	3,943,041.44	
Interfunds Receivable	D-10		91,590.00
Reserve for Water/Sewer Connection			
Fees	D-16	32,536.02	
Reserve for Meter Rentals	D-17	2,500.00	
Due from Hudson County	D-19		1,196,300.14
Capital Improvement Fund	D-21		578,000.00
		<u>4,362,370.28</u>	<u>1,865,890.14</u>
		13,684,777.80	2,957,961.00
Decreased by Disbursements:			
Prior Year Refund	D-1	1,488.06	
Budget Appropriations	D-4	3,063,328.26	
Appropriation Reserves	D-13	367,079.52	
Reserve for Meter Rentals	D-17	8,600.00	
Interfunds Payable	D-18	91,590.00	
Improvement Authorizations	D-20		580,700.26
		<u>3,532,085.84</u>	<u>580,700.26</u>
Balance December 31, 2023	D	<u>\$10,152,691.96</u>	<u>\$2,377,260.74</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

ANALYSIS OF CAPITAL CASH

D-6

Ordinance Number	Balance Dec. 31, 2022	Increase	Decrease	Transfers		Balance Dec. 31, 2023
				From	To	
Fund Balance	\$ 1,646.42				\$	\$ 1,646.42
Capital Improvement Fund	541,735.78	578,000.00				1,119,735.78
Interfunds Receivable	(91,590.00)	91,590.00				
Due from Hudson County		1,196,300.14				0.01
Improvement Authorizations						
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		9,000.00				
Distribution Installs	1447	275,000.00				275,000.00
Water Main Infrastructure Repairs	1484		571,700.26			571,700.26
Reference	D	D-5	D-5	Reserve	Reserve	D

TOWN OF HARRISON
WATER/SEWER UTILITY

CONSUMER ACCOUNTS RECEIVABLE

D-7

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 137,867.17
Increased by:		
Billings (Net)	Reserve	<u>3,923,895.65</u>
		<u>4,061,762.82</u>
Decreased by:		
Cash Received	D-3.5	<u>3,943,041.44</u>
Balance December 31, 2023	D	<u>\$ 118,721.38</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

LIENS RECEIVABLE

D-8

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 146.03
Balance December 31, 2023	D	<u>\$ 146.03</u>

INVENTORY

D-9

	<u>Ref.</u>	
Balance December 31, 2022	D	\$135,436.37
Decreased by:		
Inventory Adjustment	Reserve	<u>36,315.48</u>
Balance December 31, 2023	D	<u>\$ 99,120.89</u>

INTERFUNDS RECEIVABLE

D-10

	<u>Ref.</u>	<u>Capital Fund</u>
Balance December 31 2022	D	\$ 91,590.00
Decreased by:		
Cash Receipts	D-5	<u>91,590.00</u>
		\$ <u> - </u>

TOWN OF HARRISON
WATER/SEWER UTILITY

FIXED CAPITAL

D-11

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Increase</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Distribution Mains and Accessories	\$ 803,988.74	\$ 571,700.26	\$ 1,375,689.00
General Equipment	612,634.82	9,000.00	621,634.82
Reacquisition of the Town's Water and Waste Water Systems	9,498,601.60		9,498,601.60
Other Improvements	<u>2,792,011.46</u>		<u>2,792,011.46</u>
	<u><u>\$13,707,236.62</u></u>	<u><u>\$580,700.26</u></u>	<u><u>\$14,287,936.88</u></u>

Reference

D

D-12

D

TOWN OF HARRISON
WATER/SEWER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-12

<u>Improvement Description</u>	<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2022</u>	<u>2023 Authorizations</u>	<u>Transfer to Fixed Capital</u>	<u>Balance Dec. 31, 2023</u>
Improvements to Water Supply System in the First and Second Wards	933	6-03-96	\$ 264,000.00	\$ 78,871.12	\$	\$	\$ 78,871.12
Various Capital Improvements	1279	6-05-13	300,000.00	174,128.97			174,128.97
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	275,000.00			275,000.00
Water Main Infrastructure Repairs	1484	5-16-23	1,196,300.13	1,196,300.13	571,700.26		624,599.87
			<u>\$ 640,282.66</u>	<u>\$ 1,196,300.13</u>	<u>\$ 580,700.26</u>		<u>\$ 1,255,882.53</u>
	<u>Reference</u>		<u>D</u>	<u>D-20</u>	<u>D-11</u>	<u>D</u>	

TOWN OF HARRISON
WATER/SEWER UTILITY

APPROPRIATION RESERVES

D-13

	Balance Dec. 31, 2022		Balance After Transfers	Balance Expended	Balance Lapsed
	Encumbered	Reserved			
<u>Operating</u>					
Salaries and Wages	\$	7,385.06	\$ 7,385.06	\$	\$ 7,385.06
Other Expenses		120,217.74	120,217.74	28,757.65	91,460.09
Sewer Disposal (PVSC)		97,161.93	97,161.93		97,161.93
Water Purchased	231,718.02	287,680.66	519,398.68	338,321.87	181,076.81
<u>Capital Improvements</u>					
Capital Outlays		4,658.00	4,658.00		4,658.00
<u>Statutory Expenditures</u>					
Social Security System	_____	2,587.45	2,587.45	_____	2,587.45
	<u>\$231,718.02</u>	<u>\$519,690.84</u>	<u>\$751,408.86</u>	<u>\$367,079.52</u>	<u>\$384,329.34</u>
<u>Reference</u>	D	D		D-5	D-1

TOWN OF HARRISON
WATER/SEWER UTILITY

ACCOUNTS PAYABLE

D-14

	<u>Ref.</u>	
Balance December 31, 2022	D	<u>\$47,557.31</u>
Balance December 31, 2023	D	<u>\$47,557.31</u>

CONSUMER ACCOUNT OVERPAYMENTS

D-15

	<u>Ref.</u>	
Balance December 31, 2022	D	\$14,443.80
Decreased by:		
Cancelled	D-1	<u>1,062.39</u>
Balance December 31, 2023	D	<u>\$13,381.41</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

RESERVE FOR WATER/SEWER CONNECTION FEES

D-16

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 4,273,455.95
Increased by:		
Cash Receipts	D-5	<u>32,536.02</u>
Balance December 31, 2023	D	<u>\$ 4,305,991.97</u>

RESERVE FOR METER RENTALS

D-17

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 7,900.00
Increased by:		
Cash Receipts	D-5	<u>2,500.00</u>
		<u>10,400.00</u>
Decreased by:		
Cash Disbursed	D-5	<u>8,600.00</u>
Balance December 31, 2023	D	<u>\$ 1,800.00</u>

INTERFUND PAYABLE

D-18

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 91,590.00
Decreased by:		
Cash Disbursed	D-5	<u>91,590.00</u>
		<u>\$ -</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

DUE TO HUDSON COUNTY

D-19

Ref.

Increased by:

Cash Receipt D-5 \$1,196,300.14

Decreased by:

Grant Funded Improvement D-20 1,196,300.13
Authorization

Balance December 31, 2023 D \$ 0.01

TOWN OF HARRISON
WATER/SEWER UTILITY

IMPROVEMENT AUTHORIZATIONS

D-20

<u>Improvement Description</u>	<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2022</u>	<u>Authorization</u>	<u>Expended</u>	<u>Balance Dec. 31, 2023</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			15,145.00
Exploratory Work/Water Distribution Installs	1447	8-03-21	275,000.00	275,000.00			275,000.00
Water Main Infrastructure Repairs	1484	5-16-23	1,196,300.13		1,196,300.13	571,700.26	624,599.87
				<u>\$ 640,282.66</u>	<u>\$ 1,196,300.13</u>	<u>\$ 580,700.26</u>	<u>\$ 1,255,882.53</u>
				<u>Reference</u>	<u>D</u>	<u>D-12.19</u>	<u>D-5</u>
							<u>D</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

CAPITAL IMPROVEMENT FUND

D-21

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 541,735.78
Increased by:		
Budget Appropriation	D-5	<u>578,000.00</u>
Balance December 31, 2023	D	<u>\$ 1,119,735.78</u>

RESERVE FOR AMORTIZATION

D-22

	<u>Ref.</u>	
Balance December 31, 2022	D	<u>\$13,467,515.28</u>
Balance December 31, 2023	D	<u>\$13,467,515.28</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

DEFERRED RESERVE FOR AMORTIZATION

D-23

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 880,000.00
Increased by:		
2023 Authorizations	D-20	<u>1,196,300.13</u>
Balance December 31, 2023	D,Below	<u>\$2,076,300.13</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		275,000.00
Ordinance #1484 - Water Main Infrastructure Repairs		<u>1,196,300.13</u>
	Above	<u>\$2,076,300.13</u>

TOWN OF HARRISON
WATER/SEWER UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

D-24

<u>Improvement Description</u>	<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2022</u>	<u>Balance Dec. 31, 2023</u>
				<u>Reference</u>	<u>D</u>
Acquisition of Equipment and Improvement to Water Utility System	809	8-05-86	\$135,000.00	<u>\$ 4.00</u>	<u>\$ 4.00</u>

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, 2022	E	\$ 6,200,304.61	\$ 5,325,261.71
Increased by Receipts:			
Miscellaneous	E-1,3	\$ 272,014.61	
Garage/Lot Income	E-1,3	2,933,077.18	
Parking Meters	E-1,3	632,444.89	
Parking Permits	E-1,3	29,150.00	
Advertising Revenue	E-1,3	17,100.00	
Deficit (General Budget)	E-1,3	<u>651,825.82</u>	
		<u>4,535,612.50</u>	
		<u>10,735,917.11</u>	<u>5,325,261.71</u>
Decreased by Disbursements:			
Budget Appropriations	E-4	2,323,842.15	
Appropriation Reserves	E-9	179,526.60	
Accrued Interest on Bonds	E-11	1,604,762.50	
Improvement Authorizations Due to Current Fund	E-12 E-13	<u>382,706.05</u>	100,564.00
		<u>4,490,837.30</u>	
Balance December 31, 2023	E	<u>\$ 6,245,079.81</u>	<u>\$ 5,224,697.71</u>

TOWN OF HARRISON
PARKING UTILITY

ANALYSIS OF CAPITAL CASH

E-6

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2022</u>	<u>Improvement Authorizations</u>	<u>Balance Dec. 31, 2023</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

Improvement Authorizations

Acquisition of Existing Parking Facility	1368	115,906.00		115,906.00
Purchase/Installation Parking Fee				
Revenue Collection System	1388	596,448.58	100,564.00	495,884.58
Repairs to Harrison Parking Center	1393	498,375.21		498,375.21
		<u>\$ 5,325,261.71</u>	<u>\$ 100,564.00</u>	<u>\$ 5,224,697.71</u>

Reference E,E-5 E-5 E,E-5

TOWN OF HARRISON
PARKING UTILITY

FIXED CAPITAL

E-7

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Increase</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Acquisition of Existing Parking Facility	\$ 46,409,094.00	\$	\$ 46,409,094.00
Purchase/Installation Parking Fee			
Revenue Collection System	53,551.42	100,564.00	154,115.42
Repairs to Harrison Parking Center	<u>801,624.79</u>		<u>801,624.79</u>
	<u><u>\$ 47,264,270.21</u></u>	<u><u>\$100,564.00</u></u>	<u><u>\$ 47,364,834.21</u></u>
<u>Reference</u>	<u>E</u>	<u>E-8</u>	<u>E</u>

TOWN OF HARRISON
PARKING UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

E-8

<u>Improvement Description</u>	<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2022</u>	<u>Transfer to Fixed Capital</u>	<u>Balance Dec. 31, 2023</u>
Acquisition of Existing Parking Facility	1368	7-25-18	\$49,000,000.00	\$2,590,906.00	\$	\$2,590,906.00
Purchased/Installation Parking Fee	1388	5-07-19	650,000.00	596,448.58	100,564.00	495,884.58
Revenue Collection System	1393	7-18-19	1,300,000.00	<u>498,375.21</u>		<u>498,375.21</u>
Repairs to Harrison Parking Center				<u>\$3,685,729.79</u>	<u>\$100,564.00</u>	<u>\$3,585,165.79</u>
					<u>E-7</u>	<u>E</u>

TOWN OF HARRISON
PARKING UTILITY

APPROPRIATION RESERVES

E-9

	Balance Dec. 31, 2022		Balance After Transfers	Expended	Balance Lapsed
	Encumbered	Reserved			
<u>Operating</u>					
Salaries and Wages	\$ 163,997.72	\$ 740.92	\$ 740.92	\$ 217,765.15	\$ 740.92
Other Expenses		81,671.97	245,669.69		27,904.54
<u>Statutory Expenditures</u>					
Social Security		2,910.08	2,910.08		2,910.08
	<u>\$163,997.72</u>	<u>\$85,322.97</u>	<u>\$249,320.69</u>	<u>\$217,765.15</u>	<u>\$31,555.54</u>

<u>Reference</u>	<u>E</u>	<u>E</u>	<u>Below</u>	<u>E-13</u>
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		<u>Ref.</u>
Cash Disbursed	E-5	\$179,526.60
Transferred to Accounts Payable	E-10	38,238.55

Above	<u>\$217,765.15</u>
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TOWN OF HARRISON
PARKING UTILITY

ACCOUNTS PAYABLE

E-10

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 3,678.40
Increased by:		
Transfer from Appropriation Reserves	E-9	<u>38,238.55</u>
Balance December 31, 2023	E	<u>\$ 41,916.95</u>

ACCRUED INTEREST ON BONDS

E-11

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 426,808.86
Increased by:		
Budget Appropriation	E-4	<u>1,604,762.50</u>
		<u>2,031,571.36</u>
Decreased by:		
Cash Disbursed	E-5	<u>1,604,762.50</u>
Balance December 31, 2023	E	<u>\$ 426,808.86</u>

TOWN OF HARRISON
PARKING UTILITY

IMPROVEMENT AUTHORIZATIONS

E-12

<u>Improvement Description</u>	<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2022</u>		<u>Expended</u>	<u>Balance Dec. 31, 2023</u>	
				<u>Funded</u>	<u>Unfunded</u>		<u>Funded</u>	<u>Unfunded</u>
Acquisition of an Existing Parking Facility	1368	7-25-18	\$ 49,000,000.00	\$ 115,906.00	\$ 2,475,000.00	\$	\$ 115,906.00	\$ 2,475,000.00
Purchase/Installation Parking Fee Revenue Collection System	1388	5-07-19	650,000.00	596,448.58		100,564.00	495,884.58	
Repairs to Harrison Parking Center	1393	7-18-19	1,300,000.00	498,375.21			498,375.21	
				<u>\$ 1,210,729.79</u>	<u>\$ 2,475,000.00</u>	<u>\$ 100,564.00</u>	<u>\$ 1,110,165.79</u>	<u>\$ 2,475,000.00</u>
<u>Reference</u>				<u>E</u>	<u>E</u>	<u>E-5</u>	<u>E</u>	<u>E</u>

TOWN OF HARRISON
PARKING UTILITY

DUE TO CURRENT FUND

E-13

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 4,382,706.05
Increased by:		
Appropriation Reserve Cancelled	E-9	31,555.54
		<u>4,414,261.59</u>
Increased by:		
Cash Disbursement	E-5	382,706.05
Balance December 31, 2023	E	<u>\$ 4,031,555.54</u>

RESERVE FOR DEBT SERVICE

E-14

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 2,700,000.00
Balance December 31, 2023	E	<u>\$ 2,700,000.00</u>

RESERVE FOR CAPITAL NEEDS

E-15

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 450,000.00
Balance December 31, 2023	E	<u>\$ 450,000.00</u>

TOWN OF HARRISON
PARKING UTILITY

CAPITAL IMPROVEMENT FUND

E-16

	<u>Ref.</u>	
Balance December 31, 2022	E	<u>\$ 898,000.00</u>
Balance December 31, 2023	E	<u>\$ 898,000.00</u>

RESERVE FOR AMORTIZATION

E-17

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 3,935,000.00
Increased by:		
Serial Bonds Paid	E-19	<u>1,075,000.00</u>
Balance December 31, 2023	E	<u>\$ 5,010,000.00</u>

DEFERRED RESERVE FOR AMORTIZATION

E-18

	<u>Ref.</u>	
Balance December 31, 2022	E	<u>\$ 1,950,000.00</u>
Balance December 31, 2023	E	<u>\$ 1,950,000.00</u>

TOWN OF HARRISON
PARKING UTILITY

SERIAL BONDS PAYABLE

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Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2022	Decrease	Balance Dec. 31, 2023
			Date	Amount				
General Bonds, Series 2018	9-18-2018	\$ 46,525,000.00	9-01-24	\$ 1,130,000.00	5.000 %			
			9-01-25	1,190,000.00				
			9-01-26	1,250,000.00				
			9-01-27	1,315,000.00	5.000			
			9-01-28	1,385,000.00				
			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			
								\$ 41,515,000.00
								<u>\$ 1,075,000.00</u>

TOWN OF HARRISON
PARKING UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

E-20

<u>Improvement Description</u>	<u>Ordinance</u>			<u>Balance Dec. 31, 2022</u>	<u>Balance Dec. 31, 2023</u>
	<u>Number</u>	<u>Date</u>	<u>Amount</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, 2022	F	\$ 285,239.64
Increased by:		
Payroll Deductions		\$11,316,781.97
Net Payroll		<u>8,563,589.95</u>
	F-2	<u>\$19,880,371.92</u>
Other Receipts	F-2	<u>10,584,172.71</u>
		<u>30,464,544.63</u>
		<u>30,749,784.27</u>
Decreased by:		
Payroll Deductions Paid		11,317,268.97
to Agencies		<u>19,148,806.40</u>
Net Payroll		<u>30,466,075.37</u>
Balance December 31, 2023	F	<u>\$ 283,708.90</u>

TOWN OF HARRISON
PAYROLL FUND

PAYROLL DEDUCTIONS PAYABLE

F-2

<u>Description</u>	<u>Balance Dec. 31, 2022</u>	<u>Receipts</u>	<u>Other Receipts</u>	<u>Disbursements</u>	<u>Balance Dec. 31, 2023</u>
Net Salaries and Wages	\$ 11,316,781.97	\$		\$11,317,268.97	\$ (487.00)
Federal Income Tax	2,287,513.77			2,287,513.77	
Social Security Tax	774,198.04			1,548,396.08	
New Jersey State Income Tax	865,378.03			865,378.03	
NJ Family Leave Insurance	11,215.47			11,215.79	
Unemployment Insurance Fund	11,635.73			11,635.73	
New Jersey SUI	27,989.03			31,755.73	
Retro PFRS	4,452.42				685.72
Pension	32,465.11				32,465.11
Annual Pension Contribution	114,053.62	1,608,062.19		1,574,930.37	147,185.44
Supplemental Annuity	4,979.52	4,979.52		3,854,577.00	
Contributory Insurance	28,656.22	29,422.89		9,543.96	415.08
Deferred Compensation		453,936.94		55,600.53	2,478.58
Credit Union		1,253,739.98		453,936.94	
Employee Health Contribution		956,487.49		1,253,739.98	
Civil Service		2,430.00		956,487.49	
FMBA Dues		76,029.61		2,430.00	
PBA Dues		47,720.00		76,029.61	
State Health Benefits Plan				47,720.00	
American Fidelity				47,720.00	
PBA Insurance				5,954,025.07	
Garnishee				34,976.17	100.90
Texas Life Insurance				168.96	
Unidentified/Reconciling				10,498.11	
Child Support				4,726.84	
Total	\$185,239.64	\$19,880,371.92	\$10,584,172.71		\$183,708.90
Reference	F-1	F-1	F-1		<u>F</u>

TOWN OF HARRISON
PAYROLL FUND

DUE TO CURRENT FUND

F-3

	<u>Ref.</u>	
Balance December 31, 2022	F	<u>\$100,000.00</u>
Balance December 31, 2023	F	<u>\$100,000.00</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, 2023

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, 2023, 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 July 10, 2024. 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
SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Joseph J. Faccone
JOSEPH J. FACCONE, RMA, PA

Newark, New Jersey
July 10, 2024

SAMUEL KLEIN AND COMPANY
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, 2023. 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, 2023.

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. FACCONE, RMA, PA

Newark, New Jersey
July 10, 2024

TOWN OF HARRISON
COUNTY OF HUDSON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Schedule A
Sheet #1

Department and Description	Federal Funding Program	Grant Number	CFDA Number	Program Amount	2023 Funds Received	Cancelled	Disbursements		
							Fiscal Year	Total	
<u>Department of Justice</u>									
Asset Forfeiture Program:									
Equitable Sharing Program:									
2017 Award	16.922			\$ 79,867.81	\$	\$	\$ 3,459.15	\$ 79,867.81	
2018 Award	16.922			62,272.77			30,119.60	33,342.76	
2019 Award	16.922			20,110.40			2,291.24	20,110.40	
2020 Award	16.922			25,501.43			20,758.50	25,501.43	
2021 Award	16.922			23,693.93			13,612.05	13,612.05	
COPS Hiring Program:									
2022 Award	16.710			625,00.00			68,650.12	122,143.72	
				<u>836,446.34</u>			<u>68,650.12</u>	<u>192,384.26</u>	<u>294,578.17</u>
<u>Department of the Treasury</u>									
American Rescue Plan:									
Firefighter Grant	21.027			28,000.00			28,000.00	28,000.00	
Local Fiscal Recovery Funds	21.027			<u>2,099,755.87</u>			<u>1,049,877.94</u>	<u>2,099,755.87</u>	<u>2,127,755.87</u>
				<u>2,127,755.87</u>			<u>1,049,877.94</u>	<u>1,049,877.94</u>	<u>1,049,877.94</u>
Department of Law and Public Safety									
Passed-Through State of New Jersey:									
Drunk Driving Enforcement - 2019									
Distracted Driving Crackdown - 2023									
Drive Sober or Get Pulled Over - 2022									
	031030	20.616		70,657.05			2,590.00	3,511.60	26,109.49
		20.616		8,750.00				6,160.00	6,160.00
		20.616		8,750.00				3,150.00	8,750.00
				<u>88,157.05</u>			<u>2,590.00</u>	<u>12,821.60</u>	<u>41,019.49</u>
Department of Land and Public Safety									
New Jersey State Police:									
FEMA - Hurricane IDA	069910	97.036		1,343.63			1,343.63	1,343.63	1,343.63
				<u>1,343.63</u>			<u>1,343.63</u>	<u>1,343.63</u>	<u>1,343.63</u>

**TOWN OF HARRISON
COUNTY OF HUDSON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Schedule A
Sheet #2**

Federal Funding Department and Description	Grant Number	CFDA Number	Program Amount	2023 Funds Received	Cancelled	Disbursements	
						Fiscal Year	Total
Department of Human Services							
Senior Outreach Program:							
2023 Award							
	10.559		\$ 186,513.00	\$ 148,025.81		\$ 186,513.00	\$ 186,513.00
			<u>\$ 186,513.00</u>	<u>\$ 148,025.81</u>			<u>\$ 186,513.00</u>
Senior Citizen Food Program:							
2022 Award							
2023 Award	10.659		354,248.25	85,229.36	999.02	20,107.34	353,249.23
			<u>110,749.00</u>	<u>85,229.36</u>	<u>999.02</u>	<u>110,749.00</u>	<u>110,749.00</u>
			<u>464,997.25</u>	<u>85,229.36</u>	<u>999.02</u>	<u>130,856.34</u>	<u>463,998.23</u>
Municipal Alliance on Drugs:							
7/1/23 - 6/30/24							
7/1/22 - 6/30/23	005521	93,279	5,065.00			4,306.00	4,306.00
			<u>5,065.00</u>			<u>844.00</u>	<u>5,065.00</u>
	005521	93,279	10,130.00	5,065.00		5,150.00	9,371.00
			<u>10,130.00</u>	<u>5,065.00</u>			
			\$3,715,343.14	\$1,373,101.86	\$3,589.02	\$1,606,946.77	\$3,124,579.39

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, 2023**

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Town of Harrison, 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, 2023**

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?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Control deficiency(ies) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	None Reported
Significant deficiency identified not considered to be material weaknesses?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	None Reported
Noncompliance material to financial statements noted?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Control deficiency(ies) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	None Reported
Significant deficiency identified not considered to be material weaknesses?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	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, 2023
(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 2023
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	
Delfim Sarabando	Councilman	
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	
Gregory Castano, Jr., Esq.	Town Attorney	
Gabriela Simoes Dos Santos	Chief Financial Officer Treasurer	100,000.00
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	
Janet Castro	Public Defender	
Maria DeBarros	Health Officer, Director of Welfare	
Anna Nicosia	Registrar of Vital Statistics 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.

On February 2, 2024, bond coverages were increased to satisfy the recommended amounts per N.J.A.C. 5:30-8.

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 appointed a Qualified Purchasing Agent on July 11, 2023.

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 17, 2023, adopted Resolution 2023-20 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.

The Town's last tax sale was December 18, 2023 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</u> <u>Year</u>	<u>Subsequent</u> <u>Year</u>
2023	\$ 574,012.00	\$ 370,304.55	\$ -
2022	528,939.00	344,165.88	184,773.12
2021	485,000.00	311,934.08	173,065.92

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.

Municipal Court

General Account

For the audit, the May 2024 Monthly Management Report was examined and the following items were noted:

- A. Tickets Assigned Not Issued Report indicated that eight hundred forty-nine (849) tickets are over 181 days old. These tickets should be recalled.
- B. Follow-up Incomplete Report indicated that nine (9) 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 2022 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.

RECOMMENDATIONS

NONE

* * *

The foregoing comments 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,



SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONE, RMA, PA

Newark, New Jersey
July 10, 2024

