

TOWNSHIP OF HARRISON

COUNTY OF GLOUCESTER

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2017



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TOWNSHIP OF HARRISON
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Harrison
Mullica Hill, New Jersey 08062

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Harrison, in the County of Gloucester, State of New Jersey, as of December 31, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

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

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

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Harrison, in the County of Gloucester, State of New Jersey, as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Harrison, in the County of Gloucester, State of New Jersey, as of December 31, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2017, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

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

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2018 on our consideration of the Township of Harrison, in the County of Gloucester, State of New Jersey, 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 Township of Harrison'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 Township of Harrison's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
October 12, 2018

**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**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Harrison
Mullica Hill, New Jersey 08062

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Harrison, in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated October 12, 2018. That report indicated that the Township of Harrison's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Harrison's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Harrison's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Harrison's internal control.

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

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

Compliance and Other Matters

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

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* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
October 12, 2018

TOWNSHIP OF HARRISON
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Regular Fund:			
Cash and Cash Equivalents:			
Cash - Treasurer	SA-1	\$ 6,761,720.12	\$ 6,597,780.71
Cash - Tax Collector	SA-2	2,303,347.96	765,594.06
Change Funds	SA-9	<u>250.00</u>	<u>250.00</u>
Total Cash and Cash Equivalents		<u>9,065,318.08</u>	<u>7,363,624.77</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	SA-4	724,864.37	385,293.71
Tax Title Liens Receivable	SA-5	31,979.58	227,782.35
Property Acquired for Taxes - Assessed Valuation	SA-20	563,500.00	
Revenue Accounts Receivable	SA-3	45,582.93	65,377.58
Interfunds Receivable:			
Federal and State Grant Fund	SA-24		833.36
Trust - Animal Control Fund	SB-3	14,314.23	22,994.89
General Capital Fund	SC-3		<u>60,014.45</u>
Total Receivables and Other Assets with Full Reserves		<u>1,380,241.11</u>	<u>762,296.34</u>
Due from State of New Jersey:			
Senior Citizens and Veterans Deductions	SA-10	<u>1,750.00</u>	<u>615.44</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)	SA-6	<u>250,000.00</u>	<u>50,000.00</u>
		<u>250,000.00</u>	<u>50,000.00</u>
Total Regular Fund		<u>10,697,309.19</u>	<u>8,176,536.55</u>
Federal and State Grant Fund:			
Cash - Municipal Financial Officer	SA-1	268,856.90	186,233.05
Federal and State Grants Receivable	SA-21	115,112.00	354,120.38
Due from Current Fund	SA-24	<u>43,069.64</u>	
Total Federal and State Grant Fund		<u>427,038.54</u>	<u>540,353.43</u>
		<u>\$ 11,124,347.73</u>	<u>\$ 8,716,889.98</u>

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2017 and 2016

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Regular Fund:			
Appropriation Reserves	A-3;SA-11	\$ 842,053.06	\$ 872,509.70
Reserve for Encumbrances	A-3;SA-11	40,680.80	27,442.77
Local District School Taxes Payable	SA-14	759,156.00	612,433.50
Regional High School Taxes Payable	SA-15	1,139,499.14	889,867.14
County Taxes Payable	SA-16	54,718.24	30,171.65
Special District Taxes Payable	SA-18	1.00	1.00
Municipal Open Space Local Taxes Payable	SA-17	6,954.72	2,397.24
Special Emergency Note Payable	SA-7	250,000.00	50,000.00
Tax Overpayments	SA-12	112,344.38	2,321.06
Prepaid Taxes	SA-13	2,014,701.18	392,798.34
Due Federal and State Grant Fund	SA-24	43,069.64	
Due Trust - Other Funds	SB-5	5,005.57	5,084.26
Due General Capital Fund	SC-3	92,273.00	
Due Sewer Utility Operating Fund	SD-6	33,336.68	34,654.67
Due Sewer Utility Capital Fund	SE-2		16,500.00
Due State of New Jersey:			
Marriage License Fees	SA-8	150.00	625.00
Reserve for:			
Liquor Licenses	SA-1		1,301,000.00
Preparation of Master Plan	SA-19	226,758.70	
		<u>5,620,702.11</u>	<u>4,237,806.33</u>
Total Other Liabilities and Reserves			
Reserve for Receivables and Other Assets	A	1,380,241.11	762,296.34
Fund Balance	A-1	3,696,365.97	3,176,433.88
		<u>10,697,309.19</u>	<u>8,176,536.55</u>
Federal and State Grant Fund:			
Reserve for Grants - Appropriated	SA-22	354,819.89	473,894.34
Reserve for Grants - Unappropriated	SA-23	71,561.51	38,075.41
Reserve for Encumbrances	SA-22	657.14	27,550.32
Due Current Fund	SA-24		833.36
		<u>427,038.54</u>	<u>540,353.43</u>
Total Federal and State Grant Fund			
		<u>\$ 11,124,347.73</u>	<u>\$ 8,716,889.98</u>

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

TOWNSHIP OF HARRISON
CURRENT FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For The Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUE AND OTHER INCOME REALIZED:		
Fund Balance Utilized	\$ 1,318,600.00	\$ 2,277,000.00
Miscellaneous Revenues Anticipated	3,071,447.94	1,589,917.40
Receipts from Delinquent Taxes and Tax Title Liens	379,559.12	317,502.57
Receipts from Current Taxes	42,480,798.30	41,725,533.79
Non-Budget Revenue	571,636.30	503,581.98
Other Credits to Income:		
Animal Control Trust Fund Statutory Excess	13,106.23	12,287.91
Unexpended Balance of Appropriation Reserves	587,989.91	600,006.15
Cancellation of Federal & State Grants Appropriated Reserves	389,915.74	19,093.34
Interfund Loans Returned	69,528.47	
	<u>48,882,582.01</u>	<u>47,044,923.14</u>
Total Income		
EXPENDITURES:		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	3,300,761.00	3,152,012.00
Other Expenses	3,031,375.00	2,708,597.00
Deferred Charges and Statutory Expenditures	804,088.00	729,968.00
Excluded from "CAPS":		
Operations	830,281.54	693,401.95
Capital Improvements	33,000.00	207,000.00
Debt Service	2,082,807.08	1,941,841.05
Deferred Charges	50,000.00	50,000.00
County Taxes	10,994,014.97	10,688,299.68
Local District School Taxes	12,857,325.00	12,563,880.00
Regional High School Taxes	10,793,798.00	10,294,534.00
Special District Taxes	1,154,939.00	1,156,532.00
Municipal Open Space Taxes	921,782.48	845,993.24
Other Debits to Income:		
Prior Year Senior Citizens and Veterans' Deductions Disallowed	142.47	500.00
Refund of Prior Year Revenue	6,750.00	12,266.93
Cancellation of Federal and State Grants Receivable	432,985.38	12,395.50
Interfund Loans Advanced		74,550.72
	<u>47,294,049.92</u>	<u>45,131,772.07</u>
Total Expenditures		
Excess Revenue and Other Income Realized Over Expenditures	1,588,532.09	1,913,151.07
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	250,000.00	
	<u>1,838,532.09</u>	1,913,151.07
Statutory Excess to Fund Balance		
FUND BALANCE:		
Balance January 1	<u>3,176,433.88</u>	<u>3,540,282.81</u>
	5,014,965.97	5,453,433.88
Decreased by:		
Utilized as Revenue	<u>1,318,600.00</u>	<u>2,277,000.00</u>
Balance December 31	<u>\$ 3,696,365.97</u>	<u>\$ 3,176,433.88</u>

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

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	Special N.J.S.A. <u>40A: 4-87</u>		
Surplus Anticipated	\$ 1,318,600.00		\$ 1,318,600.00	
Miscellaneous Revenues:				
Local Revenues				
Fees and Permits	22,000.00		83,124.00	\$ 61,124.00
Fines and Costs:				
Municipal Court	245,000.00		242,195.49	(2,804.51)
Interest and Costs on Taxes	88,000.00		105,185.69	17,185.69
Interest on Investments and Deposits	10,000.00		20,340.87	10,340.87
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax	542,592.00		542,592.00	
Dedicated Uniform Construction Code Fees Offset With Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees	200,000.00		348,315.81	148,315.81
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services:				
Public and Private Revenues Offset with Appropriations:				
Recycling Tonnage Grant	34,100.13		34,100.13	
Clean Communities Program	30,925.11		30,925.11	
Municipal Alliance on Alcoholism and Drug Abuse	18,977.00		18,977.00	
Body Armor Replacement Fund Program	1,943.57		1,943.57	
Alcohol Education, Rehab and Enforcement Fund	423.02		423.02	
Drunk Driving Enforcement Program	4,783.71		4,783.71	
DOT Reconstruction of Heilig Road Phase III		\$ 175,000.00	175,000.00	
Other Special Items:				
Cable Television	52,930.00		52,931.54	1.54
Alcoholic Beverages Licenses	1,301,000.00		1,301,000.00	
General Capital Reserve for Payment of Debt	109,610.00		109,610.00	
	<u>2,662,284.54</u>	<u>175,000.00</u>	<u>3,071,447.94</u>	<u>234,163.40</u>
Receipts from Delinquent Taxes	<u>370,000.00</u>		<u>379,559.12</u>	<u>9,559.12</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	<u>6,510,886.00</u>		<u>6,872,978.85</u>	<u>362,092.85</u>
Budget Totals	<u>10,861,770.54</u>	<u>175,000.00</u>	<u>11,642,585.91</u>	<u>605,815.37</u>
Non-Budget Revenues			<u>571,636.30</u>	<u>571,636.30</u>
	<u>\$ 10,861,770.54</u>	<u>\$ 175,000.00</u>	<u>\$ 12,214,222.21</u>	<u>\$ 1,177,451.67</u>

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2017

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 42,480,798.30
Allocated to:	
County, School, Special District and Open Space Taxes	<u>36,721,859.45</u>
Amount for Support of Municipal Budget Appropriations	5,758,938.85
Add: Appropriation "Reserve for Uncollected Taxes"	<u>1,114,040.00</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 6,872,978.85</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 364,037.17
Tax Title Lien Collections	<u>15,521.95</u>
Total Delinquent Tax Collections	<u>\$ 379,559.12</u>
Fees and Permits	
Clerk Fees	\$ 17,552.00
Planning Board Fees	45,800.00
Zoning Officer Fees	16,705.00
Police Reports Fees	3,057.00
Tax Collector:	
Tax Search Fees	<u>10.00</u>
Total Fees and Permits	<u>\$ 83,124.00</u>

Analysis for Non-Budget Revenue

Miscellaneous Revenue not Anticipated:	
Certified Copies	\$ 1,680.00
Raffle Licenses	180.00
Rent and Lease Income	36,139.00
Copies	437.78
Marriage Licenses	105.00
Municipal Easements & Right of Ways	7,525.00
Division of Motor Vehicle Inspection Fees	30,866.00
Rental and Resale Housing Inspections	9,830.00
Grading Inspection Fees	1,400.00
Cancelation of Prior Year Checks	10.00
Recycling of Scrap Metal and Plastic	16,773.08
Sale of Miscellaneous Municipal Equipment	1,248.75
Abandoned Property Fees	165,200.00
Cat Licenses	1,208.00
Miscellaneous	21,197.22
Senior Citizen and Veterans Deductions Administrative Fee	1,429.46
Tax Collector:	
Payment in Lieu of Taxes	275,782.00
Advertising Fees	585.01
Municipal Lien Recording Fees	<u>40.00</u>
	<u>\$ 571,636.30</u>
Tax Collector	\$ 276,407.01
Due from Animal Control Trust Fund	1,208.00
Treasurer	<u>294,021.29</u>
	<u>\$ 571,636.30</u>

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

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For The Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance <u>Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS WITHIN "CAPS"						
General Government:						
Administrative and Executive:						
Salaries and Wages	\$ 66,276.00	\$ 66,276.00	\$ 55,583.26		\$ 10,692.74	
Other Expenses	83,000.00	83,000.00	50,923.82	\$ 124.85	31,951.33	
Mayor and Committee:						
Salaries and Wages	23,075.00	23,075.00	23,073.30		1.70	
Other Expenses	2,600.00	2,600.00	2,076.96		523.04	
Township Clerk:						
Salaries and Wages	107,268.00	107,268.00	105,558.33		1,709.67	
Other Expenses	50,050.00	50,050.00	36,350.73		13,699.27	
Special Emergency						
Preparation of Master Plan (N.J.S.A. 40A:4-55)		250,000.00	250,000.00			
Financial Administration:						
Salaries and Wages	125,056.00	125,056.00	124,697.14		358.86	
Other Expenses	108,913.00	108,913.00	87,372.71		21,540.29	
Automated Data Processing:						
Other Expenses	8,500.00	8,500.00	5,716.35		2,783.65	
Collection of Taxes:						
Salaries and Wages	54,473.00	54,473.00	43,732.23		10,740.77	
Other Expenses	7,630.00	7,630.00	5,280.75		2,349.25	
Legal Services and Costs:						
Other Expenses	287,100.00	287,100.00	215,346.18		71,753.82	
Economic Development Council						
Salaries and Wages	1,000.00	1,000.00			1,000.00	
Other Expenses	650.00	650.00	575.95		74.05	
Engineering Services and Costs:						
Other Expenses	27,000.00	27,000.00	11,196.89		15,803.11	
Historic Preservation Committee:						
Salaries and Wages	6,752.00	6,752.00	6,751.70		0.30	
Other Expenses	7,600.00	7,600.00	3,983.75		3,616.25	
Municipal Land Use Law:						
Planning Board:						
Salaries and Wages	43,936.00	43,936.00	40,190.04		3,745.96	
Other Expenses	38,175.00	38,175.00	30,429.35		7,745.65	

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Expenditures -- Regulatory Basis
 For The Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAP" (Cont'd)						
Municipal Land Use Law: (Cont'd)						
Zoning Board of Adjustment:						
Salaries and Wages	\$ 17,110.00	\$ 17,110.00	\$ 17,110.00			
Other Expenses	1,425.00	1,425.00	751.34		\$ 673.66	
Subtotal General Government	1,067,589.00	1,317,589.00	1,116,700.78	\$ 124.85	200,763.37	
Public Safety:						
Police:						
Salaries and Wages	1,755,651.00	1,755,651.00	1,677,660.41		77,990.59	
Other Expenses	137,250.00	137,250.00	113,283.50	48.00	23,918.50	
Emergency Management Services:						
Salaries and Wages	6,760.00	6,760.00	6,754.32		5.68	
Other Expenses	700.00	700.00	350.00		350.00	
Municipal Prosecutor:						
Salaries and Wages	20,300.00	20,300.00	16,800.00		3,500.00	
Other Expenses	100.00	100.00			100.00	
Subtotal Public Safety	1,920,761.00	1,920,761.00	1,814,848.23	48.00	105,864.77	
Public Works:						
Streets and Roads:						
Road Repair and Maintenance:						
Salaries and Wages	304,760.00	304,760.00	278,498.14		26,261.86	
Other Expenses	60,850.00	60,850.00	26,909.44	50.00	33,890.56	
Solid Waste Collection:						
Other Expenses	10,500.00	10,500.00	9,119.25		1,380.75	
Waste Disposal	400,000.00	400,000.00	359,006.05		40,993.95	
Public Buildings and Grounds:						
Salaries and Wages	237,860.00	237,860.00	235,131.68		2,728.32	
Other Expenses	49,150.00	49,150.00	36,545.05	514.95	12,090.00	
Subtotal Public Works	1,063,120.00	1,063,120.00	945,209.61	564.95	117,345.44	
Vehicle Maintenance:						
Salaries and Wages	51,000.00	36,950.00	6,295.87		30,654.13	
Other Expenses	67,000.00	67,000.00	47,352.27	11.95	19,635.78	
Subtotal Vehicle Maintenance	118,000.00	103,950.00	53,648.14	11.95	50,289.91	

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For The Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS WITHIN "CAP" (Cont'd)						
Health and Human Services:						
Board of Health:						
Salaries and Wages	\$ 1,012.00	\$ 1,012.00	\$ 1,011.17		\$ 0.83	
Other Expenses	50.00	50.00			50.00	
Donation to Harrison Township Historical Society	1,000.00	1,000.00			1,000.00	
Environmental Commission (N.J.S.A.40.56A-1 et seq)						
Other Expenses	4,190.00	4,190.00	2,242.33		1,947.67	
Subtotal Health and Human Services	6,252.00	6,252.00	3,253.50		2,998.50	
Park and Recreation Functions:						
Parks and Playgrounds:						
Salaries and Wages	74,033.00	74,033.00	69,071.51		4,961.49	
Other Expenses	11,900.00	11,900.00	11,865.50		34.50	
Subtotal Recreation and Education	85,933.00	85,933.00	80,937.01		4,995.99	
Veterans Commission	500.00	500.00	400.00		100.00	
Additional Salaries and Wages	5,000.00	5,000.00	5,000.00			
Compensated Absences	5,000.00	5,000.00	5,000.00			
Municipal Court:						
Salaries and Wages	130,687.00	131,987.00	131,204.45		782.55	
Other Expenses	15,265.00	15,265.00	12,680.31	\$ 192.70	2,391.99	
Public Defender:						
Other Expenses	2,500.00	2,500.00			2,500.00	
Subtotal Municipal Court	148,452.00	149,752.00	143,884.76	192.70	5,674.54	
JIF Administration:						
Salaries and Wages	16,502.00	16,502.00	16,002.23		499.77	
Insurance:						
General Liability	66,380.00	66,380.00	59,631.37		6,748.63	
Workers Compensation	141,744.00	141,744.00	131,663.63		10,080.37	
Employee Group Health	778,853.00	778,853.00	672,475.07		106,377.93	
Employee Health Insurance Waivers	15,200.00	15,200.00			15,200.00	
Subtotal Insurance	1,018,679.00	1,018,679.00	879,772.30		138,906.70	

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For The Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAP" (Cont'd)						
Code Enforcement & Administrator:						
Construction Official:						
Salaries and Wages	\$ 260,000.00	\$ 260,000.00	\$ 234,595.39		\$ 25,404.61	
Other Expenses	7,650.00	7,650.00	5,485.92		2,164.08	
Subtotal State Uniform Construction Code	267,650.00	267,650.00	240,081.31		27,568.69	
Unclassified - Utilities:						
Electricity	80,000.00	84,000.00	83,324.58		675.42	
Street Lighting	149,500.00	149,500.00	119,278.50		30,221.50	
Telephone	28,000.00	28,000.00	24,572.75		3,427.25	
Water	7,600.00	12,350.00	12,322.23		27.77	
Natural Gas	20,000.00	20,000.00	11,438.37		8,561.63	
Fuel Oil	20,000.00	24,000.00	23,975.17		24.83	
Gasoline	70,000.00	70,000.00	50,243.80	\$ 331.50	19,424.70	
Subtotal Unclassified	375,100.00	387,850.00	325,155.40	331.50	62,363.10	
Contingent	100.00	100.00			100.00	
Total Operations Within "CAP"	6,082,136.00	6,332,136.00	5,613,891.04	1,273.95	716,971.01	
Detail:						
Salaries and Wages	3,313,511.00	3,300,761.00	3,099,721.17		201,039.83	
Other Expenses	2,768,625.00	3,031,375.00	2,514,169.87	1,273.95	515,931.18	
Deferred Charges and Statutory Expenditures - Municipal Within "CAP"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	202,775.00	202,775.00	181,077.79		21,697.21	
Social Security System (O.A.S.I)	241,000.00	241,000.00	234,941.24		6,058.76	
Police and Firemen's Retirement System	353,813.00	353,813.00	348,813.00		5,000.00	
Contribution New Jersey Unemployment	5,000.00	5,000.00	5,000.00			
Defined Contribution Retirement Program	1,500.00	1,500.00	1,196.15		303.85	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAP"	804,088.00	804,088.00	771,028.18		33,059.82	
Total General Appropriations for Municipal Purposes Within "CAP"	6,886,224.00	7,136,224.00	6,384,919.22	1,273.95	750,030.83	

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For The Year Ended December 31, 2017

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS EXCLUDED FROM "CAP"						
General Government:						
SFSP Fire District Payment	\$ 1,756.00	\$ 1,756.00	\$ 1,756.00			
Subtotal General Government Outside "CAPS"	1,756.00	1,756.00	1,756.00			
Shared Service Agreements:						
Solid Waste Collection - Logan Township	519,000.00	519,000.00	392,296.40	\$ 39,406.85	\$ 87,296.75	
Information Technology Services - Kingsway Regional School District	41,000.00	41,000.00	38,647.52		2,352.48	
Subtotal Shared Service Agreements	560,000.00	560,000.00	430,943.92	39,406.85	89,649.23	
State and Federal Programs Offset by Revenues:						
Recycling Tonnage Grant	34,100.13	34,100.13	34,100.13			
Clean Communities	30,925.11	30,925.11	30,925.11			
Drunk Driving Enforcement Program	4,783.71	4,783.71	4,783.71			
Alcohol Education, Rehab and Enforcement Fund	423.02	423.02	423.02			
Body Armor Replacement Fund Program	1,943.57	1,943.57	1,943.57			
Municipal Alliance on Alcoholism and Drug Abuse	18,977.00	18,977.00	18,977.00			
DOT Reconstruction of Heilig Road Phase III (40A:4-87 \$175,000)		175,000.00	175,000.00			
Matching Funds for Grants	2,373.00	2,373.00			2,373.00	
Total State and Federal Programs Offset by Revenues	93,525.54	268,525.54	266,152.54		2,373.00	
Total Operations Excluded from "CAPS"	655,281.54	830,281.54	698,852.46	39,406.85	92,022.23	
Detail:						
Other Expenses	655,281.54	830,281.54	698,852.46	39,406.85	92,022.23	
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"						
Capital Improvement Fund	33,000.00	33,000.00	33,000.00			
Total Capital Improvements Excluded from "CAPS"	33,000.00	33,000.00	33,000.00			

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For The Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 1,170,000.00	\$ 1,170,000.00	\$ 1,170,000.00			
Payment of Bond Anticipation Notes and Capital Notes	346,400.00	241,400.00	201,883.00			\$ 39,517.00
Interest on Bonds	394,725.00	499,725.00	498,833.75			891.25
Interest on Notes	212,100.00	212,100.00	212,090.33			9.67
Total Municipal Debt Service Excluded from "CAPS"	2,123,225.00	2,123,225.00	2,082,807.08			40,417.92
DEFERRED CHARGES EXCLUDED FROM "CAPS"						
Special Emergency Authorizations - 5 years	50,000.00	50,000.00	50,000.00			
Total Deferred Charges Excluded from "CAPS"	50,000.00	50,000.00	50,000.00			
Total General Appropriations For Municipal Purposes - Excluded from "CAPS"	2,861,506.54	3,036,506.54	2,864,659.54	\$ 39,406.85	\$ 92,022.23	40,417.92
Subtotal General Appropriations	9,747,730.54	10,172,730.54	9,249,578.76	40,680.80	842,053.06	40,417.92
Reserve for Uncollected Taxes	1,114,040.00	1,114,040.00	1,114,040.00			
Total General Appropriations	\$ 10,861,770.54	\$ 11,286,770.54	\$ 10,363,618.76	\$ 40,680.80	\$ 842,053.06	\$ 40,417.92
Adopted Budget		\$ 10,861,770.54				
Appropriation by N.J.S.A. 40A:4-87		175,000.00				
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)		250,000.00				
Reserve for Federal and State Grant Fund			\$ 266,152.54			
Reserve for Master Plan Revisions			250,000.00			
Deferred Charges			50,000.00			
Reserve for Uncollected Taxes			1,114,040.00			
Reimbursements - Treasurer			(226,947.87)			
Due General Capital Fund			201,883.00			
Disbursed			8,708,491.09			
		\$ 11,286,770.54	\$ 10,363,618.76			

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

TOWNSHIP OF HARRISON
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Animal Control Fund:			
Cash	SB-1	\$ 48,834.93	\$ 64,721.99
		<u>48,834.93</u>	<u>64,721.99</u>
Trust Other Funds:			
Cash	SB-1	3,457,638.15	3,112,872.29
Due from Unemployment Trust to Payroll Trust	B		189.12
Due from Payroll Trust to Unemployment Trust	B	585.96	
Due from Current Fund	SB-5	5,005.57	5,084.26
		<u>3,463,229.68</u>	<u>3,118,145.67</u>
Municipal Open Space Trust Fund:			
Cash	SB-1	1,705,535.84	1,609,696.23
Due from Current Fund	SB-7	6,954.72	2,397.24
		<u>1,712,490.56</u>	<u>1,612,093.47</u>
 Total Trust Funds		 <u>\$ 5,224,555.17</u>	 <u>\$ 4,794,961.13</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	SB-2	\$ 34,520.70	\$ 41,727.10
Due Current Fund	SB-3	14,314.23	22,994.89
		<u>48,834.93</u>	<u>64,721.99</u>

(Continued)

TOWNSHIP OF HARRISON
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2017 and 2016

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Trust Other Funds:			
Due Payroll Trust from Unemployment Trust	B		\$ 189.12
Due Unemployment Trust from Payroll Trust	B	\$ 585.96	
Reserve for Trust Other Funds:			
Cash Bond	SB-6	984,223.09	973,808.50
Compensatory Plantings	SB-6	27,069.84	7,069.84
Compensated Absences	SB-6	78,441.49	72,703.54
Developers Escrow	SB-6	440,145.57	197,147.50
Economic Development and Improvement	SB-6	132,329.87	132,131.52
Forfeited Funds	SB-6	20,280.26	20,003.46
Developers Fees - Housing Trust Fund (COAH)	SB-6	75,234.47	75,200.66
Housing Savings Trust	SB-6	518,265.60	422,069.88
Affordable Housing	SB-6	6,854.98	6,844.74
Mill Valley Escrow	SB-6	17,857.10	17,857.10
Outside Police Employment	SB-6	57,724.15	92,546.28
Parade	SB-6	11,401.64	11,401.64
Payroll	SB-6	7,897.06	7,316.91
POAA Trust	SB-6	203.73	193.42
Tax Title Lien Premium	SB-6	265,400.00	250,700.00
Tax Title Lien Redemption	SB-6	6,933.75	15,861.46
Public Defender	SB-6	3,977.81	4,039.84
Recreation Commission	SB-6	98,334.61	93,162.96
Recreation	SB-6	525,653.35	552,828.08
Recreation - Adult Community	SB-6	63,092.45	62,997.89
Senior Recreation	SB-6	11,354.23	8,190.18
Storm Recovery	SB-6	54,158.89	39,828.42
Unemployment Compensation	SB-6	51,606.72	49,855.98
Walnut Glen Escrow	SB-6	4,203.06	4,196.75
 Total Trust Other Funds		 <u>3,463,229.68</u>	 <u>3,118,145.67</u>
Municipal Open Space Trust Fund:			
Reserve for Future Use	SB-7	<u>1,712,490.56</u>	<u>1,612,093.47</u>
		<u>1,712,490.56</u>	<u>1,612,093.47</u>
 Total Trust Funds		 <u>\$ 5,224,555.17</u>	 <u>\$ 4,794,961.13</u>

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

TOWNSHIP OF HARRISON
TRUST FUND - MUNICIPAL OPEN SPACE
Statement of Revenues -- Regulatory Basis
For The Year Ended December 31, 2017

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Amount to Be Raised By Taxation	\$ 917,225.00	\$ 921,782.48	\$ 4,557.48
Miscellaneous		<u>2,792.12</u>	<u>2,792.12</u>
Total Open Space Revenues	<u>\$ 917,225.00</u>	<u>\$ 924,574.60</u>	<u>\$ 7,349.60</u>

Analysis of Realized Revenues

Amount to be Raised by Taxation:

Receipts:

2017 Municipal Open Space Tax Levy

\$ 917,225.00

Due from Current Fund

2017 Added & Omitted Taxes

4,557.48

\$ 921,782.48

Miscellaneous:

Receipts

Interest Earned on Deposits

\$ 2,792.12

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

TOWNSHIP OF HARRISON
TRUST FUND - MUNICIPAL OPEN SPACE
Statement of Expenditures -- Regulatory Basis
For The Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Cancelled
	Adopted Budget	Budget After Modifications	Paid or Charged	Encumbrances Payable	Reserved	
Debt Service:						
Payment of Bond Principal	\$ 440,000.00	\$ 440,000.00	\$ 440,000.00			
Payment of Bond Interest	384,178.00	384,178.00	384,178.00			
Reserve for Future Use	93,047.00	93,047.00	93,047.00			
Total Open Space Appropriations	<u>\$ 917,225.00</u>	<u>\$ 917,225.00</u>	<u>\$ 917,225.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash - Treasurer	SC-1	\$ 7,812,869.26	\$ 13,135,657.56
Due from Sewer Utility Capital Fund	SC-2		29,338.00
Due from Current Fund	SC-10	92,273.00	
Grant-In-Aid Receivable	SC-6	177,606.73	51,332.90
Deferred Charges to Future Taxation:			
Funded	SC-3	28,243,000.00	22,681,000.00
Unfunded	SC-4	10,062,120.00	16,792,283.00
		<u>\$ 46,387,868.99</u>	<u>\$ 52,689,611.46</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Due Current Fund	SC-10		\$ 60,014.45
Bond Anticipation Notes Payable	SC-8	\$ 10,062,000.00	16,792,283.00
Bonds Payable	SC-9	28,243,000.00	22,681,000.00
Improvement Authorizations:			
Funded	SC-7	2,228,137.52	2,058,416.98
Unfunded	SC-7	3,693,446.87	5,559,570.77
Encumbrances Payable	SC-7	1,682,652.87	5,062,806.68
Reserve for Preliminary Costs	SC-2	3,391.86	3,391.86
Reserve for Payment of Debt	SC-2	113,602.19	109,610.04
Capital Improvement Fund	SC-5	9,750.00	10,630.00
Fund Balance	C-1	351,887.68	351,887.68
		<u>\$ 46,387,868.99</u>	<u>\$ 52,689,611.46</u>

There were bonds and notes authorized but not issued in the amounts of \$120.00 and \$0.00 as of December 31, 2017 and 2016, respectively.

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

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Schedule of Fund Balance -- Regulatory Basis
As of December 31, 2017 and 2016

Balance December 31, 2017 and 2016	<u>\$ 351,887.68</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash and Cash Equivalents:			
Municipal Financial Officer	SD-1	\$ 1,547,938.57	\$ 2,836,818.60
Sewer Clerk	SD-1	151,669.05	160,799.29
Change Fund	D	<u>50.00</u>	<u>50.00</u>
Total Cash and Cash Equivalents		1,699,657.62	2,997,667.89
Due from Current Fund	SD-6	<u>33,336.68</u>	<u>34,654.67</u>
		<u>1,732,994.30</u>	<u>3,032,322.56</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-2	<u>630,799.31</u>	<u>616,335.16</u>
		<u>630,799.31</u>	<u>616,335.16</u>
		<u>\$ 2,363,793.61</u>	<u>\$ 3,648,657.72</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u> 			
Appropriation Reserves	D-3;SD-3	\$ 146,926.40	\$ 191,608.77
Other Liabilities and Reserves:			
Reserve for Encumbrances	D-3;SD-3	2,178.05	4,576.00
Accrued Interest on Bonds and Notes	SD-4	206,952.00	142,792.00
Sewer Rent Overpayments	SD-5	4,087.96	3,258.43
Reserve for Payment of Debt	D	54,510.92	54,510.92
Due Sewer Utility Capital Fund	SE-3	<u>13.24</u>	<u>1,325,866.97</u>
		<u>414,668.57</u>	<u>1,722,613.09</u>
Reserve for Receivables	D	630,799.31	616,335.16
Fund Balance	D-1	<u>1,318,325.73</u>	<u>1,309,709.47</u>
		<u>\$ 2,363,793.61</u>	<u>\$ 3,648,657.72</u>

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

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
 Statements of Operations and Changes in Operating Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUE AND OTHER INCOME REALIZED:		
Operating Surplus Anticipated	\$ 468,345.00	\$ 669,464.00
Sewer Rents	1,814,109.20	1,924,111.13
Penalties and Interest	21,151.60	20,370.27
Miscellaneous	266,118.79	84,217.27
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	164,725.08	71,404.16
	<u>2,734,449.67</u>	<u>2,769,566.83</u>
Total Income		
EXPENDITURES:		
Budget Appropriations:		
Operating	1,216,335.00	1,237,500.00
Capital Improvements	2,500.00	52,500.00
Debt Service	979,843.41	1,012,629.73
Deferred Charges and Statutory Expenditures	58,810.00	55,164.00
	<u>2,257,488.41</u>	<u>2,357,793.73</u>
Total Expenditures		
Excess in Revenue	476,961.26	411,773.10
FUND BALANCE:		
Balance January 1	<u>1,309,709.47</u>	<u>1,567,400.37</u>
	1,786,670.73	1,979,173.47
Decreased by:		
Utilized as Revenue	<u>468,345.00</u>	<u>669,464.00</u>
Balance December 31	<u>\$ 1,318,325.73</u>	<u>\$ 1,309,709.47</u>

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

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Revenues -- Regulatory Basis
For The Year Ended December 31, 2017

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Operating Surplus Anticipated	\$ 468,345.00	\$ 468,345.00	
Rent	1,700,000.00	1,814,109.20	\$ 114,109.20
Penalties and Interest	10,000.00	21,151.60	11,151.60
Miscellaneous	80,000.00	266,118.79	186,118.79
	<u>1,790,000.00</u>	<u>2,101,379.59</u>	<u>311,379.59</u>
	<u>\$ 2,258,345.00</u>	<u>\$ 2,569,724.59</u>	<u>\$ 311,379.59</u>
Other Additions to Income:			
Unexpended Balance of Appropriation Reserves			<u>\$ 164,725.08</u>
 <u>Analysis of Realized Revenue</u>			
Rents:			
Consumer Accounts Receivable:			
Collected			<u>\$ 1,814,109.20</u>
Miscellaneous:			
Sewer Connection Fees			\$ 228,201.81
Refund of Prior Year Expenditures			5,270.32
Miscellaneous			1,409.16
Interest Earned on Deposits:			
Sewer Operating Fund EIT Credits			30,440.10
Sewer Operating Fund			401.11
Sewer Utility Capital Fund			<u>396.29</u>
Total Miscellaneous			<u>\$ 266,118.79</u>
Treasurer Cash Receipts			\$ 5,671.43
Collector Cash Receipts			229,610.97
EIT Credits			30,440.10
Due from Sewer Utility Capital Fund - Interest Earned on Investments			<u>396.29</u>
			<u>\$ 266,118.79</u>

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

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Expenditures -- Regulatory Basis
For The Year Ended December 31, 2017

	Appropriations		Expended				Unexpended Balance Canceled
	Adopted Budget	Budget After Modifications	Paid or Charged	Encumbrances	Reimbursements	Reserved	
Operating:							
Salaries and Wages	\$ 503,590.00	\$ 503,590.00	\$ 472,178.98			\$ 31,411.02	
Other Expenses	720,045.00	712,745.00	627,122.15	\$ 2,178.05	\$ 31,636.49	115,081.29	
Capital Improvement Fund	2,500.00	2,500.00	2,500.00				
Capital Outlay	50,000.00	-	-			-	
Total Operating	1,276,135.00	1,218,835.00	1,101,801.13	2,178.05	31,636.49	146,492.31	-
Debt Service:							
Payment of Bond Principal	524,000.00	524,000.00	523,221.66				\$ 778.34
Capital Notes	53,500.00	410.00	410.00				-
Interest on Bonds	271,900.00	387,240.00	387,170.51				69.49
Interest on Notes	74,000.00	69,050.00	69,041.24				8.76
Total Debt Service	923,400.00	980,700.00	979,843.41	-	-	-	856.59
Statutory Expenditures:							
Contribution to							
Public Employees' Retirement System	23,610.00	23,610.00	23,610.00				
Social Security System (O.A.S.I.)	35,000.00	35,000.00	34,565.91			434.09	
Unemployment Compensation Insurance	200.00	200.00	200.00				
Total Statutory Expenditures	58,810.00	58,810.00	58,375.91	-	-	434.09	-
Total Expenditures	\$ 2,258,345.00	\$ 2,258,345.00	\$ 2,140,020.45	\$ 2,178.05	\$ 31,636.49	\$ 146,926.40	\$ 856.59
Accrued Interest on Bonds and Loans			\$ 387,170.51				
Accrued Interest on Notes			69,041.24				
Cash Disbursements			1,681,460.38				
Cash Disbursed by Current Fund			1,938.32				
Due Sewer Utility Capital Fund			410.00				
Cash Reimbursements - Operating					\$ 31,636.49		
			<u>\$ 2,140,020.45</u>		<u>\$ 31,636.49</u>		

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

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash and Cash Equivalents	SE-1	\$ 2,214,209.77	\$ 837,565.52
Due from Current Fund	SE-2		16,500.00
Due from Sewer Utility Operating Fund	SE-3	13.24	1,325,866.97
Fixed Capital	SE-5	13,743,196.23	13,233,212.54
Fixed Capital Authorized and Uncompleted	SE-6	8,422,650.50	8,492,634.19
		<u>\$ 24,380,069.74</u>	<u>\$ 23,905,779.22</u>
 <u>LIABILITIES AND RESERVES</u> 			
Due General Capital Fund	SE-2		\$ 29,338.00
Serial Bonds Payable	SE-8	\$ 9,275,000.00	5,599,000.00
Sewer Loans Payable	SE-9	2,118,305.81	2,506,527.47
Bond Anticipation Notes Payable	SE-10	2,570,000.00	5,941,410.00
Improvement Authorizations:			
Funded	SE-7	63,953.08	4,577.56
Unfunded	SE-7	1,559,635.88	1,434,959.53
Encumbrances Payable	SE-7	13,643.27	165,582.47
Reserve for:			
Developer Contribution	E	118,143.00	118,143.00
Preliminary Expenditures	E	1,113.25	1,113.25
Payment of Debt	SE-1	155,792.85	126,777.00
Capital Improvement Fund	SE-4	62,016.00	59,516.00
Reserve for Amortization	SE-12	8,227,165.62	7,703,533.96
Fund Balance	E-1	215,300.98	215,300.98
		<u>\$ 24,380,069.74</u>	<u>\$ 23,905,779.22</u>

There were bonds and notes authorized but not issued in the amounts of \$21,190.00 as of December 31, 2017 and 2016.

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

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Schedule of Fund Balance -- Regulatory Basis
As of December 31, 2017 and 2016

Balance December 31, 2017 and 2016	<u>\$ 215,300.98</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HARRISON
 General Fixed Asset Group Of Accounts
 Statement Of General Fixed Asset Group Of Accounts -- Regulatory Basis
 For The Year Ended December 31, 2017

	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017
General Fixed Assets:				
Land	\$ 17,100,889.00			\$ 17,100,889.00
Buildings	2,628,853.00			2,628,853.00
Equipment	4,018,824.00	\$ 214,167.00		4,232,991.00
Investment in General Fixed Assets	<u>\$ 23,748,566.00</u>	<u>\$ 214,167.00</u>	<u>\$ -</u>	<u>\$ 23,962,733.00</u>
Total Investment in General Fixed Assets	<u>\$ 23,748,566.00</u>	<u>\$ 214,167.00</u>	<u>\$ -</u>	<u>\$ 23,962,733.00</u>

The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF HARRISON
Notes to Financial Statements
For the Year Ended December 31, 2017

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Harrison was incorporated in 1844 and is located in southeastern corner of Gloucester County, New Jersey approximately twenty miles south of the City of Philadelphia. The present population according to the 2010 estimated census is 12,417.

The Township is governed under the Township Committee form of government, with a five-member Committee. The Committee is elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis, with one or two seats coming up for election each year. At an annual reorganization meeting, the Committee selects one of its members to serve as Mayor and another as Deputy Mayor. Legislative and executive power is vested in the Committee.

Component Units - The Township had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39, No. 61 and No. 80.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Township contain all funds and account groups in accordance with the *Requirements of Audit* ("Requirements") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the *Requirements*, the Township accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

Sewer Utility Operating and Capital Funds - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned sewer operations.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current, municipal open space, and sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund balances included in the current fund and sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Gloucester, the Township of Harrison School District, Clearview Regional High School District, and the Township of Harrison Fire District No. 1. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Municipality is responsible for levying, collecting, and remitting school taxes for the Township of Harrison School District and the Clearview Regional High School District. Operations is charged for the Township's share of the amount required to be raised by taxation to operate the school districts for the period from July 1 to June 30, increased by the amount deferred at December 31, 2016 and decreased by the amount deferred at December 31, 2017.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Gloucester. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Harrison Fire District No. 1. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police and Firemen's Retirement System (PFRS) and the Public Employees' Retirement System (PERS), and additions to/deductions from PFRS' and PERS' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2017, the Township's bank balances of \$25,778,792.01 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 24,331,100.96
Uninsured and Uncollateralized	<u>1,447,691.05</u>
Total	<u>\$ 25,778,792.01</u>

Note 3: PROPERTY TAXES

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 calendar years:

Tax Rates

	<u>Year Ended</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	\$ 2.825	\$ 2.990	\$ 2.905	\$ 2.787	\$ 2.728
Apportionment of Tax Rate:					
Municipal	\$ 0.425	\$ 0.463	\$ 0.444	\$ 0.411	\$ 0.365
County	0.629	0.664	0.638	0.588	0.574
County Library	0.048	0.052	0.049	0.047	0.045
County Open Space	0.040	0.043	0.043	0.041	0.042
Local School	0.841	0.893	0.893	0.878	0.877
Regional High School	0.706	0.732	0.696	0.679	0.668
Fire District	0.076	0.083	0.082	0.083	0.097
Municipal Open Space	0.060	0.060	0.060	0.060	0.060

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2017	\$ 1,528,708,197.00
2016	1,405,992,089.00
2015	1,392,670,506.00
2014	1,369,955,043.00
2013	1,349,931,288.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 43,401,678.70	\$ 42,480,798.30	97.88%
2016	42,157,552.82	41,725,533.79	98.98%
2015	40,816,188.26	40,278,468.98	98.68%
2014	38,802,008.42	38,206,004.30	98.46%
2013	37,345,536.01	36,805,142.91	98.55%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$ 31,979.58	\$ 724,864.37	\$ 756,843.95	1.74%
2016	227,782.35	385,293.71	613,076.06	1.45%
2015	199,907.99	311,879.73	511,787.72	1.25%
2014	181,546.38	508,067.52	689,613.90	1.78%
2013	219,390.09	464,459.89	683,849.98	1.83%

Note 3: PROPERTY TAXES (CONT'D)

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2017	5
2016	15
2015	16
2014	15
2013	41

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 563,500.00
2016	None
2015	None
2014	None
2013	None

Note 5: SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balances Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Collections</u>	<u>Percentage of Collections</u>
	<u>Receivable</u>	<u>Liens</u>				
2017	\$ 616,335.16	None	\$ 1,828,573.35	\$ 2,444,908.51	\$ 1,814,109.20	74.20%
2016	624,095.47	None	1,916,350.82	2,540,446.29	1,924,111.13	75.74%
2015	680,402.61	None	1,834,147.56	2,514,550.17	1,890,454.70	75.18%
2014	646,404.84	None	1,983,090.86	2,629,495.70	1,949,093.09	74.12%
2013	541,397.52	None	1,881,592.17	2,422,989.69	1,776,584.85	73.32%

Note 6: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2017	\$ 3,696,365.97	\$ 2,721,800.00	73.63%
2016	3,176,433.88	1,318,600.00	41.51%
2015	3,540,282.81	2,277,000.00	64.32%
2014	3,231,136.75	2,054,400.00	63.58%
2013	1,971,291.47	531,000.00	26.94%

Sewer Utility Operating Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2017	\$ 1,318,325.73	\$ 673,680.00	51.10%
2016	1,309,709.47	468,345.00	35.76%
2015	1,567,400.37	669,464.00	42.71%
2014	1,528,000.75	471,982.00	30.89%
2013	1,248,117.11	377,315.00	30.23%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2017:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 14,314.23	\$ 180,639.61
Federal and State Grant Fund	43,069.64	
Trust - Animal Control Fund		14,314.23
Trust - Municipal Open Space Fund	6,954.72	
Trust - Other Fund	5,005.57	
General Capital Fund	92,273.00	
Sewer Utility Operating Fund	33,336.68	13.24
Sewer Utility Capital Fund	13.24	
	<u>\$ 194,967.08</u>	<u>\$ 194,967.08</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2018, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Township employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Township. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10% in State fiscal year 2017. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2017 was 13.78% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$228,549.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$191,011.00, which was paid on April 1, 2017. Employee contributions to the plan during the year ended December 31, 2017 were \$122,186.39.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was 10% in State fiscal year 2017. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Special Funding Situation Component - 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 which 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 nonemployer 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 disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Township's contractually required contribution rate for the year ended December 31, 2017 was 27.02% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$390,508.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$332,166.00, which was paid on April 1, 2017. Employee contributions to the plan during the year ended December 31, 2017 were \$145,639.30.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2017 was 2.64% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2017 is \$38,153.00, and is payable by April 1, 2018. Based on the PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2016 was \$25,041.00, which was paid on April 1, 2017.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2017, employee contributions totaled \$3,389.06, and the Township's contributions were \$1,196.15. There were no forfeitures during the year.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Public Employees' Retirement System - At December 31, 2017, the Township's proportionate share of the PERS net pension liability was \$5,742,978.00. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the Township's proportion was 0.0246708417%, which was an increase of 0.0031699332% from its proportion measured as of June 30, 2016.

At December 31, 2017, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$571,810.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Township's contribution to PERS was \$191,011.00, and was paid on April 1, 2017.

Police and Firemen's Retirement System - At December 31, 2017, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 6,811,935.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	762,994.00
	<u>\$ 7,574,929.00</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2017 measurement date, the Township's proportion was 0.0441242775%, which was an increase of 0.0033847384% from its proportion measured as of June 30, 2016. Likewise, at June 30, 2017, the State of New Jersey's proportion, on-behalf of the Township, was 0.0441242775%, which was an increase of 0.0033847384% from its proportion, on-behalf of the Township, measured as of June 30, 2016.

At December 31, 2017, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$704,147.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Township's contribution to PFRS was \$332,166.00, and was paid on April 1, 2017.

At December 31, 2017, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the plan as of the June 30, 2017 measurement date is \$93,331.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2017, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 135,227.00	\$ 44,192.00	\$ 179,419.00	\$ -	\$ 39,980.00	\$ 39,980.00
Changes of Assumptions	1,157,012.00	839,988.00	1,997,000.00	1,152,770.00	1,115,596.00	2,268,366.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	39,106.00	129,988.00	169,094.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	787,806.00	562,468.00	1,350,274.00	109,751.00	103,867.00	213,618.00
Township Contributions Subsequent to the Measurement Date	114,275.00	195,254.00	309,529.00	-	-	-
	<u>\$ 2,233,426.00</u>	<u>\$ 1,771,890.00</u>	<u>\$ 4,005,316.00</u>	<u>\$ 1,262,521.00</u>	<u>\$ 1,259,443.00</u>	<u>\$ 2,521,964.00</u>

\$114,275.00 and \$195,254.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. These amounts were based on an estimated April 1, 2019 contractually required contribution, prorated from the pension plans measurement date of June 30, 2017 to the Township's year end of December 31, 2017.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2018	\$ 287,278.00	\$ 169,240.00	\$ 456,518.00
2019	356,096.00	310,841.00	666,937.00
2020	290,856.00	121,094.00	411,950.00
2021	(18,299.00)	(200,720.00)	(219,019.00)
2022	(59,301.00)	(83,262.00)	(142,563.00)
	<u>\$ 856,630.00</u>	<u>\$ 317,193.00</u>	<u>\$ 1,173,823.00</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For PFRS, preretirement mortality rates were based on the RP-2000 Preretirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the Plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and three years using the plan actuary's modified 2014 projection scales and further projected on a generational basis using the plan actuary's modified 2014 projection scales. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the plan actuary's modified 2014 projection scales and further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2017) 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. 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 PERS's and PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2017 was 5.00% for PERS and 6.14% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on 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. The projection of cash flows used to determine the discount rates 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 made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040 for PERS and through 2057 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 for PERS and through 2057 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 8: PENSION PLANS (CONT'D)**Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability at June 30, 2017, the plans measurement date, calculated using a discount rate of 5.00%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 7,124,553.00	\$ 5,742,978.00	\$ 4,591,954.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of June 30, 2017, the plans measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 6.14%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	PFRS		
	1% Decrease (5.14%)	Current Discount Rate (6.14%)	1% Increase (7.14%)
Township's Proportionate Share of the Net Pension Liability	\$ 8,975,285.00	\$ 6,811,935.00	\$ 5,034,497.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	1,005,307.43	762,994.00	563,905.96
	<u>\$ 9,980,592.43</u>	<u>\$ 7,574,929.00</u>	<u>\$ 5,598,402.96</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASB 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Five Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Proportion of the Net Pension Liability	0.0246708417%	0.0215009085%	0.0205167471%
Township's Proportionate Share of the Net Pension Liability	\$ 5,742,978.00	\$ 6,367,952.00	\$ 4,605,599.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,681,200.00	\$ 1,472,836.00	\$ 1,462,396.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	341.60%	432.36%	314.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.0194513350%	0.0209669917%	
Township's Proportionate Share of the Net Pension Liability	\$ 3,641,822.00	\$ 4,007,209.00	
Township's Covered Payroll (Plan Measurement Period)	\$ 1,324,916.00	\$ 1,402,524.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	274.87%	285.71%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%	

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Five Years)***

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Contractually Required Contribution	\$ 228,549.00	\$ 191,011.00	\$ 176,389.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(228,549.00)</u>	<u>(191,011.00)</u>	<u>(176,389.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,659,005.00	\$ 1,622,578.00	\$ 1,507,685.00
Township's Contributions as a Percentage of Covered Payroll	13.78%	11.77%	11.70%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 160,354.00	\$ 157,982.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(160,354.00)</u>	<u>(157,982.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 1,442,234.00	\$ 1,358,573.00	
Township's Contributions as a Percentage of Covered Payroll	11.12%	11.63%	

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Five Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Proportion of the Net Pension Liability	0.0441242775%	0.0407395391%	0.0394971602%
Township's Proportionate Share of the Net Pension Liability	\$ 6,811,935.00	\$ 7,782,294.00	\$ 6,578,850.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>762,994.00</u>	<u>653,520.00</u>	<u>576,943.00</u>
Total	<u>\$ 7,574,929.00</u>	<u>\$ 8,435,814.00</u>	<u>\$ 7,155,793.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,428,292.00	\$ 1,284,956.00	\$ 1,250,804.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	476.93%	605.65%	525.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.0390546909%	0.0412762042%	
Township's Proportionate Share of the Net Pension Liability	\$ 4,912,718.00	\$ 5,487,299.00	
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>529,017.00</u>	<u>511,483.00</u>	
Total	<u>\$ 5,441,735.00</u>	<u>\$ 5,998,782.00</u>	
Township's Covered Payroll (Plan Measurement Period)	\$ 1,205,092.00	\$ 1,295,384.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.66%	423.60%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.41%	58.70%	

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS)
(Last Five Years)***

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Contractually Required Contribution	\$ 390,508.00	\$ 332,166.00	\$ 321,053.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(390,508.00)</u>	<u>(332,166.00)</u>	<u>(321,053.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,445,146.00	\$ 1,384,742.00	\$ 1,265,643.00
Township's Contributions as a Percentage of Covered Payroll	27.02%	23.99%	25.37%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 299,967.00	\$ 301,142.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(299,967.00)</u>	<u>(301,142.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 1,224,332.00	\$ 1,230,324.00	
Township's Contributions as a Percentage of Covered Payroll	24.50%	24.48%	

Note 8: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions - For 2017, the discount rate changed to 6.14% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65% from 7.90%, and the mortality improvement scale incorporated the plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description – The Township provides postretirement health care benefits, at its cost, to certain police officers and their spouses or surviving spouses through a sole employer post-employment healthcare plan. This entitlement requires that police officers retire from service with the Township, be covered by any collective bargaining agreement between the Township and the Fraternal Order of Police, Local 178, have at least twenty years of service with the Township and have served at least twenty-five years as a police officer in any capacity and in any jurisdiction in which that service is eligible for credit in the Police and Firemen's Pension System (PFRS). The health care benefits will be in a form consistent with that provided to all active members of the Township Police whose service is covered by any collective bargaining agreement between the Township and the Fraternal Order of Police, Local 178. Once Medicare age is attained by either the retired employee or the spouse, Medicare is primary and the Township provides supplementary medical insurance. Currently there are seven (7) retirees with an average age of fifty-two (52). Four (4) retirees are receiving employee/spouse coverage. There are seventeen (17) active employees with an average age of thirty-five (35) and average accrued service of nine (9) years.

Funding Policy - The contribution requirements of plan members and the Township are established and may be amended by the Township's governing body and collective bargaining agreement between the Township and the Fraternal Order of Police, Local 178. Plan members receive benefits at no cost to the retiree.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Funding Policy (Cont'd)**

Retirees - The Township presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis. The Township's contributions to the plan for the years ended December 31, 2017, 2016, and 2015 were \$183,952.50, \$169,027.16 and \$177,409.75, respectively.

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Township is required to disclose the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$454,239.00 at an unfunded discount rate of 5.0%. As previously stated, the Township has funded the cost of existing retirees in the amount of \$183,952.50, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Annual OPEB Cost - For year ended December 31, 2017, the Township's annual OPEB cost (expense) of \$483,033.00 for the plan was equal to the ARC plus certain adjustments because the Township's actual contributions in prior years differed from the ARC. The Township's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2017, 2016 and 2015 are as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Required Contribution (ARC)	\$ 454,239	\$ 454,239	\$ 454,239
Interest on the Net OPEB Obligation	27,387	13,841	-
Adjustment to the ARC	<u>(28,142)</u>	<u>(28,142)</u>	<u>-</u>
Annual OPEB Cost	453,484	439,938	454,239
Pay-as-You Go Cost (Existing Retirees)	<u>(183,953)</u>	<u>(169,027)</u>	<u>(177,410)</u>
Increase in the Net OPEB Obligation	269,532	270,911	276,829
Net OPEB Obligation - Beginning of year	<u>547,740</u>	<u>276,829</u>	<u>-</u>
Net OPEB Obligation - End of year	<u>\$ 817,272</u>	<u>\$ 547,740</u>	<u>\$ 276,829</u>
Percentage of Annual OPEB Cost Contributed	40.6%	38.4%	39.1%

Funded Status and Funding Progress - The funded status of the plan as of the actuarial valuation dates is as follows:

Actuarial Accrued Liability (AAL)	\$ <u>4,641,341</u>
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 4,641,341</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%
Covered Payroll (Active Plan Members)	\$ 3,136,000
UAAL as a Percentage of Covered Payroll	148.0%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Funded Status and Funding Progress (Cont'd) - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, as shown on the previous page, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - The projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015 actuarial valuation, the unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- *Mortality.* 1994 sex distinct Group Annuity Mortality Table.
- *Discount Rate.* 5.00%
- *Turnover.* U.S Office of Personnel Management employee group covered by the Federal Employees Retirement System
- *Disability.* No terminations of employment due to disability.
- *Age at Retirement.* No earlier than age 55.
- *Final Average Salary.* Over \$112,000 for retirees at age 55.
- *Spousal Coverage.* Married employees will remain married.
- *Health Care Cost Inflation.* Increase 7.0% annually for Pre-Medicare benefits and 5.0% for Post-Medicare benefits.
- *Administrative Expenses.* Approximately 2% is included in health care costs to administer retiree claims.

Note 10: COMPENSATED ABSENCES

According to the policy effective February 17, 2004 and revised April 21, 2008, full-time employees and part-time employees working at least twenty hours a week receive sick, vacation, and personal days. Vacation time granted is based on the number of years of completed service. Vacation time must be used in the calendar year. Carryover of vacation time must be approved by the Township Administrator and cannot exceed two work weeks. Part-time employees receive vacation time on a prorated basis. Upon termination or retirement, employees with at least one year of service are paid for all accumulated vacation time. Full-time employees receive three personnel days per year and part-time employees receive personal days on a prorated basis. Personal days may not be carried over into the next year and are not paid upon termination or retirement. Full-time employees receive ten sick days per year and part-time employees receive sick days on a prorated basis. Sick days may be accumulated up to fifty days.

Note 10: COMPENSATED ABSENCES (CONT'D)

Upon retirement, employees with at least fifteen years of service may be paid for accumulated sick time up to fifty days not to exceed \$2,500.00. Employees with at least twenty years of service may be paid for accumulated sick time up to fifty days not to exceed \$3,000.00. Employees with at least twenty-five years of service may be paid for accumulated sick time up to fifty days not to exceed \$3,500.00.

According to the 2014-2017 police contract, officers receive sick, vacation, and personal days. Vacation time granted is based on the number of years of service. Upon termination or retirement, accumulated vacation time is not paid. Officers receive three personnel days per year which may not be carried over into the next year. Upon termination or retirement, accumulated vacation time is not paid. Officers receive one-hundred and twelve hours of sick time per year of employment, which can be accrued, however, not to exceed 2,250 hours. Upon retirement, officers may be paid for sick hours at a rate of two for every five hours earned.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that at December 31, 2017, accrued benefits for compensated absences are valued at \$374,073.99.

Note 11: LEASE OBLIGATIONS

At December 31, 2017, the Township had lease agreements in effect for the following:

Operating:
Six (6) Copiers

The following is an analysis of operating leases.

Future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 11,588.64
2019	11,588.64
2020	10,622.92

Rental payments under operating leases for the year 2017 were \$13,693.23.

Note 12: CAPITAL DEBT**General Improvement Bonds**

General Improvement Refunding Bonds, Series 2009 - On November 3, 2009, the Township issued \$3,165,000.00 in general improvement refunding bonds, with interest rates ranging from 3.0% to 5.0%, to advance refund \$3,238,000.00 outstanding 1998 and 2001 general improvement bonds with an interest rate of 4.875 and 4.70%. The final maturity of the bonds is December 1, 2018.

General Improvement Bonds, Series 2010 - On August 18, 2018, the Township issued \$20,111,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 4.0%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is August 1, 2035.

Note 12: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

General Improvement Refunding Bonds, Series 2014 - On August 5, 2014, the Township issued \$4,810,000.00 in general improvement refunding bonds, with interest rates ranging from 3.0% to 4.0%, to advance refund \$4,940,000.00 outstanding 2006 general improvement bonds with an interest rate of 4.25%. The final maturity of the bonds is August 1, 2025.

General Improvement Bonds, Series 2017 - On May 18, 2017, the Township issued \$7,172,000.00 in general improvement bonds, with interest rates ranging from 2.5% to 3.125. The bonds were issued to permanently finance the costs of various capital improvements and the acquisition of various capital equipment. The final maturity of the bonds is June 1, 2037.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>General</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,915,000.00	\$ 928,545.00	\$ 2,843,545.00
2019	2,010,000.00	862,382.50	2,872,382.50
2020	2,118,000.00	801,860.00	2,919,860.00
2021	2,154,000.00	733,338.75	2,887,338.75
2022	2,235,000.00	663,833.75	2,898,833.75
2023-2027	8,125,000.00	2,304,681.25	10,429,681.25
2028-2032	5,345,000.00	1,299,762.50	6,644,762.50
2033-2037	4,341,000.00	343,195.00	4,684,195.00
	\$ 28,243,000.00	\$ 7,937,598.75	\$ 36,180,598.75

Sewer Utility Improvement Bonds

General Improvement Bonds, Series 2010 - On August 18, 2018, the Township issued \$5,014,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 4.0%. The bonds were issued for the purpose of funding various sewer capital projects in the Township. The final maturity of the bonds is August 1, 2035.

General Improvement Refunding Bonds, Series 2014 - On August 5, 2014, the Township issued \$810,000.00 in general improvement refunding bonds, with interest rates ranging from 3.0% to 4.0%, to advance refund \$830,000.00 outstanding 2006 general improvement bonds with an interest rate of 4.25%. The final maturity of the bonds is August 1, 2025.

General Improvement Bonds, Series 2017 - On May 18, 2017, the Township issued \$3,811,000.00 in general improvement bonds, with interest rates ranging from 2.5% to 3.25. The bonds were issued for the purpose of funding various sewer capital projects in the Township. The final maturity of the bonds is June 1, 2039.

Note 12: CAPITAL DEBT (CONT'D)**Sewer Utility Improvement Bonds (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Sewer</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 276,000.00	\$ 305,922.50	\$ 581,922.50
2019	295,000.00	297,610.00	592,610.00
2020	315,000.00	289,016.25	604,016.25
2021	335,000.00	279,053.75	614,053.75
2022	350,000.00	268,372.50	618,372.50
2023-2027	2,400,000.00	1,134,606.25	3,534,606.25
2028-2032	2,585,000.00	740,318.76	3,325,318.76
2033-2037	2,249,000.00	255,448.76	2,504,448.76
2038-2039	470,000.00	15,293.75	485,293.75
	<u>\$ 9,275,000.00</u>	<u>\$ 3,585,642.52</u>	<u>\$ 12,860,642.52</u>

Sewer Utility Debt - New Jersey Environmental Infrastructure Loans

On August 1, 1997, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$217,417.00, at no interest, from the fund loan, and \$230,000.00 at interest rates ranging from 4.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the sanitary sewer system. Semiannual debt payments are due February 1st and August 1st through 2017.

On October 15, 2002, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,860,390.00, at no interest, from the fund loan, and \$2,080,000.00 at interest rates ranging from 3.0% to 5.25% from the trust loan. The proceeds were used to fund the construction of a wastewater treatment plant. Semiannual debt payments are due February 1st and August 1st through 2022.

On November 1, 2003, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,148,023.00, at no interest, from the fund loan, and \$1,260,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund upgrades and rehabilitation of three pump stations. Semiannual debt payments are due February 1st and August 1st through 2023.

Note 12: CAPITAL DEBT (CONT'D)**Sewer Utility Debt - New Jersey Environmental Infrastructure Loans (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 368,712.10	\$ 61,112.50	\$ 429,824.60
2019	378,812.20	51,175.00	429,987.20
2020	396,137.35	40,175.00	436,312.35
2021	405,162.24	28,425.00	433,587.24
2022	413,988.40	16,625.00	430,613.40
2023-2027	155,493.52	4,512.50	160,006.02
	<u>\$ 2,118,305.81</u>	<u>\$ 202,025.00</u>	<u>\$ 2,320,330.81</u>

The following schedule represents the Township's summary of debt for the current and two previous years:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Issued:</u>			
General:			
Bond and Notes	\$ 38,305,000.00	\$ 39,473,283.00	\$ 36,494,393.00
Sewer:			
Bond, Loan and Notes	13,963,305.81	14,046,937.47	13,352,226.63
Total Issued	<u>52,268,305.81</u>	<u>53,520,220.47</u>	<u>49,846,619.63</u>
<u>Authorized but Not Issued</u>			
General:			
Bond and Notes	120.00	-	-
Sewer:			
Bond and Notes	21,190.00	21,190.00	21,190.00
Total Authorized but Not Issued	<u>21,310.00</u>	<u>21,190.00</u>	<u>21,190.00</u>
Total Issue and Authorized but Not Issued	<u>52,289,615.81</u>	<u>53,541,410.47</u>	<u>49,867,809.63</u>
<u>Deductions</u>			
Reserve for Payment of Debt	113,602.19	109,610.04	203,104.09
Self-Liquidating Debt	13,984,495.81	14,068,127.47	13,373,416.63
Total Deductions	<u>14,098,098.00</u>	<u>14,177,737.51</u>	<u>13,576,520.72</u>
<u>Net Debt</u>	<u>\$ 38,191,517.81</u>	<u>\$ 39,363,672.96</u>	<u>\$ 36,291,288.91</u>

Note 12: CAPITAL DEBT (CONT'D)**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 indicated a statutory net debt of 2.554%.

Summary of Statutory Debt Condition - Annual Debt Statement

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 4,302,581.77	\$ 4,302,581.77	-
Local School District	9,831,577.00	9,831,577.00	-
Sewer Utility	13,984,495.81	13,984,495.81	-
General	38,305,120.00	113,602.19	\$ 38,191,517.81
	<u>\$ 66,423,774.58</u>	<u>\$ 28,232,256.77</u>	<u>\$ 38,191,517.81</u>

Net Debt \$38,191,517.81 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,495,430,990.00 equals 2.554%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$52,340,084.65
Less: Net Debt	<u>38,191,517.81</u>
Remaining Borrowing Power	<u>\$14,148,566.84</u>

**Calculation of "Self Liquidating Purpose"
Sewer Utility Per N.J.S.A. 40A:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Credits for the Year	\$ 2,734,449.67
Deductions:	
Operating and Maintenance Cost	\$ 1,275,145.00
Debt Service	<u>979,843.41</u>
Total Deductions	<u>2,254,988.41</u>
Excess in Revenue	<u>\$ 479,461.26</u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 13: SCHOOL TAXES

The Township of Harrison school district and the Clearview Regional High School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	Balance Dec. 31	
	<u>2017</u>	<u>2016</u>
Local School Tax:		
Balance of Tax	\$ 6,428,662.50	\$ 6,281,940.00
Deferred	<u>5,669,506.50</u>	<u>5,669,506.50</u>
Local School Tax Payable	<u>\$ 759,156.00</u>	<u>\$ 612,433.50</u>
Regional School Tax:		
Balance of Tax	\$ 5,396,899.00	\$ 5,147,267.00
Deferred	<u>4,257,399.86</u>	<u>4,257,399.86</u>
Regional School Tax Payable	<u>\$ 1,139,499.14</u>	<u>\$ 889,867.14</u>

Note 14: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 5,200.00	\$ 5,828.81	\$ 70.62	\$ 9,348.69	\$ 51,606.72
2016	5,200.00	5,419.70	69.58	3,210.07	49,855.98
2015	10,000.00	4,954.08	45.51	695.48	42,376.77

It is estimated that there are no unreimbursed payments on behalf of the Township at December 31, 2017.

Joint Insurance Pool - The Township of Harrison is a member of the Gloucester County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation and Employer's Liability
- Liability other than Motor Vehicles
- Property Damage other than Motor Vehicles
- General Liability
- Automobile Liability
- Public Employees Blanket Bond
- Property Including Boiler and Machinery

Note 14: RISK MANAGEMENT (CONT'D)**Joint Insurance Pool (Cont'd)**

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund publishes its own financial report for the year ended December 31, 2017, which can be obtained from:

Gloucester, Salem and Cumberland County
Municipal Joint Insurance Fund
P.O. Box 442
Hammonton, New Jersey 08037

Note 15: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

<u>Description</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorization	\$ 250,000.00	\$ 50,000.00

The appropriations in the 2018 Budget as adopted are not less than that required by the statutes.

Note 16: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 4, 1997, November 5, 2002 and November 8, 2005 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township of Harrison authorized the establishment of the Township of Harrison Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 1998, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the three referendums, the Township levies a tax not to exceed six cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Harrison Open Space, Recreation and Farmland Preservation Trust Funds.

Note 17: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

Litigation - The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 18: CONCENTRATIONS

The Township depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 19: SUBSEQUENT EVENTS

Authorization of Debt - Subsequent to December 31, the Township authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Various Pieces of Equipment and Various Capital Improvements	April 16, 2018	\$ 463,200.00
Sewer Utility Improvements		
Various Pieces of Equipment and Various Capital Improvements	April 16, 2018	\$ 447,500.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Current Cash -- Treasurer
For the Year Ended December 31, 2017

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2016	\$ 6,597,780.71	\$ 186,233.05
Increased by Receipts:		
Tax Collector	\$ 43,382,156.02	
Revenue Accounts Receivable	1,289,462.03	
Miscellaneous Revenue Not Anticipated	294,021.29	
Due State of New Jersey:		
Senior Citizen and Veterans Deductions	71,472.97	
Marriage License Fees	900.00	
Due from Trust Other Fund	113.13	
Due from Animal Control Trust Fund	22,994.89	
Due from General Capital Fund	60,014.45	
Due from Federal and State Grant Fund	833.36	
Due from Sewer Utility Operating Fund	620.33	
Federal and State Grants Receivable		\$ 34,100.13
Federal and State Grants Unappropriated		71,561.51
Reimbursements:		
Reimbursement of 2017 Appropriations	226,947.87	
Reimbursement of Appropriation Reserves	6,767.97	
Reserve for Preparation of Master Plan	105,000.00	
Special Emergency Notes Payable Issued	250,000.00	
Petty Cash Fund	100.00	
	45,711,404.31	105,661.64
	52,309,185.02	291,894.69
Decreased by Disbursements:		
2017 Appropriations	8,708,491.09	
2016 Appropriation Reserves	318,730.53	
Reserve for Federal and State Grants - Appropriated		22,204.43
County Taxes Payable	10,969,468.38	
Regional High School District Taxes Payable	10,544,166.00	
Local District School Taxes Payable	12,710,602.50	
Fire District Taxes Payable	1,154,939.00	
Municipal Open Space Taxes Payable	917,225.00	
Refund of Tax Overpayments	18,773.64	
Due State of New Jersey:		
Marriage License Fees	1,375.00	
Due Trust Other Fund	164.14	
Due Sewer Utility Operating Fund	1,938.32	
Due Sewer Utility Capital Fund	16,500.00	
Due Current Fund		833.36
Special Emergency Notes Payable	50,000.00	
Reserve For:		
Preparation of Master Plan	128,241.30	
Refund of Prior Year Revenue	6,750.00	
Petty Cash	100.00	
	45,547,464.90	23,037.79
Total Cash Disbursements	45,547,464.90	23,037.79
Balance December 31, 2017	\$ 6,761,720.12	\$ 268,856.90

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Current Cash - Tax Collector
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 765,594.06
Increased by:		
Receipts:		
Taxes Receivable	\$ 42,379,287.13	
Tax Overpayments	128,796.96	
Tax Title Liens	15,521.95	
Prepaid Taxes	2,014,701.18	
Revenue Accounts Receivable:		
Interest and Costs on Taxes	\$ 105,185.69	
Fees and Permits - Tax Searches	10.00	
	105,195.69	
Miscellaneous Revenue Not Anticipated:		
Payment in Lieu of Taxes	275,782.00	
Advertising Fees	585.01	
Municipal Lien Recording Fees	40.00	
	276,407.01	
		44,919,909.92
		45,685,503.98
Decreased by:		
Disbursements:		
Disbursed to Treasurer	43,382,156.02	
		43,382,156.02
Balance December 31, 2017		\$ 2,303,347.96

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Revenue Accounts Receivable
 For the Year Ended December 31, 2017

	Balance Dec. 31, 2016	Accrued in 2017	Collected	Balance Dec. 31, 2017
Miscellaneous Revenues:				
Local Revenues				
Fees and Permits	\$ 1,695.00	\$ 82,724.00	\$ 83,124.00	\$ 1,295.00
Fines and Costs:				
Municipal Court	9,926.21	252,628.34	242,195.49	20,359.06
Interest and Costs on Taxes		105,185.69	105,185.69	
Interest on Investments and Deposits		20,340.87	20,340.87	
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax		542,592.00	542,592.00	
Dedicated Uniform Construction Code Fees Offset				
With Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17)				
Uniform Construction Code Fees	53,756.37	318,488.31	348,315.81	23,928.87
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Gov't Services:				
Other Special Items:				
Cable Television		52,931.54	52,931.54	
Alcoholic Beverages Licenses		1,301,000.00	1,301,000.00	
General Capital Reserve for Payment of Debt		109,610.00	109,610.00	
 Total	 \$ 65,377.58	 \$ 2,785,500.75	 \$ 2,805,295.40	 \$ 45,582.93
 Tax Collector		\$ 105,195.69	\$ 105,195.69	
Due from Trust Other Fund		27.68	27.68	
Due from General Capital Fund		109,610.00	109,610.00	
Reserve for Alcoholic Beverages Licenses		1,301,000.00	1,301,000.00	
Treasurer		1,269,667.38	1,289,462.03	
		<u>\$ 2,785,500.75</u>	<u>\$ 2,805,295.40</u>	

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For The Year Ended December 31, 2017

Year	Balance Dec. 31, 2016	2017 Levy	Added	2016 Collections	2017	Due From / (To) State of New Jersey	Canceled	Penalty Assessment	Transferred To Tax Title Liens	Balance Dec. 31, 2017
2016	\$ 385,293.71			\$	364,037.17	\$ (142.47)	\$ 9,011.94		\$ 12,380.82	\$ 6.25
	385,293.71				364,037.17	(142.47)	9,011.94	-	12,380.82	6.25
2017		\$ 43,186,009.03	\$ 215,669.67	\$ 392,798.34	42,015,249.96	72,750.00	189,013.56	\$ 9,449.05	16,457.77	724,858.12
	\$ 385,293.71	\$ 43,186,009.03	\$ 215,669.67	\$ 392,798.34	\$ 42,379,287.13	\$ 72,607.53	\$ 198,025.50	\$ 9,449.05	\$ 28,838.59	\$ 724,864.37

Analysis of 2017 Property Tax Levied

Tax Yield:

General Property Tax	\$ 42,031,070.03
Fire District Tax	1,154,939.00
Added Taxes (54:4-63.1 et seq.)	<u>215,669.67</u>
	<u>\$ 43,401,678.70</u>

Tax Levy:

Regional High School Tax (Abstract)	\$ 10,793,798.00
Local District School Tax (Abstract)	12,857,325.00
County Taxes:	
County Tax (Abstract)	\$ 9,608,654.19
County Library Tax (Abstract)	722,619.08
County Open Space Preservation (Abstract)	608,023.44
Due County for Added and Omitted Taxes	<u>54,718.26</u>
Total County Taxes	10,994,014.97
Fire District Taxes (Amount Certified)	1,154,939.00
Municipal Open Space Tax:	
Municipal Open Space (Abstract)	917,225.00
Municipal Open Space for Added and Omitted Tax	<u>4,557.48</u>
Total Municipal Open Space Tax	921,782.48
Local Tax for Municipal Purposes Levied (Abstract)	6,510,886.00
Add: Added and Omitted Tax	156,393.93
Add: Additional Tax Levied	<u>12,539.32</u>
Local Tax for Municipal Purposes Levied	<u>6,679,819.25</u>
	<u>\$ 43,401,678.70</u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Tax Title Liens
For The Year Ended December 31, 2017

Balance December 31, 2016		\$ 227,782.35
Increased by:		
Sale of Property Taxes - Prior Years	\$ 12,380.82	
Interest & Costs Accrued to Tax sale	3,410.49	
Transferred from Taxes Receivable - 2017	16,457.77	
		32,249.08
		260,031.43
Decreased by:		
Collections	15,521.95	
Transferred to Property Acquired for Taxes	212,529.90	
		228,051.85
Balance December 31, 2017		\$ 31,979.58

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Deferred Charges
 Special Emergency Appropriation Per N.J.S.A. 40A:4-55
 For The Year Ended December 31, 2017

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2016</u>	<u>Authorized in 2017</u>	<u>Amount Raised in the 2017 Budget</u>	<u>Balance Dec. 31, 2017</u>
01/17/17	Preparation of Master Plan	\$ 250,000.00	\$ 50,000.00		\$ 250,000.00		\$ 250,000.00
02/06/12	Master Plan Revisions	250,000.00	50,000.00	\$ 50,000.00		\$ 50,000.00	
				<u>\$ 50,000.00</u>	<u>\$ 250,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 250,000.00</u>

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Special Emergency Notes Payable
 For The Year Ended December 31, 2017

<u>Purpose</u>	<u>Original Issue</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
Revisions to Master Plan	\$ 250,000.00	03/21/12	03/10/16	03/09/17	1.20%	\$ 50,000.00		\$ 50,000.00	
Preparation of Master Plan	250,000.00	02/16/17	02/16/17	02/15/18	1.65%		\$ 250,000.00		\$ 250,000.00
						<u>\$ 50,000.00</u>	<u>\$ 250,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 250,000.00</u>
							Issued \$ 250,000.00		
							Paid \$ 50,000.00	\$ 50,000.00	
							<u>\$ 250,000.00</u>	<u>\$ 50,000.00</u>	

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Due to State of New Jersey -- Marriage License Fees
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$	625.00
Increased by:		
Receipts		900.00
		1,525.00
Decreased by:		
Disbursements		1,375.00
		1,375.00
Balance December 31, 2017	\$	150.00

Exhibit SA-9

CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2017

		Balance <u>Dec. 31, 2017</u>
Tax Collector	\$	50.00
Municipal Clerk		100.00
Municipal Court		100.00
		200.00
	\$	250.00

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Due from State of New Jersey
Senior Citizens and Veterans' Deductions
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 615.44
Decreased by:		
Received from State of New Jersey		71,472.97
		(70,857.53)
Increased by:		
Deductions per Tax Billing:		
Senior Citizens	\$ 7,000.00	
Veterans	64,000.00	
Deductions Allowed by Collector:		
Senior Citizens - 2017 Taxes	1,000.00	
Veterans - 2017 Taxes	1,000.00	
	\$ 73,000.00	
Less:		
Deductions Disallowed by Collector:		
Senior Citizens - 2017 Taxes	250.00	
Senior Citizens - 2016 Taxes	142.47	
	392.47	
Total State Share Applied to Taxes Receivable		72,607.53
Balance December 31, 2017		\$ 1,750.00

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Appropriation Reserves
For The Year Ended December 31, 2017

	<u>Balance December 31, 2016</u>		<u>Transfers</u>	<u>Balance After</u>	<u>Paid or</u>	<u>Lapsed to</u>
	<u>Encumbered</u>	<u>Reserved</u>				
OPERATIONS WITHIN "CAPS"						
General Government:						
Administrative and Executive:						
Salaries and Wages		\$ 14,249.47		\$ 14,249.47		\$ 14,249.47
Other Expenses		14,992.37		14,992.37	\$ 4,663.44	10,328.93
Mayor and Committee:						
Salaries and Wages		185.18		185.18		185.18
Other Expenses		1,418.11		1,418.11		1,418.11
Township Clerk:						
Salaries and Wages		0.45		0.45		0.45
Other Expenses	\$ 1,144.04	15,212.02		16,356.06	2,181.29	14,174.77
Financial Administration:						
Salaries and Wages		8,429.83	\$ (4,150.00)	4,279.83		4,279.83
Other Expenses	1,800.00	21,487.56	3,800.00	27,087.56	25,208.08	1,879.48
Automated Data Processing:						
Other Expenses	208.85	675.55	250.00	1,134.40	1,134.40	
Collection of Taxes:						
Salaries and Wages		1,799.36		1,799.36		1,799.36
Other Expenses		3,052.39		3,052.39	886.39	2,166.00
Legal Services and Costs:						
Other Expenses		44,687.26		44,687.26	24,448.17	20,239.09
Economic Development Council:						
Salaries and Wages		1,000.00		1,000.00		1,000.00
Other Expenses		45.00		45.00		45.00
Engineering Services and Costs:						
Other Expenses	2,100.00	16,583.35		18,683.35	5,390.45	13,292.90
Historic Preservation Committee:						
Salaries and Wages		0.64		0.64		0.64
Other Expenses		2,614.57		2,614.57		2,614.57
Municipal Land Use Law:						
Planning Board:						
Other Expenses		1,770.27	100.00	1,870.27	1,815.53	54.74
Zoning Board of Adjustment:						
Salaries and Wages		0.27		0.27		0.27
Other Expenses		1,751.36		1,751.36		1,751.36
Public Safety:						
Police:						
Salaries and Wages		162,405.84	(1,100.00)	161,305.84		161,305.84
Other Expenses	4,327.44	34,369.84	1,100.00	39,797.28	39,721.10	76.18
Emergency Management Services:						
Salaries and Wages		8.63		8.63		8.63
Other Expenses		490.00		490.00		490.00
Municipal Prosecutor:						
Salaries and Wages		350.00		350.00		350.00
Other Expenses		100.00		100.00		100.00
Public Works:						
Streets and Roads:						
Road Repair and Maintenance:						
Salaries and Wages		23,006.01		23,006.01		23,006.01
Other Expenses	10,830.90	30,207.51		41,038.41	29,435.23	11,603.18
Solid Waste Collection:						
Other Expenses		181.87		181.87		181.87
Waste Disposal		45,623.99		45,623.99	32,524.31	13,099.68
Public Buildings and Grounds:						
Salaries and Wages		6,028.36		6,028.36		6,028.36
Other Expenses	1,174.15	20,530.41		21,704.56	7,535.28	14,169.28
Vehicle Maintenance:						
Salaries and Wages		7,099.23		7,099.23		7,099.23
Other Expenses	5,787.39	9,488.50		15,275.89	12,176.91	3,098.98
Health and Human Services:						
Board of Health:						
Salaries and Wages		1.66		1.66		1.66
Other Expenses		50.00		50.00		50.00
Donation to Harrison Township Historical Society		1,000.00		1,000.00		1,000.00
Environmental Commission:						
Other Expenses		1,893.52		1,893.52		1,893.52

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Appropriation Reserves
 For The Year Ended December 31, 2017

	<u>Balance December 31, 2016</u>		<u>Transfers</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Lapsed to</u> <u>Fund Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>				
OPERATIONS WITHIN "CAPS" (Cont'd)						
Park and Recreation Functions:						
Parks and Playgrounds:						
Salaries and Wages		\$ 4,551.02		\$ 4,551.02		\$ 4,551.02
Other Expenses		772.27		772.27		772.27
Veterans Commission		100.00		100.00		100.00
Municipal Court:						
Salaries and Wages		263.60		263.60		263.60
Other Expenses	\$ 70.00	5,425.42		5,495.42	\$ 70.00	5,425.42
Public Defender:						
Other Expenses		2,100.00		2,100.00		2,100.00
JIF Administration:						
Salaries and Wages		982.03		982.03		982.03
Insurance						
Workers Compensation		16,457.00		16,457.00		16,457.00
Employee Group Health		106,512.37		106,512.37		106,512.37
Employee Health Insurance Waivers		5.24		5.24		5.24
Code Enforcement & Administrator:						
Construction Official:						
Salaries and Wages		2,181.09		2,181.09		2,181.09
Other Expenses		2,097.80		2,097.80	157.60	1,940.20
Unclassified - Utilities:						
Electricity		1,529.65	\$ 4,500.00	6,029.65	5,548.12	481.53
Street Lighting		33,509.09	(4,500.00)	29,009.09	11,759.05	17,250.04
Telephone		5,913.91		5,913.91	5,625.97	287.94
Water		1,465.24		1,465.24	472.65	992.59
Natural Gas		10,506.51		10,506.51	4,338.75	6,167.76
Fuel Oil		8,599.73		8,599.73		8,599.73
Gasoline		28,121.44		28,121.44	36.32	28,085.12
Contingent		100.00		100.00		100.00
Total Operations Within "CAP"	27,442.77	723,983.79	-	751,426.56	215,129.04	536,297.52
Deferred Charges and Statutory Expenditures - Municipal Within "CAP"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		0.72		0.72		0.72
Social Security System (O.A.S.I)		3,498.54		3,498.54		3,498.54
Defined Contribution Retirement Program		4.82		4.82		4.82
Total Deferred Charges and Statutory Expenditures		3,504.08		3,504.08		3,504.08
Shared Service Agreements:						
Solid Waste Collection - Logan Township		127,194.00		127,194.00	96,833.52	30,360.48
Information Technology Services - Kingsway Regional School District		3,595.83		3,595.83		3,595.83
Total Shared Service Agreements		130,789.83		130,789.83	96,833.52	33,956.31
State and Federal Programs Offset by Revenues:						
Matching Funds for Grants		14,232.00		14,232.00		14,232.00
Total State and Federal Programs Offset by Revenues		14,232.00		14,232.00		14,232.00
	\$ 27,442.77	\$ 872,509.70	\$ -	\$ 899,952.47	\$ 311,962.56	\$ 587,989.91
					\$ 318,730.53	
					(6,767.97)	
					\$ 311,962.56	

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Tax Overpayments
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$	2,321.06
Increased by:		
Overpayments Received by Collector		128,796.96
		131,118.02
Decreased by:		
Refunded		18,773.64
Balance December 31, 2017	\$	112,344.38

Exhibit SA-13

CURRENT FUND
 Statement of Prepaid Taxes
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$	392,798.34
Increased by:		
Collections - 2018 Taxes		2,014,701.18
		2,407,499.52
Decreased by:		
Applied to 2017 Taxes Receivable		392,798.34
Balance December 31, 2017	\$	2,014,701.18

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Local District School Taxes Payable
For The Year Ended December 31, 2017

<hr/>		
Balance December 31, 2016		
School Tax Payable	\$ 612,433.50	
School Tax Deferred	<u>5,669,506.50</u>	
		\$ 6,281,940.00
Increased by:		
School Year Levy - July 1, 2017 - June 30, 2018		<u>12,857,325.00</u>
		19,139,265.00
Decreased by:		
Disbursements		<u>12,710,602.50</u>
Balance December 31, 2017		
School Tax Payable	759,156.00	
School Tax Deferred	<u>5,669,506.50</u>	
Total Local District School Taxes Payable		<u><u>\$ 6,428,662.50</u></u>
2017 Liability for Local District Tax		
Tax Paid		\$ 12,710,602.50
Tax Payable - December 31, 2017		<u>759,156.00</u>
		13,469,758.50
Less: Tax Payable - December 31, 2016		<u>612,433.50</u>
Amount Charged to 2017 Operations		<u><u>\$ 12,857,325.00</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Regional High School Taxes Payable
For The Year Ended December 31, 2017

<hr/>		
Balance December 31, 2016		
School Tax Payable	\$ 889,867.14	
School Tax Deferred	<u>4,257,399.86</u>	
		\$ 5,147,267.00
Increased by:		
School Year Levy - July 1, 2017 - June 30, 2018		<u>10,793,798.00</u>
		15,941,065.00
Decreased by:		
Disbursements		<u>10,544,166.00</u>
Balance December 31, 2017		
School Tax Payable	1,139,499.14	
School Tax Deferred	<u>4,257,399.86</u>	
Total Regional High School Taxes Payable		<u><u>\$ 5,396,899.00</u></u>
2017 Liability for Regional High School Tax		
Tax Paid		\$ 10,544,166.00
Tax Payable - December 31, 2017		<u>1,139,499.14</u>
		11,683,665.14
Less: Tax Payable - December 31, 2016		<u>889,867.14</u>
Amount Charged to 2017 Operations		<u><u>\$ 10,793,798.00</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of County Taxes Payable
For The Year Ended December 31, 2017

Balance December 31, 2016		\$ 30,171.65
Increased by:		
2017 Tax Levy:		
General County	\$ 9,608,654.19	
County Library	722,619.08	
Open Space Preservation	608,023.44	
Added and Omitted Taxes	<u>54,718.26</u>	
		<u>10,994,014.97</u>
		11,024,186.62
Decreased by:		
Disbursements		<u>10,969,468.38</u>
Balance December 31, 2017		<u><u>\$ 54,718.24</u></u>
County Taxes Payable - Added and Omitted Taxes		<u><u>\$ 54,718.24</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Municipal Open Space Taxes Payable
 For The Year Ended December 31, 2017

Balance December 31, 2016		\$	2,397.24
Increased by:			
2017 Tax Levy:			
Open Space Preservation	\$	917,225.00	
Added and Omitted Taxes		<u>4,557.48</u>	
			<u>921,782.48</u>
			924,179.72
Decreased by:			
Disbursements			<u>917,225.00</u>
Balance December 31, 2017		\$	<u><u>6,954.72</u></u>
Open Space Taxes Payable - 2016 & 2017 Added and Omitted Taxes		\$	<u><u>6,954.72</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Fire District Taxes Payable
For The Year Ended December 31, 2017

Balance December 31, 2016	\$ 1.00
Increased by:	
2017 Tax Levy	<u>1,154,939.00</u>
	1,154,940.00
Decreased by:	
Disbursements	<u>1,154,939.00</u>
Balance December 31, 2017	<u><u>\$ 1.00</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Reserve for Preparation of Master Plan
For The Year Ended December 31, 2017

Increased by:			
Transferred from 2017 Appropriations	\$	250,000.00	
Reimbursements		<u>105,000.00</u>	
			\$ 355,000.00
Decreased by:			
Disbursements			<u>128,241.30</u>
Balance December 31, 2017			<u><u>\$ 226,758.70</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Property Acquired for Taxes - Assessed Valuation
For The Year Ended December 31, 2017

Increased by:		
Transfer from Tax Title Liens Receivable	\$	212,529.90
Adjustment to Assessed Valuation		<u>350,970.10</u>
Balance December 31, 2017		<u><u>\$ 563,500.00</u></u>

TOWNSHIP OF HARRISON
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2017

Program	Balance Dec. 31, 2016	Anticipated as Revenue in 2017 Budget	Received	Canceled	Balance Dec. 31, 2017
Federal Grants:					
N.J. Transportation Trust Fund Authority Act - Union Road	\$ 2,208.37			\$ 2,208.37	
N.J. Transportation Trust Fund Authority Act - Bishop Road	43,622.16			43,622.16	
N.J. Transportation Trust Fund Authority Act - Union Road Phase II	54,490.57			54,490.57	
N.J. Transportation Trust Fund Authority Act - Bishop Road Phase II	29,461.02			29,461.02	
N.J. Transportation Trust Fund Authority Act - Bishop Road Phase III	67,319.43			67,319.43	
N.J. Transportation Trust Fund Authority Act - Bishop Road Phase IV	60,883.83			60,883.83	
N.J. Transportation Trust Fund Authority Act - Heilig Road Phase III		\$ 175,000.00		175,000.00	
Total Federal Grants	<u>257,985.38</u>	<u>175,000.00</u>	<u>-</u>	<u>432,985.38</u>	<u>-</u>
State Grants:					
Body Armor Replacement Fund Program		1,943.57	\$ 1,943.57		
Alcohol Education, Rehab and Enforcement Fund		423.02	423.02		
Drunk Driving Enforcement		4,783.71	4,783.71		
Municipal Alliance on Alcoholism and Drug Abuse	96,135.00	18,977.00			\$ 115,112.00
Recycling Tonnage Grant		34,100.13	34,100.13		
Clean Communities Program		30,925.11	30,925.11		
Total State Grants	<u>96,135.00</u>	<u>91,152.54</u>	<u>72,175.54</u>	<u>-</u>	<u>115,112.00</u>
Total All Grants	<u>\$ 354,120.38</u>	<u>\$ 266,152.54</u>	<u>\$ 72,175.54</u>	<u>\$ 432,985.38</u>	<u>\$ 115,112.00</u>
Anticipated in Budget		\$ 266,152.54			
Cash Received in Federal and State Grant Fund			\$ 34,100.13		
Unappropriated Grants			38,075.41		
		<u>\$ 266,152.54</u>	<u>\$ 72,175.54</u>		

TOWNSHIP OF HARRISON
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Appropriated
For the Year Ended December 31, 2017

<u>Program</u>	Balance Dec. 31, 2016	2017 Budget Appropriations	Appropriation By 40A:4-87	Cancellation of Prior Year Encumbrances	Paid or Charged	Canceled	Balance Dec. 31, 2017
Federal Grants:							
N.J. Transportation Trust Fund Authority Act - Colson Lane/Union Road	\$ 4,990.24						\$ 4,990.24
N.J. Transportation Trust Fund Authority Act - Union Road	2,208.37					\$ 2,208.37	
N.J. Transportation Trust Fund Authority Act - Bishop Road	24,271.39			\$ 343.52		24,614.91	
N.J. Transportation Trust Fund Authority Act - Union Road Phase II	42,730.56			9,603.56		52,334.12	
N.J. Transportation Trust Fund Authority Act - Bishop Road Phase II	24,712.52					24,712.52	
N.J. Transportation Trust Fund Authority Act - Bishop Road Phase III	43,822.83			16,946.10		60,768.93	
N.J. Transportation Trust Fund Authority Act - Bishop Road Phase IV	50,276.89					50,276.89	
N.J. Transportation Trust Fund Authority Act - Heilig Road Phase III			\$ 175,000.00			175,000.00	
Total Federal Grants	193,012.80	-	175,000.00	26,893.18	-	389,915.74	4,990.24
State Grants:							
Body Armor Replacement Fund Program	8,414.09	\$ 1,943.57			\$ 8,631.00		1,726.66
Recycling Tonnage Grant	74,203.76	34,100.13			7,514.12		100,789.77
Drug Abuse Resistance Education	1,845.38						1,845.38
Drunk Driving Enforcement Fund	4,100.95	4,783.71			3,609.31		5,275.35
Clean Communities Program	89,239.25	30,925.11			2,450.00		117,714.36
Neighborhood Preservation Balanced Housing Program	121.72						121.72
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund	18,807.64	423.02					19,230.66
Municipal Alliance to Prevent Alcoholism and Drug Abuse	84,148.75	18,977.00					103,125.75
Total State Grants	280,881.54	91,152.54	-	-	22,204.43	-	349,829.65
Total All Grants	\$ 473,894.34	\$ 91,152.54	\$ 175,000.00	\$ 26,893.18	\$ 22,204.43	\$ 389,915.74	\$ 354,819.89
Cash Disbursements by Federal and State Grant Fund					\$ 22,204.43		
Reserve for Encumbrances					657.14		
Liquidation of Prior Year Encumbrances					(657.14)		
					<u>\$ 22,204.43</u>		

TOWNSHIP OF HARRISON
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Unappropriated
For the Year Ended December 31, 2017

Program	Balance Dec. 31, 2016	2017 Budget Revenue Realized	Received	Balance Dec. 31, 2017
State Grants:				
Recycling Tonnage Grant			\$ 39,295.43	\$ 39,295.43
Alcohol Education, Rehab and Enforcement Fund	\$ 423.02	\$ 423.02		
Drunk Driving Enforcement	4,783.71	4,783.71	3,886.36	3,886.36
Body Armor Replacement Fund	1,943.57	1,943.57	2,106.90	2,106.90
Clean Communities Program	30,925.11	30,925.11	26,272.82	26,272.82
Total State Grants	<u>38,075.41</u>	<u>38,075.41</u>	<u>71,561.51</u>	<u>71,561.51</u>
Total All Grants	<u>\$ 38,075.41</u>	<u>\$ 38,075.41</u>	<u>\$ 71,561.51</u>	<u>\$ 71,561.51</u>
Cash Received in Federal and State Grant Fund			<u>\$ 71,561.51</u>	

TOWNSHIP OF HARRISON
FEDERAL AND STATE GRANT FUND
Statement of Due (to) / from Current Fund
For the Year Ended December 31, 2017

Balance December 31, 2016		\$	(833.36)
Decreased by:			
Grant Funds Anticipated in Current Fund	\$	266,152.54	
Cancellation in Grant Appropriation Reserves		<u>389,915.74</u>	
			<u>656,068.28</u>
			(656,901.64)
Increased by:			
Disbursed to Current Fund:			
Due Current Fund		833.36	
Grant Funds Appropriated in Current Fund		266,152.54	
Cancellation of Grants Receivable		<u>432,985.38</u>	
			<u>699,971.28</u>
Balance December 31, 2017		\$	<u><u>43,069.64</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF HARRISON
TRUST FUNDS
Statement of Trust Cash Per N.J.S. 40A:5-5 - Treasurer
For the Year Ended December 31, 2017

	<u>Animal Control Fund</u>	<u>Trust Other Fund</u>	<u>Municipal Open Space</u>
Balance December 31, 2016	\$ 64,721.99	\$ 3,112,872.29	\$ 1,609,696.23
Increased by Receipts:			
Animal Control License Fees	\$ 12,224.50		
State Registration Fees Collected	1,941.00		
Due Current Fund - Interest Earned on Deposits		\$ 27.68	
Due Current Fund - Cat License Fees	1,208.00		
Due from Current Fund		164.14	
Due Unemployment Trust		585.96	
Due from Payroll		350.88	
Municipal Open Space Tax Levy			\$ 917,225.00
Interest Earned on Deposits		1,318.75	2,792.12
Trust Fund Reserve Deposits	1.40	5,761,335.24	
Total Receipts	<u>15,374.90</u>	<u>5,763,782.65</u>	<u>920,017.12</u>
	80,096.89	8,876,654.94	2,529,713.35
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	6,326.07		
State of New Jersey	1,941.00		
Due Current Fund	22,994.89	113.13	
Due Unemployment		350.88	
Trust Fund Reserve Expenditures		5,418,552.78	824,177.51
Total Disbursements	<u>31,261.96</u>	<u>5,419,016.79</u>	<u>824,177.51</u>
Balance December 31, 2017	<u>\$ 48,834.93</u>	<u>\$ 3,457,638.15</u>	<u>\$ 1,705,535.84</u>

TOWNSHIP OF HARRISON
TRUST FUND - ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Expenditures
 For The Year Ended December 31, 2017

Balance December 31, 2016		\$ 41,727.10
Increased by:		
License Fees Collected	\$ 12,224.50	
Miscellaneous	1.40	
		12,225.90
		53,953.00
Decreased by:		
Expenditures Under R.S. 4:19-15.11	6,326.07	
Statutory Excess Due Current Fund	13,106.23	
		19,432.30
Balance December 31, 2017		\$ 34,520.70

<u>License Fees Collected</u>	
Year	Amount
2015	\$ 20,685.70
2016	13,835.00
	\$ 34,520.70

TOWNSHIP OF HARRISON
TRUST FUND - ANIMAL CONTROL FUND
 Statement of Due Current Fund
 For The Year Ended December 31, 2017

Balance December 31, 2016		\$ 22,994.89
Increased by:		
Cat License Fees	\$ 1,208.00	
Statutory Excess	<u>13,106.23</u>	
		<u>14,314.23</u>
		37,309.12
Decreased by:		
Disbursed to Current Fund:		
Due Current Fund		<u>22,994.89</u>
Balance December 31, 2017		<u><u>\$ 14,314.23</u></u>

TRUST FUND - ANIMAL CONTROL FUND
 Statement of Due to State of New Jersey
 For The Year Ended December 31, 2017

Increased by:		
State Registration Fees		<u>\$ 1,941.00</u>
Decreased by:		
Disbursements to State of New Jersey		<u><u>\$ 1,941.00</u></u>

TOWNSHIP OF HARRISON
TRUST OTHER FUND
 Statement of Due From Current Fund
 For the Year Ended December 31, 2017

<u>Trust Other Fund</u>	Balance	<u>Increased by</u>		<u>Decreased by</u>		Balance
	Due (to) / from Dec. 31, 2016	<u>Disbursements</u> Due Current	Interest Earnings	Received from Current Fund	Received from Current Fund	Due (to) / from Dec. 31, 2017
Developers Escrow	\$ (113.13)	\$ 113.13				
Mill Valley Escrow	(587.77)		\$ 27.68			\$ (615.45)
Outside Police Employment	(3.59)					(3.59)
Net Payroll	5,938.77					5,938.77
Tax Title Lien Premium	(303.49)					(303.49)
Tax Title Lien Redemption	(10.67)					(10.67)
Senior Recreation	164.14				\$ 164.14	
Total	<u>\$ 5,084.26</u>	<u>\$ 113.13</u>	<u>\$ 27.68</u>	<u>\$ 164.14</u>		<u>\$ 5,005.57</u>

TOWNSHIP OF HARRISON
TRUST OTHER FUND
Statement of Reserves and Special Deposits
For The Year Ended December 31, 2017

	Balance	Increased by			Decreased by	Balance
	<u>Dec. 31, 2016</u>	<u>Interest Earnings</u>	<u>Due from Payroll Trust</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Dec. 31, 2017</u>
Cash Bond	\$ 973,808.50	\$ 187.95		\$ 103,615.80	\$ 93,389.16	\$ 984,223.09
Compensatory Plantings	7,069.84			20,000.00		27,069.84
Compensated Absences	72,703.54	109.88		10,000.00	4,371.93	78,441.49
Developers Escrow	197,147.50			721,754.14	478,756.07	440,145.57
Economic Development and Improvement	132,131.52	198.35				132,329.87
Forfeited Funds	20,003.46			776.80	500.00	20,280.26
Developers Fees - Housing Trust Fund (COAH)	75,200.66	33.81				75,234.47
Housing Savings Trust	422,069.88	421.14		125,399.24	29,624.66	518,265.60
Affordable Housing	6,844.74	10.24				6,854.98
Mill Valley Escrow	17,857.10					17,857.10
Outside Police Employment	92,546.28			126,541.50	161,363.63	57,724.15
Parade	11,401.64					11,401.64
Payroll	7,316.91			4,015,219.79	4,014,639.64	7,897.06
POAA Trust	193.42	0.31		10.00		203.73
Tax Title Lien Premium	250,700.00			151,200.00	136,500.00	265,400.00
Tax Title Lien Redemption	15,861.46			272,862.89	281,790.60	6,933.75
Public Defender	4,039.84	5.97		5,332.00	5,400.00	3,977.81
Recreation Commission	93,162.96			133,452.71	128,281.06	98,334.61
Recreation	552,828.08	100.96			27,275.69	525,653.35
Recreation - Adult Community	62,997.89	94.56				63,092.45
Senior Recreation	8,190.18			50,475.70	47,311.65	11,354.23
Storm Recovery	39,828.42	78.65		14,251.82		54,158.89
Unemployment Compensation	49,855.98	70.62	\$ 585.96	10,442.85	9,348.69	51,606.72
Walnut Glen Escrow	4,196.75	6.31				4,203.06
TOTAL	\$ 3,117,956.55	\$ 1,318.75	\$ 585.96	\$ 5,761,335.24	\$ 5,418,552.78	\$ 3,462,643.72

TOWNSHIP OF HARRISON
TRUST FUND - MUNICIPAL OPEN SPACE
Statement of Reserve for Future Use
For The Year Ended December 31, 2017

<hr/>		
Balance December 31, 2016		\$ 1,612,093.47
Increased by:		
2017 Levy	\$ 917,225.00	
2017 Added/Omitted Taxes	4,557.48	
Interest Earned on Deposits	2,792.12	
		924,574.60
		2,536,668.07
Decreased by:		
Expended		824,177.51
Balance December 31, 2017		\$ 1,712,490.56
 <u>Analysis of Balance:</u>		
Cash		\$ 1,705,535.84
Due from Current Fund		6,954.72
Reserve for Future Use		\$ 1,712,490.56

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of General Capital Cash Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 13,135,657.56
Increased by Receipts:		
Budget Appropriations:		
Capital Improvement Fund	\$ 33,000.00	
Improvement Authorization Reimbursements	30,490.15	
Due from Sewer Capital Fund	29,338.00	
Grant Receivable	240,726.17	
Bond Anticipation Notes	643,600.00	
Reserve for Payment of Debt - Premium on Bond Anticipation Notes	113,602.15	
		1,090,756.47
		14,226,414.03
Decreased by Disbursements:		
Improvement Authorizations	6,151,647.32	
Disbursed to Current Fund:		
Due Current Fund	60,014.45	
Due from Current Fund - BAN Principal paid by General Capital Fund	201,883.00	
		6,413,544.77
Balance December 31, 2017		\$ 7,812,869.26

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
 Analysis of General Capital Cash and Investments
 For the Year Ended December 31, 2017

	Balance Dec. 31, 2016	Receipts			Disbursements		Transfers		Balance Dec. 31, 2017	
		Budget Appropriation	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
General Capital Fund Balance	\$ 351,887.68								\$ 351,887.68	
Capital Improvement Fund	10,630.00	\$ 33,000.00					\$ 33,880.00		9,750.00	
Due to Current Fund	60,014.45					\$ 261,897.45		\$ 109,610.00	(92,273.00)	
Due from Sewer Utility Capital Fund	(29,338.00)			\$ 29,338.00						
Grants Receivable	(51,332.90)			240,726.17				367,000.00	(177,606.73)	
Reserve for Preliminary Costs	3,391.86								3,391.86	
Reserve for Payment of Debt	109,610.04			113,602.15				109,610.00	113,602.19	
Reserve for Encumbrances	5,062,806.68						5,062,806.68	1,682,652.87	1,682,652.87	
Improvement Authorizations:										
Ordinance										
Number										
25-2001	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	36,787.89			\$ 4,746.17				32,041.72	
37-2001	Renovations to the Municipal Building including the Construction of an Addition with the Acquisition of All Materials and Equipment and Completion of All Work Necessary	0.66							0.66	
38-2001	Engineering (Phase I) for the Shared Services Facility with the Acquisition of All Materials and Equipment and Completion of All Work Necessary	44,075.86					65,767.00	65,767.00	44,075.86	
17-2003	Completion of Phase II Construction for the Public Works Complex	54,000.00							54,000.00	
14-2004	Acquisition and Development of Real Property	149,828.43			38,000.00				111,828.43	
31-2005	Completion of Phase II Construction for the Public Works Complex and Shared Services Facility as Amended	76,416.70							76,416.70	
32-2005	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	44,332.11							44,332.11	
16-2006	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	37,773.86			321.30				37,452.56	
08-2007	Various Capital Improvements to the Walters Road Athletic Complex and the Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements for the Public Works Facility	409,440.24					412,032.94	2,794.00	201.30	
26-2007	Acquisition of Various Pieces of Equipment and the Completion of Various Capital Improvements	10,355.65			713.00				9,642.65	
01-2009	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	1,881.98							1,881.98	
36-2011	Completion of Various Improvements to Recreational Facilities in and for the Township	857,225.94			80,550.00		1,055.47	1,055.47	776,675.94	
40-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	484,006.74			245,413.59		150,969.58	126,943.92	214,567.49	
31-2012	Acquisition of Various Pieces of Equipment	50,080.50			16,357.99		4,298.10	4,298.10	33,722.51	
26-2013	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	661,988.18			31,662.07		308,358.52	36,339.85	358,307.44	
28-2013;										
05-2014	Reconstruction of Heilig Road	10,351.49			1,705.00				8,646.49	
21-2014	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	888,937.56			3,768,197.32		97,682.79	3,708,027.82	731,085.27	
36-2014	Acquisition of Equipment for Public Works Department	100,579.32							100,579.32	
08-2015	Completion of the Brookside at Harrison Site Improvements	149,117.40			3,941.10				145,176.30	
09-2015	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	355,189.94			66,569.65		2,288.00	389.00	286,721.29	
09-2016	Completion of the Brookside Farms Site Improvements	26,168.95			5,791.23				20,377.72	
10-2016	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	3,169,448.35			1,625,788.52		28,849.93	1,117,191.52	2,662,491.57	
13-2017	Reconstruction of Heilig Road Phase 2				192,000.00			192,000.00		
15-2017	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements			\$ 643,600.00	56,958.60		449,282.32	33,880.00	171,239.08	
28-2017	Reconstruction of Heilig Road Phase 3				12,931.78		162,068.22	175,000.00		
		<u>\$ 13,135,657.56</u>	<u>\$ 33,000.00</u>	<u>\$ 643,600.00</u>	<u>\$ 414,156.47</u>	<u>\$ 6,151,647.32</u>	<u>\$ 261,897.45</u>	<u>\$ 7,255,949.55</u>	<u>\$ 7,255,949.55</u>	<u>\$ 7,812,869.26</u>

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 22,681,000.00
Increased by:	
Issuance of General Obligation Bonds, Series 2017	<u>7,172,000.00</u>
	29,853,000.00
Decreased by:	
Payment of Bonds Payable	<u>1,610,000.00</u>
Balance December 31, 2017	<u><u>\$ 28,243,000.00</u></u>

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation--Unfunded
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Payment of Bond Anticipation Notes	Transferred to Deferred Taxation - Funded	Balance Dec. 31, 2017	Analysis of Balance December 31, 2017		
							Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
40-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	\$ 1,463,981.00		\$ 86,100.00		\$ 1,377,881.00	\$ 1,377,881.00		
26-2013	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	2,714,962.00		115,250.00		2,599,712.00	2,599,712.00		
21-2014	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	7,172,500.00		500.00	\$ 7,172,000.00	-	-		
09-2015	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	745,750.00				745,750.00	745,750.00		
10-2016	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	4,695,090.00		33.00		4,695,057.00	4,695,057.00		
15-2017	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements		\$ 643,720.00			643,720.00	643,600.00	\$ 120.00	
		<u>\$ 16,792,283.00</u>	<u>\$ 643,720.00</u>	<u>\$ 201,883.00</u>	<u>\$ 7,172,000.00</u>	<u>\$ 10,062,120.00</u>	<u>\$ 10,062,000.00</u>	<u>\$ 120.00</u>	<u>\$ -</u>
Improvement Authorizations - Unfunded									\$ 3,693,446.87
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:									
						\$ 214,567.49			
						358,307.44			
						286,721.29			
						2,662,491.57			
						<u>171,359.08</u>			
								<u>3,693,446.87</u>	
								<u>\$ -</u>	

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 10,630.00
Increased by:		
2017 Budget Appropriation		33,000.00
		43,630.00
Decreased by:		
Appropriation to Finance Improvement Authorizations		33,880.00
Balance December 31, 2017		\$ 9,750.00

Exhibit SC-6

GENERAL CAPITAL FUND
Statement of Grant-In-Aid Receivable
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 51,332.90
Increased by:		
Grant Award - Ordinance 13-2017	\$ 192,000.00	
Grant Award - Ordinance 28-2017	175,000.00	
		367,000.00
		418,332.90
Decreased by:		
Grants Received		240,726.17
Balance December 31, 2017		\$ 177,606.73
Analysis of Balance December 31, 2017:		
Prior Year Grant		\$ 43,670.00
NJDOT - Reconstruction of Heilig Road Phase 1 (Ord 2015-05)		7,662.90
NJDOT - Reconstruction of Heilig Road Phase 2 (Ord 2017-13)		72,825.00
NJDOT - Reconstruction of Heilig Road Phase 3 (Ord 2017-28)		53,448.83
		\$ 177,606.73

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2016		2017 Authorizations	Liquidation of Prior Year Encumbrances	Paid or Charged	Balance December 31, 2017	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
25-2001	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	06/04/01	\$ 1,680,576.00	\$ 36,787.89				\$ 4,746.17	\$ 32,041.72	
37-2001	Renovations to the Municipal Building Including the Construction of an Addition with the Acquisition of all Materials and Equipment and Completion of All Work Necessary	10/01/01	650,000.00	0.66					0.66	
38-2001	Engineering (Phase I) for the Shared Services Facility, with the Acquisition of all Materials and Equipment and Completion of all Work Necessary	10/01/01	449,100.00	44,075.86			\$ 65,767.00	65,767.00	44,075.86	
17-2003	Completion of Phase II Construction for the Public Works Complex	04/21/03	1,100,000.00	54,000.00					54,000.00	
14-2004	Acquisition and Development of Real Property	04/05/04	725,000.00	149,828.43				38,000.00	111,828.43	
31-2005	Completion of Phase II Construction for the Public Works Complex and Shared Services Facility, As Amended	07/05/05	700,000.00	76,416.70					76,416.70	
32-2005	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	07/05/05	2,016,928.00	44,332.11					44,332.11	
16-2006	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	06/05/06	1,728,778.00	37,773.86				321.30	37,452.56	
08-2007	Various Capital Improvements to the Walters Road Athletic Complex and the Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements for the Public Works Facility	02/20/07	900,000.00	409,440.24			2,794.00	412,032.94	201.30	
26-2007	Acquisition of Various Pieces of Equipment and the Completion of Various Capital Improvements	06/18/07	3,687,502.00	10,355.65				713.00	9,642.65	
01-2009	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	02/17/09	377,000.00	1,881.98					1,881.98	
36-2011	Completion of Various Improvements to Recreational Facilities in and for the Township	07/18/11	1,908,741.01	857,225.94			1,055.47	81,605.47	776,675.94	
40-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	10/22/11	2,091,770.00		\$ 484,006.74		126,943.92	396,383.17		\$ 214,567.49
31-2012	Acquisition of Various Pieces of Equipment	07/02/12	585,488.00	50,080.50			4,298.10	20,656.09	33,722.51	
26-2013	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	07/15/13	2,979,117.00		661,988.18		36,339.85	340,020.59		358,307.44
05-2014	Reconstruction of Heilig Road	02/19/14	175,000.00	10,351.49				1,705.00	8,646.49	
21-2014	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	08/04/14	7,550,000.00		888,937.56		3,708,027.82	3,865,880.11	731,085.27	
36-2014	Acquisition of Equipment for Public Works Department	12/01/14	100,717.32	100,579.32					100,579.32	
08-2015	Completion of the Brookside at Harrison Site Improvements	06/01/15	165,771.72	149,117.40				3,941.10	145,176.30	
09-2015	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	06/01/15	785,000.00		355,189.94		389.00	68,857.65		286,721.29
09-2016	Completion of the Brookside Farms (Phases I and III) Site Improvements	05/02/16	50,000.00	26,168.95				5,791.23	20,377.72	
10-2016	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	05/02/16	4,942,200.00		3,169,448.35		1,117,191.52	1,624,148.30		2,662,491.57
13-2017	Reconstruction of Heilig Road Phase 2	04/17/17	192,000.00			\$ 192,000.00		192,000.00		
15-2017	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	05/01/17	677,600.00			677,600.00		506,240.92		171,359.08
28-2017	Reconstruction of Heilig Road Phase 3	09/18/17	175,000.00			175,000.00		175,000.00		
				\$ 2,058,416.98	\$ 5,559,570.77	\$ 1,044,600.00	\$ 5,062,806.68	\$ 7,803,810.04	\$ 2,228,137.52	\$ 3,693,446.87

Capital Improvement Fund	\$ 33,880.00
Deferred Charges to Future Taxation-Unfunded	643,720.00
Grant Receivable	367,000.00
Cash Disbursements	\$ 6,151,647.32
Encumbrances Payable	1,682,652.87
Reimbursements	(30,490.15)
	<u>\$ 1,044,600.00</u>
	<u>\$ 7,803,810.04</u>

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
 Statement of Bond Anticipation Notes Payable
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Original Issue	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
40-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	\$ 1,987,181.00	11/23/11	11/09/16 06/01/17	06/01/17 05/31/18	1.50% 2.25%	\$ 1,463,981.00	\$ 1,377,881.00	\$ 1,463,981.00	\$ 1,377,881.00
26-2013	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	2,830,162.00	11/18/13	11/09/16 06/01/17	06/01/17 05/31/18	1.50% 2.25%	2,714,962.00	2,599,712.00	2,714,962.00	2,599,712.00
21-2014	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	620,400.00	11/14/14	11/09/16	06/01/17	1.50%	7,172,500.00		7,172,500.00	
09-2015	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	745,750.00	11/12/15	11/09/16 06/01/17	06/01/17 05/31/18	1.50% 2.25%	745,750.00	745,750.00	745,750.00	745,750.00
10-2016	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	4,695,090.00	06/02/16	06/02/16 06/01/17	06/01/17 05/31/18	2.25% 2.25%	4,695,090.00	4,695,057.00	4,695,090.00	4,695,057.00
15-2017	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	643,720.00	06/01/17	06/01/17	05/31/18	2.25%		643,600.00		643,600.00
							<u>\$ 16,792,283.00</u>	<u>\$ 10,062,000.00</u>	<u>\$ 16,792,283.00</u>	<u>\$ 10,062,000.00</u>
								\$ 9,418,400.00	\$ 9,418,400.00	
									7,172,000.00	
									201,883.00	
								<u>643,600.00</u>		
								<u>\$ 10,062,000.00</u>	<u>\$ 16,792,283.00</u>	

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
 Statement of General Obligation Bonds
 For the Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2017		Interest Rate	Balance Dec. 31, 2016	Issued	Paid by Budget Appropriation	Balance Dec. 31, 2017
			Date	Amount					
General Obligation Refunding Bonds, Series 2009	11/03/09	\$ 3,165,000.00	12/01/18	\$ 435,000.00	5.000%	\$ 860,000.00		\$ 425,000.00	\$ 435,000.00
General Obligation Bonds, Series 2010	08/18/10	20,111,000.00	08/01/18	775,000.00	2.500%				
			08/01/19	1,225,000.00	3.000%				
			08/01/20	1,275,000.00	3.000%				
			08/01/21	1,300,000.00	3.000%				
			08/01/22	1,375,000.00	3.000%				
			08/01/23	1,450,000.00	3.000%				
			08/01/24	1,475,000.00	3.000%				
			08/01/25	600,000.00	3.125%				
			08/01/26	625,000.00	3.250%				
			08/1/27-28	650,000.00	3.375%				
			08/01/29	675,000.00	3.500%				
			08/01/30	700,000.00	3.625%				
			08/01/31	700,000.00	3.750%				
			08/1/32-34	700,000.00	4.000%				
			08/01/35	696,000.00	4.000%				
General Obligation Refunding Bonds, Series 2014	08/05/14	4,810,000.00	08/01/18	475,000.00	4.000%				
			08/01/19	555,000.00	3.000%				
			08/1/20-23	555,000.00	4.000%				
			08/01/24	560,000.00	4.000%				
			08/01/25	555,000.00	4.000%				
					4,810,000.00		445,000.00	4,365,000.00	
General Obligation Bonds, Series 2017	05/18/17	7,172,000.00	06/01/18	230,000.00	2.500%				
			06/01/19	230,000.00	2.750%				
			06/01/20	288,000.00	2.750%				
			06/01/21	299,000.00	2.750%				
			06/01/22	305,000.00	2.750%				
			06/01/23	315,000.00	2.750%				
			06/01/24	320,000.00	2.750%				
			06/01/25	330,000.00	2.750%				
			06/01/26	340,000.00	2.750%				
			06/01/27	350,000.00	2.750%				
			06/01/28	360,000.00	3.000%				
			06/01/29	370,000.00	3.000%				
			06/01/30	385,000.00	3.000%				
			06/01/31	395,000.00	3.000%				
			06/01/32	410,000.00	3.000%				
			06/01/33	425,000.00	3.000%				
			06/01/34	440,000.00	3.000%				
			06/01/35	460,000.00	3.000%				
			06/1/36-37	460,000.00	3.125%				
						\$ 7,172,000.00		7,172,000.00	
						<u>\$ 22,681,000.00</u>	<u>\$ 7,172,000.00</u>	<u>\$ 1,610,000.00</u>	<u>\$ 28,243,000.00</u>

Paid by Current Fund Budget Appropriation	\$ 1,170,000.00
Paid by Municipal Open Space Trust Fund	440,000.00
	<u>\$ 1,610,000.00</u>

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Due to / (from) Current Fund
For the Year Ended December 31, 2017

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Balance December 31, 2016 (Due to)	\$ 60,014.45
Increased by:	
Reserve for Payment of Debt Anticipated as Revenue in Current Fund	109,610.00
	169,624.45
Decreased by:	
Disbursed to Current Fund:	
Due Current Fund	\$ 60,014.45
BAN Principal paid by General Capital Fund	201,883.00
	261,897.45
Balance December 31, 2017 (Due from)	\$ (92,273.00)

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2017

<u>Ordinance</u>	<u>Improvement Description</u>	<u>2017 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2017</u>
15-2017	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	\$ 643,720.00	\$ 643,600.00	\$ 120.00

SUPPLEMENTAL EXHIBITS
SEWER UTILITY OPERATING FUND

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Sewer Utility Cash
For The Year Ended December 31, 2017

	<u>Operating</u>	<u>Sewer Collector</u>
Balance December 31, 2016	\$ 2,836,818.60	\$ 160,799.29
Increased by Receipts:		
Consumer Accounts Receivable		\$ 1,810,850.77
Overpayments		4,285.46
Penalties and Interest on Rents		21,151.60
Connection Fees		228,201.81
Miscellaneous	\$ 5,270.32	1,409.16
Interest Earned on Deposits	401.11	
EIT Credits	30,440.10	
Reimbursements	37,234.32	
Sewer Clerk	2,075,029.04	
Due from Sewer Capital	2,532.56	
Due Current Fund		<u>29,542.27</u>
	<u>2,150,907.45</u>	<u>2,095,441.07</u>
	4,987,726.05	2,256,240.36
Decreased by Disbursements:		
Disbursed to Sewer Utility Operating Fund		2,075,029.04
2017 Budget Appropriations	1,681,460.38	
2016 Appropriation Reserves	37,057.52	
Accrued Interest on Bonds and Notes	392,051.75	
Due from Sewer Utility Capital Fund	1,328,400.00	
Due Current Fund	620.33	29,542.27
Refund of Sewer Rent Overpayments	<u>197.50</u>	
	<u>3,439,787.48</u>	<u>2,104,571.31</u>
Total Cash Disbursements	<u>3,439,787.48</u>	<u>2,104,571.31</u>
Balance December 31, 2017	<u><u>\$ 1,547,938.57</u></u>	<u><u>\$ 151,669.05</u></u>

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For The Year Ended December 31, 2017

Balance December 31, 2016		\$ 616,335.16
Increased by:		
Sewer Rents Levied - Net of Adjustments		1,828,573.35
		2,444,908.51
Decreased by:		
Collections	\$ 1,810,850.77	
Overpaid Sewer Rents Applied	3,258.43	
		1,814,109.20
Balance December 31, 2017		\$ 630,799.31

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
 Statement of 2016 Appropriation Reserves
 For The Year Ended December 31, 2017

	<u>Balance December 31, 2016</u>			<u>Lapsed to</u>
	<u>Appropriation</u>	<u>Reserve for</u>	<u>Paid or</u>	<u>Fund</u>
	<u>Reserves</u>	<u>Encumbrances</u>	<u>Charged</u>	<u>Balance</u>
Operating:				
Salaries and Wages	\$ 28,840.28			\$ 28,840.28
Other Expenses	110,498.46	\$ 4,576.00	\$ 31,459.69	83,614.77
Capital Outlay	50,000.00			50,000.00
Statutory Expenditures:				
Social Security System (O.A.S.I)	2,270.03			2,270.03
	\$ 191,608.77	\$ 4,576.00	\$ 31,459.69	\$ 164,725.08
Cash Disbursements			\$ 37,057.52	
Cash Reimbursements			(5,597.83)	
			\$ 31,459.69	

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds and Notes and Analysis of Balance
For The Year Ended December 31, 2017

Balance December 31, 2016		\$ 142,792.00
Increased by:		
Budget Appropriation for:		
Interest on Bonds	\$ 387,170.51	
Interest on Notes	<u>69,041.24</u>	
		<u>456,211.75</u>
		599,003.75
Decreased by:		
Cash Disbursements		<u>392,051.75</u>
Balance December 31, 2017		<u><u>\$ 206,952.00</u></u>

Analysis of Accrued Interest - December 31, 2017

<u>Issue</u>	<u>Principal Outstanding Dec. 31, 2017</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Sewer Serial Bonds	\$ 4,734,000.00	Various	08/01/17	12/31/17	153 Days	\$ 69,915.00
Sewer Serial Bonds	730,000.00	Various	08/01/17	12/31/17	153 Days	11,852.00
Sewer Serial Bonds	3,811,000.00	Various	05/31/17	12/31/17	215 Days	65,734.00
Sewer Serial Loans	745,000.00	Various	08/01/17	12/31/17	153 Days	15,400.00
Sewer Serial Loans	515,000.00	Various	08/01/17	12/31/17	153 Days	10,148.00
Sewer Bond Anticipation Notes	2,570,000.00	2.25%	06/01/17	12/31/17	214 Days	<u>33,903.00</u>
						<u><u>\$ 206,952.00</u></u>

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Utility Overpayments
For The Year Ended December 31, 2017

Balance December 31, 2016		\$ 3,258.43
Increased by:		
Overpayments Received by Collector		4,285.46
		7,543.89
Decreased by:		
Overpayments Refunded by Treasurer	\$ 197.50	
Overpayments Applied to Consumer Accounts Receivable	3,258.43	
		3,455.93
Balance December 31, 2017		\$ 4,087.96

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Due From Current Fund
For The Year Ended December 31, 2017

Balance December 31, 2016		\$ 34,654.67
Increased by:		
Disbursed to Current Fund		30,162.60
		64,817.27
Decreased by:		
Received from Current Fund		
Sewer Utility Operating Expenditures Disbursed by Current Fund	\$ 1,938.32	
Taxes Received by Sewer Collector Due to Current Fund	29,542.27	
		31,480.59
Balance December 31, 2017		\$ 33,336.68

SUPPLEMENTAL EXHIBITS
SEWER UTILITY CAPITAL FUND

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Sewer Capital Cash per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 837,565.52
Increased by Receipts:		
Bond Anticipation Notes	\$ 440,000.00	
Capital Improvement Fund	2,500.00	
Due from Sewer Utility Operating Fund	1,328,400.00	
Due from Current Fund	16,500.00	
Reserve for Payment of Debt - Premium on Bond Anticipation Notes	29,015.85	
Due Sewer Utility Operating Fund - Interest Earned on Deposits	396.29	
		1,816,812.14
		2,654,377.66
Decreased by Disbursements:		
Improvement Authorizations	407,887.33	
Due from Sewer Utility Operating Fund	410.00	
Due Sewer Utility Operating Fund	2,532.56	
Due General Capital Fund	29,338.00	
		440,167.89
Balance December 31, 2017		\$ 2,214,209.77

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Utility Capital Cash and Investments
 For the Year Ended December 31, 2017

	Balance/ (Deficit) <u>Dec. 31, 2016</u>	Receipts		Disbursements		Transfers		Balance/ (Deficit) <u>Dec. 31, 2017</u>
		Bond Anticipaton Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Capital Improvement Fund	\$ 59,516.00		\$ 2,500.00					\$ 62,016.00
Due from Sewer Utility Fund	(1,325,866.97)		1,328,796.29		\$ 2,942.56			(13.24)
Due from Current Fund	(16,500.00)		16,500.00					
Due General Capital Fund	29,338.00				29,338.00			
Reserve for Developer Contribution	118,143.00							118,143.00
Reserve for Preliminary Expenditures	1,113.25							1,113.25
Reserve for Payment of Debt	126,777.00		29,015.85					155,792.85
Reserve for Encumbrances	165,582.47					\$ 165,582.47	\$ 13,643.27	13,643.27
Excess Note Cash	45,814.70							45,814.70
Fund Balance	215,300.98							215,300.98
Improvement Authorizations:								
Ordinance Number								
2007-27 Acquisition of Various Pieces of Sewer Equipment and Construction of Various Sewer Improvements	4,577.56					1,414.31	1,414.31	4,577.56
2013-10 Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer	13,869.78			\$ 13,869.78				
2014-22 Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer	(6,225.63)			69,667.37		878.08	114,956.60	38,185.52
2015-10 Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	128,582.33			98,445.79		7,484.00	49,211.56	71,864.10
2016-11 Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	1,277,543.05			191,401.14				1,086,141.91
2017-16 Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility		\$ 440,000.00		34,503.25		3,866.88		401,629.87
	<u>\$ 837,565.52</u>	<u>\$ 440,000.00</u>	<u>\$ 1,376,812.14</u>	<u>\$ 407,887.33</u>	<u>\$ 32,280.56</u>	<u>\$ 179,225.74</u>	<u>\$ 179,225.74</u>	<u>\$ 2,214,209.77</u>

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Due From Sewer Utility Operating Fund
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 1,325,866.97
Increased by:		
Interest Earned on Deposits	\$ 396.29	
Due from Sewer Utility Operating	1,328,400.00	
		1,328,796.29
		2,654,663.26
Decreased by:		
Disbursed to Sewer Utility Operation Fund:		
Due Sewer Utility Operating Fund	2,532.56	
Sewer Utility Operating Fund Appropriations Disbursed by Sewer Utility Capital Fund	410.00	
		2,942.56
Balance December 31, 2017		\$ 13.24

Exhibit SE-4

SEWER UTILITY CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 59,516.00
Increased by:		
2017 Budget Appropriation		2,500.00
Balance December 31, 2017		\$ 62,016.00

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
 Statement of Fixed Capital
 For the Year Ended December 31, 2017

<u>Account</u>	Balance <u>Dec. 31, 2016</u>	Additions by <u>Ordinance</u>	Balance <u>Dec. 31, 2017</u>
Sanitation Sewer	\$ 6,036,054.83		\$ 6,036,054.83
Sanitation Sewer Station Extension	198,216.96		198,216.96
General Equipment	535,101.05	\$ 43,483.69	578,584.74
Sludge Press	1,990,890.61		1,990,890.61
Preliminary Design Plant	300,000.00		300,000.00
Infiltration and Inflow Study	92,520.00		92,520.00
Sewer Improvements	1,222,780.85	436,500.00	1,659,280.85
Pump Stations	2,857,648.24	30,000.00	2,887,648.24
	<u>\$ 13,233,212.54</u>	<u>\$ 509,983.69</u>	<u>\$ 13,743,196.23</u>

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2016</u>	<u>2017 Authorizations</u>	<u>Costs to Fixed Capital</u>	<u>Balance Dec. 31, 2017</u>
2007-27	Acquisition of Various Pieces of Sewer Equipment and Construction of Various Sewer Improvements	07/02/07	\$ 3,821,116.00	\$ 3,804,610.51			\$ 3,804,610.51
2013-10	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	04/01/13	525,000.00	509,983.69		\$ 509,983.69	
2014-22	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	08/04/14	2,050,000.00	2,047,639.99			2,047,639.99
2015-10	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	06/01/15	802,000.00	802,000.00			802,000.00
2016-11	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	05/02/16	1,328,400.00	1,328,400.00			1,328,400.00
2017-16	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	05/01/17	440,000.00		\$ 440,000.00		440,000.00
				<u>\$ 8,492,634.19</u>	<u>\$ 440,000.00</u>	<u>\$ 509,983.69</u>	<u>\$ 8,422,650.50</u>

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date	Ordinance		Balance December 31, 2016		2017 Authorizations	Liquidation of Prior Year Encumbrances	Paid or Charged	Balance December 31, 2017		
			Amount		Funded	Unfunded				Funded	Unfunded	
2007-27	Acquisition of Various Pieces of Sewer Equipment and Construction of Various Sewer Improvements	07/02/07	\$ 3,821,116.00	\$	4,577.56			\$ 1,414.31	\$ 1,414.31	\$	4,577.56	
2013-10	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	04/01/13	525,000.00			\$ 13,869.78			13,869.78			
2014-22	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	08/04/14	2,050,000.00			14,964.37		114,956.60	70,545.45		59,375.52	
2015-10	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	06/01/15	802,000.00			128,582.33		49,211.56	105,929.79		\$ 71,864.10	
2016-11	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	05/02/16	1,328,400.00			1,277,543.05			191,401.14		1,086,141.91	
2017-16	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	05/01/17	440,000.00				\$ 440,000.00		38,370.13		401,629.87	
			<u>\$ 4,577.56</u>	<u>\$ 1,434,959.53</u>	<u>\$ 440,000.00</u>	<u>\$ 165,582.47</u>	<u>\$ 421,530.60</u>	<u>\$ 63,953.08</u>	<u>\$ 1,559,635.88</u>			
							Fixed Capital Authorized and Uncompleted	\$ 440,000.00				
							Cash Disbursed		\$ 407,887.33			
							Encumbrances Payable		13,643.27			
							<u>\$ 440,000.00</u>		<u>\$ 421,530.60</u>			

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Sewer Serial Bonds
For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
			<u>Date</u>	<u>Amount</u>					
General Obligation Bonds, Series 2010	08/18/10	\$ 5,014,000.00	08/01/18	\$70,000.00	2.500%				
			08/01/19	80,000.00	3.000%				
			08/01/20	95,000.00	3.000%				
			08/01/21	110,000.00	3.000%				
			08/01/22	120,000.00	3.000%				
			08/01/23	200,000.00	3.000%				
			08/01/24	270,000.00	3.000%				
			08/01/25	280,000.00	3.125%				
			08/01/26	290,000.00	3.250%				
			08/01/27	305,000.00	3.375%				
			08/01/28	315,000.00	3.375%				
			08/01/29	330,000.00	3.500%				
			08/01/30	340,000.00	3.625%				
			08/01/31	355,000.00	3.750%				
			08/01/32	370,000.00	4.000%				
			08/01/33	385,000.00	4.000%				
			08/01/34	400,000.00	4.000%				
			08/01/35	419,000.00	4.000%	\$ 4,789,000.00		\$ 55,000.00	\$ 4,734,000.00
General Obligation Refunding Bonds, Series 2014	08/05/14	810,000.00	08/01/18	80,000.00	4.000%				
			08/01/19	85,000.00	3.000%				
			08/01/20	85,000.00	4.000%				
			08/01/21-22	90,000.00	4.000%				
			08/01/23	95,000.00	4.000%				
			08/01/24	100,000.00	4.000%				
			08/01/25	105,000.00	4.000%	810,000.00		80,000.00	730,000.00
General Obligation Bonds, Series 2017	05/18/17	3,811,000.00	06/01/18	126,000.00	2.500%				
			06/01/19	130,000.00	2.750%				
			06/01/20	135,000.00	2.750%				
			06/01/21	135,000.00	2.750%				
			06/01/22	140,000.00	2.750%				
			06/01/23	145,000.00	2.750%				
			06/01/24	145,000.00	2.750%				
			06/01/25	150,000.00	2.750%				
			06/01/26	155,000.00	2.750%				
			06/01/27	160,000.00	2.750%				
			06/01/28	165,000.00	3.000%				
			06/01/29	170,000.00	3.000%				
			06/01/30	175,000.00	3.000%				
			06/01/31	180,000.00	3.000%				
			06/01/32	185,000.00	3.000%				
			06/01/33	195,000.00	3.000%				
			06/01/34	200,000.00	3.000%				
			06/01/35	210,000.00	3.000%				
			06/01/36	215,000.00	3.125%				
06/01/37	225,000.00	3.125%							
06/01/38	230,000.00	3.125%							
06/01/39	240,000.00	3.250%				\$ 3,811,000.00		3,811,000.00	
						\$ 5,599,000.00	\$ 3,811,000.00	\$ 135,000.00	\$ 9,275,000.00

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Sewer Loans Payable
For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Series</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
(1) Improvements to Sanitary Sewer System	1997A	08/01/97	08/01/17	4.00%-5.00%	\$ 20,000.00	\$ 20,000.00	
(1) Improvements to Sanitary Sewer System	1997B	08/01/97	08/01/17	None	1,736.04	1,736.04	
(1) Construction of Wastewater Treatment Plant	2002A	10/15/02	08/01/22	3.00%-5.25%	875,000.00	130,000.00	\$ 745,000.00
(1) Construction of Wastewater Treatment Plant	2002A	10/15/02	08/01/22	None	590,605.38	99,221.27	491,384.11
(1) Upgrade and Rehabilitation of Pump Stations No.'s 1,2,4 and 7	2003A	11/01/03	08/01/23	3.00%-5.00%	590,000.00	75,000.00	515,000.00
(1) Upgrade and Rehabilitation of Pump Stations No.'s 1,2,4 and 7	2003A	11/01/03	08/01/23	None	429,186.05	62,264.35	366,921.70
					<u>\$ 2,506,527.47</u>	<u>\$ 388,221.66</u>	<u>\$ 2,118,305.81</u>

(1) Environmental Infrastructure Trust Financing Program--State of New Jersey

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
 Statement of Sewer Capital Bond Anticipation Notes
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date of Original Issue	Amount of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
2011-32	Acquisition and Construction of a Sludge Press	12/28/12	\$ 1,300,000.00	11/09/16	06/01/17	1.50%	\$ 1,267,000.00		\$ 1,267,000.00	
2013-10	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	05/09/13	525,000.00	11/09/16	06/01/17	1.50%	515,200.00		515,200.00	
2014-22	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	11/14/14	1,876,504.00	11/09/16	06/01/17	1.50%	2,028,810.00		2,028,810.00	
2015-10	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	11/12/15	802,000.00	11/09/16 06/01/17	06/01/17 05/18/18	1.50% 2.25%	802,000.00	\$ 802,000.00	802,000.00	\$ 802,000.00
2016-11	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	06/02/16	1,328,400.00	06/02/16 06/01/17	06/01/17 05/18/18	2.25% 2.25%	1,328,400.00	1,328,000.00	1,328,400.00	1,328,000.00
2017-16	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	06/01/17	440,000.00	06/01/17	05/18/18	2.25%		440,000.00		440,000.00
							<u>\$ 5,941,410.00</u>	<u>\$ 2,570,000.00</u>	<u>\$ 5,941,410.00</u>	<u>\$ 2,570,000.00</u>
								Renewed in Current Fund Issued	\$ 2,130,000.00	\$ 2,130,000.00
								Paid by Budget Appropriation	440,000.00	410.00
								Paid by Bond Funds	<u>3,811,000.00</u>	
								<u>\$ 2,570,000.00</u>	<u>\$ 5,941,410.00</u>	

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
 Statement of Bonds and Notes Authorized but Not Issued
 For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>2017 Authorizations</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2017</u>
2014-22	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	\$ 21,190.00			\$ 21,190.00
2017-16	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility		\$ 440,000.00	\$ 440,000.00	
		<u>\$ 21,190.00</u>	<u>\$ 440,000.00</u>	<u>\$ 440,000.00</u>	<u>\$ 21,190.00</u>

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 7,703,533.96
Increased by:		
Serial Bonds Paid by Sewer Utility Operating Fund	\$ 135,000.00	
Sewer Loans Paid by Sewer Utility Operating Fund	388,221.66	
Bond Anticiaption Notes Paid by Sewer Utility Operating Fund	410.00	
	<u>523,631.66</u>	<u>523,631.66</u>
Balance December 31, 2017		<u>\$ 8,227,165.62</u>

PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

TOWNSHIP OF HARRISON
Schedule of Findings and Recommendations
For the Year Ended December 31, 2017

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None

TOWNSHIP OF HARRISON
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements are required to be reported in accordance with *Government Auditing Standards*.

No Prior Year Findings

TOWNSHIP OF HARRISON
Officials in Office
For the Year Ended December 31, 2017

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

<u>Name</u>	<u>Title</u>
Louis Manzo	Township Committee - Mayor
Dennis Clowney	Township Committee - Deputy Mayor
Donald Heim	Township Committee
Vincent Gangemi	Township Committee
Jeffrey Jacques	Township Committee
Mark Gravinese	Township Administrator
Dennis Chambers	Deputy Township Administrator
Diane Malloy	Municipal Clerk
Yvonne Bullock	Chief Municipal Finance Officer
D. Michelle Allen	Tax Collector
Thomas F. Mills	Chief of Police
Thomas North	Municipal Magistrate
Carla Rios	Municipal Court Administrator
John Eckler	Construction Code Official
Michael Aimino	Public Defender
Brian Duffield	Township Solicitor
John Cantwell - Remington & Vernick	Township Engineer

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APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, appearing to read "Henry Judwysen". The signature is fluid and cursive, with a prominent initial "H".

Certified Public Accountant
Registered Municipal Accountant