

TOWNSHIP OF HARRISON

COUNTY OF GLOUCESTER

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2020



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TOWNSHIP OF HARRISON
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020 and 2019, 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, 2020, 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 entity'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 entity'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.

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, 2020 and 2019, 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, 2020 and 2019, 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, 2020, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2021 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 15, 2021

**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, 2020, 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 15, 2021. 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, 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 entity'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 15, 2021

TOWNSHIP OF HARRISON
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Regular Fund:			
Cash and Cash Equivalents:			
Cash - Treasurer	SA-1	\$ 5,166,058.11	\$ 6,273,811.03
Cash - Tax Collector	SA-2	934,677.27	867,649.94
Change Funds	SA-9	250.00	250.00
Total Cash and Cash Equivalents		<u>6,100,985.38</u>	<u>7,141,710.97</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	SA-4	502,161.85	508,858.14
Tax Title Liens Receivable	SA-5	18,637.78	47,895.02
Property Acquired for Taxes - Assessed Valuation	SA-20	563,500.00	563,500.00
Revenue Accounts Receivable	SA-3	2,488.10	10,125.52
Interfunds Receivable:			
Trust - Animal Control Fund	SB-3	705.73	1,384.00
Municipal Open Space Trust Fund	SB-7		912.61
General Capital Fund	SC-10	1,439.33	
Total Receivables and Other Assets with Full Reserves		<u>1,088,932.79</u>	<u>1,132,675.29</u>
Due from State of New Jersey:			
Senior Citizens and Veterans Deductions	SA-10	2,055.48	1,305.48
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)	SA-6	340,000.00	450,000.00
		<u>340,000.00</u>	<u>450,000.00</u>
Total Regular Fund		<u>7,531,973.65</u>	<u>8,725,691.74</u>
Federal and State Grant Fund:			
Cash - Municipal Financial Officer	SA-1	279,571.13	269,852.29
Federal and State Grants Receivable	SA-21	151,833.02	141,279.00
Total Federal and State Grant Fund		<u>431,404.15</u>	<u>411,131.29</u>
		<u>\$ 7,963,377.80</u>	<u>\$ 9,136,823.03</u>

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2020 and 2019

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Regular Fund:			
Appropriation Reserves	A-3;SA-11	\$ 732,107.34	\$ 589,742.54
Reserve for Encumbrances	A-3	34,256.05	20,424.38
Local District School Taxes Payable	SA-14	727,646.50	833,443.50
Regional High School Taxes Payable	SA-15	1,015,779.18	1,279,608.18
County Taxes Payable	SA-16	38,718.27	77,042.27
Special District Taxes Payable	SA-18	3,325.42	0.99
Municipal Open Space Local Taxes Payable	SA-17	3,274.80	222.47
Special Emergency Note Payable	SA-7	340,000.00	450,000.00
Tax Overpayments	SA-12	49,637.22	1,081.61
Prepaid Taxes	SA-13	493,947.07	392,848.51
Due Trust - Other Funds	SB-5	3,590.49	4,950.06
Due General Capital Fund	SC-10		323,895.65
Due State of New Jersey:			
Marriage License Fees	SA-8	2,262.00	300.00
Reserve for:			
Payment of Debt	A-3, A	39,140.00	
Preparation of Master Plan	SA-19	210,474.92	276,822.37
Total Other Liabilities and Reserves		<u>3,694,159.26</u>	<u>4,250,382.53</u>
Reserve for Receivables and Other Assets	A	<u>1,088,932.79</u>	<u>1,132,675.29</u>
Fund Balance	A-1	<u>2,748,881.60</u>	<u>3,342,633.92</u>
Total Regular Fund		<u>7,531,973.65</u>	<u>8,725,691.74</u>
Federal and State Grant Fund:			
Reserve for Grants - Appropriated	SA-22	398,344.61	364,364.97
Reserve for Grants - Unappropriated	SA-23	26,633.30	43,607.21
Reserve for Encumbrances	SA-22	6,426.24	3,159.11
Total Federal and State Grant Fund		<u>431,404.15</u>	<u>411,131.29</u>
		<u>\$ 7,963,377.80</u>	<u>\$ 9,136,823.03</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
REVENUE AND OTHER INCOME REALIZED:		
Fund Balance Utilized	\$ 2,408,761.00	\$ 1,975,000.00
Miscellaneous Revenues Anticipated	1,933,056.19	2,438,531.24
Receipts from Delinquent Taxes and Tax Title Liens	544,876.16	497,702.24
Receipts from Current Taxes	47,102,824.35	45,656,584.16
Non-Budget Revenue	267,525.48	261,797.65
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	345,839.73	458,566.23
Interfund Loans Returned	1,590.88	89,361.71
	<u>52,604,473.79</u>	<u>51,377,543.23</u>
Total Income		
EXPENDITURES:		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	3,821,442.31	3,830,749.00
Other Expenses	3,019,223.62	3,247,624.86
Deferred Charges and Statutory Expenditures	1,004,755.00	924,886.00
Excluded from "CAPS":		
Operations	802,727.16	605,723.69
Capital Improvements	14,675.00	33,000.00
Debt Service	2,902,141.21	2,366,775.00
Deferred Charges	110,000.00	50,000.00
County Taxes	11,855,954.29	11,586,948.57
Local District School Taxes	13,699,539.00	13,299,587.00
Regional High School Taxes	11,409,567.00	11,324,076.00
Special District Taxes	1,211,848.43	1,178,038.00
Municipal Open Space Taxes	935,152.76	931,052.46
Other Debits to Income:		
Prior Year Senior Citizens and Veterans' Deductions Disallowed	1,000.00	1,000.00
Interfund Loans Advanced	1,439.33	
	<u>50,789,465.11</u>	<u>49,379,460.58</u>
Total Expenditures		
Excess Revenue and Other Income Realized Over Expenditures	1,815,008.68	1,998,082.65
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	300,000.00
	<u>1,815,008.68</u>	<u>2,298,082.65</u>
Statutory Excess to Fund Balance		
	1,815,008.68	2,298,082.65
FUND BALANCE:		
Balance January 1	<u>3,342,633.92</u>	<u>3,019,551.27</u>
	5,157,642.60	5,317,633.92
Decreased by:		
Utilized as Revenue	<u>2,408,761.00</u>	<u>1,975,000.00</u>
Balance December 31	<u>\$ 2,748,881.60</u>	<u>\$ 3,342,633.92</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, 2020

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S.A. 40A: 4-87</u>		
Surplus Anticipated	\$ 2,408,761.00		\$ 2,408,761.00	
Miscellaneous Revenues:				
Local Revenues				
Fees and Permits	42,000.00		51,091.05	\$ 9,091.05
Fines and Costs:				
Municipal Court	200,000.00		85,030.07	(114,969.93)
Interest and Costs on Taxes	125,000.00		167,404.07	42,404.07
Interest on Investments and Deposits	25,000.00		47,339.46	22,339.46
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax	542,592.00		542,591.99	(0.01)
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	323,299.00		259,503.34	(63,795.66)
Special Items of General Revenue Anticipated with Prior Written				
Consent of the Director of the Division of Local Government Services:				
Shared Services Agreement Offset with Appropriations				
School Resource Officer - Harrison Twp School District	106,490.14		121,786.84	15,296.70
School Resource Officer - Clearview Regional School District	106,490.14		98,939.94	(7,550.20)
Public and Private Revenues Offset with Appropriations:				
Recycling Tonnage Grant	13,371.81		13,371.81	
Clean Communities Program	28,091.76		28,091.76	
Municipal Alliance on Alcoholism and Drug Abuse	8,000.00		8,000.00	
Body Armor Replacement Fund Program	5,317.35		5,317.35	
Alcohol Education, Rehab and Enforcement Fund	1,848.62		1,848.62	
Drunk Driving Enforcement Program	10,696.54		10,696.54	
Bullet Proof Vest Partnership	1,664.80		1,664.80	
Other Special Items:				
Cable Television	43,868.09		43,868.09	
General Capital Fund Balance	149,000.00		149,000.00	
Payments in Lieu of Taxes	312,000.00		297,510.46	(14,489.54)
	<u>2,044,730.25</u>		<u>1,933,056.19</u>	<u>(111,674.06)</u>
Receipts from Delinquent Taxes	497,000.00		544,876.16	47,876.16
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including				
Reserve for Uncollected Taxes	7,752,615.99		8,388,598.52	635,982.53
Budget Totals	12,703,107.24		13,275,291.87	572,184.63
Non-Budget Revenues			267,525.48	267,525.48
	<u>\$ 12,703,107.24</u>	<u>-</u>	<u>\$ 13,542,817.35</u>	<u>\$ 839,710.11</u>

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2020

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 47,102,824.35
Allocated to:	
County, School, Special District and Open Space Taxes	39,738,061.48
Amount for Support of Municipal Budget Appropriations	7,364,762.87
Add: Appropriation "Reserve for Uncollected Taxes"	1,023,835.65
Amount for Support of Municipal Budget Appropriations	\$ 8,388,598.52
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 509,449.00
Tax Title Lien Collections	35,427.16
Total Delinquent Tax Collections	\$ 544,876.16
Fees and Permits	
Clerk Fees	\$ 17,434.00
Planning Board Fees	13,702.28
Zoning Officer Fees	14,495.77
Police Reports Fees	5,459.00
Total Fees and Permits	\$ 51,091.05

Analysis for Non-Budget Revenue

Miscellaneous Revenue not Anticipated:	
Certified Copies	\$ 15,644.00
Raffle Licenses	40.00
Rent and Lease Income	31,306.00
Copies	0.05
Marriage Licenses	1,258.00
Municipal Right of Ways	47,953.00
JIF Dividend	11,841.97
Division of Motor Vehicle Inspection Fees	4,950.00
Rental and Resale Housing Inspections	5,870.00
Grading Inspection Fees	520.00
Prior Year - Reimbursements	44,248.89
Shred Event	1,500.00
Recycling of Scrap Metal and Plastic	7,274.25
Year End Penalty	5,298.36
Abandoned Property Fees	63,617.60
Cat Licenses	652.00
Miscellaneous	24,251.36
Senior Citizen and Veterans Deductions Administrative Fee	1,300.00
	\$ 267,525.48
Due Trust Other Fund	\$ 1,359.57
Due General Capital Fund	1,439.33
Due Animal Control Trust Fund	705.73
Treasurer	264,020.85
	\$ 267,525.48

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, 2020

	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 "CAPS"						
General Government:						
Administrative and Executive:						
Salaries and Wages	\$ 57,043.00	\$ 22,043.00	\$ 20,885.12		\$ 1,157.88	
Other Expenses	151,625.00	151,625.00	123,533.11	\$ 2,674.99	25,416.90	
Mayor and Committee:						
Salaries and Wages	24,382.00	24,382.00	24,321.62		60.38	
Other Expenses	2,750.00	2,750.00	1,040.00		1,710.00	
Township Clerk:						
Salaries and Wages	110,021.00	111,021.00	109,221.14		1,799.86	
Other Expenses	53,950.00	53,950.00	28,476.91	675.40	24,797.69	
Financial Administration:						
Salaries and Wages	132,714.00	132,714.00	132,711.48		2.52	
Other Expenses	125,508.00	121,905.00	29,867.55		92,037.45	
Automated Data Processing:						
Other Expenses	8,500.00	8,500.00	6,641.25		1,858.75	
Collection of Taxes:						
Salaries and Wages	76,383.00	76,383.00	76,381.79		1.21	
Other Expenses	8,880.00	8,880.00	6,454.08		2,425.92	
Legal Services and Costs:						
Other Expenses	196,000.00	196,000.00	101,240.97	8,525.95	86,233.08	
Engineering Services and Costs:						
Other Expenses	20,000.00	20,000.00	5,341.88		14,658.12	
Historic Preservation Committee:						
Salaries and Wages	7,165.00	7,165.00	7,164.86		0.14	
Other Expenses	6,550.00	6,550.00	1,120.00		5,430.00	
Municipal Land Use Law:						
Planning Board:						
Salaries and Wages	47,756.00	47,756.00	37,918.01		9,837.99	
Other Expenses	34,350.00	34,350.00	17,681.39		16,668.61	

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2020

	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	\$ 18,158.00	\$ 18,158.00	\$ 18,157.14		\$ 0.86	
Other Expenses	5,500.00	5,500.00	4,298.61		1,201.39	
Subtotal General Government	1,087,235.00	1,049,632.00	752,456.91	\$ 11,876.34	285,298.75	
Public Safety:						
Police:						
Salaries and Wages	2,101,800.31	2,131,800.31	2,121,902.66		9,897.65	
Other Expenses	110,700.00	110,700.00	73,339.55	6,347.97	31,012.48	
Emergency Management Services:						
Salaries and Wages	6,925.00	7,028.00	7,027.20		0.80	
Other Expenses	7,225.00	7,225.00	483.00		6,742.00	
Municipal Prosecutor:						
Salaries and Wages	20,000.00	20,000.00	16,200.00		3,800.00	
Other Expenses	100.00	100.00			100.00	
Subtotal Public Safety	2,246,750.31	2,276,853.31	2,218,952.41	6,347.97	51,552.93	
Public Works:						
Streets and Roads:						
Road Repair and Maintenance:						
Salaries and Wages	357,021.00	357,021.00	354,444.35		2,576.65	
Other Expenses	33,350.00	33,350.00	14,508.70	1,928.48	16,912.82	
Solid Waste Collection:						
Other Expenses	10,500.00	10,500.00	4,017.49	678.95	5,803.56	
Waste Disposal	580,000.00	580,000.00	530,195.46		49,804.54	
Public Buildings and Grounds:						
Salaries and Wages	241,448.00	241,448.00	227,677.45		13,770.55	
Other Expenses	59,800.00	59,800.00	48,979.56	1,411.78	9,408.66	
Subtotal Public Works	1,282,119.00	1,282,119.00	1,179,823.01	4,019.21	98,276.78	
Vehicle Maintenance:						
Salaries and Wages	63,400.00	63,400.00	58,312.91		5,087.09	
Other Expenses	62,000.00	62,000.00	42,023.04	7,948.13	12,028.83	
Subtotal Vehicle Maintenance	125,400.00	125,400.00	100,335.95	7,948.13	17,115.92	

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2020

	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	\$ 1,073.00	\$ 1,073.00	\$ 1,073.00			
Other Expenses	50.00	50.00			\$ 50.00	
Environmental Commission (N.J.S.A.40.56A-1 et seq)						
Other Expenses	4,690.00	4,690.00	623.00			4,067.00
Subtotal Health and Human Services	5,813.00	5,813.00	1,696.00			4,117.00
Park and Recreation Functions:						
Parks and Playgrounds:						
Salaries and Wages	82,797.00	82,797.00	80,119.81			2,677.19
Other Expenses	14,200.00	14,200.00	9,436.36			4,763.64
Subtotal Recreation and Education	96,997.00	96,997.00	89,556.17			7,440.83
Veterans Commission	1,000.00	1,000.00	400.00			600.00
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	145,116.00	145,116.00	139,657.93			5,458.07
Other Expenses	15,665.00	15,665.00	7,207.76	\$ 1,285.63		7,171.61
Public Defender:						
Other Expenses	4,800.00	4,800.00				4,800.00
Subtotal Municipal Court	165,581.00	165,581.00	146,865.69	1,285.63		17,429.68
JIF Administration:						
Salaries and Wages	17,988.00	17,988.00	11,884.56			6,103.44
Insurance:						
General Liability	103,959.00	103,959.00	103,368.33			590.67
Workers Compensation	179,561.00	179,561.00	134,177.67			45,383.33
Employee Group Health	640,133.62	643,133.62	643,133.62			
Health Benefit Retirees	124,230.00	124,230.00	122,188.81			2,041.19
Subtotal Insurance	1,065,871.62	1,068,871.62	1,014,752.99			54,118.63

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2020

	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	\$ 304,149.00	\$ 304,149.00	\$ 303,971.15		\$ 177.85	
Other Expenses	19,150.00	19,150.00	6,627.44	\$ 79.00	12,443.56	
Subtotal State Uniform Construction Code	323,299.00	323,299.00	310,598.59	79.00	12,621.41	
Unclassified - Utilities:						
Electricity	110,000.00	110,000.00	96,757.83		13,242.17	
Street Lighting	149,500.00	149,500.00	129,724.90		19,775.10	
Telephone	32,000.00	35,000.00	34,033.70		966.30	
Water	8,000.00	9,500.00	9,143.05		356.95	
Natural Gas	23,000.00	23,000.00	17,288.60		5,711.40	
Fuel Oil	33,000.00	33,000.00	21,929.04		11,070.96	
Gasoline	75,000.00	75,000.00	48,843.13	2,699.77	23,457.10	
Subtotal Unclassified	430,500.00	435,000.00	357,720.25	2,699.77	74,579.98	
Contingent	100.00	100.00			100.00	
Total Operations Within "CAP"	6,840,665.93	6,840,665.93	6,183,157.97	34,256.05	623,251.91	
Detail:						
Salaries and Wages	3,825,339.31	3,821,442.31	3,759,032.18		62,410.13	
Other Expenses	3,015,326.62	3,019,223.62	2,424,125.79	34,256.05	560,841.78	
Deferred Charges and Statutory Expenditures - Municipal Within "CAP"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	201,589.00	201,589.00	200,197.81		1,391.19	
Social Security System (O.A.S.I)	289,000.00	289,000.00	289,000.00			
Police and Firemen's Retirement System	505,666.00	505,666.00	505,666.00			
Contribution New Jersey Unemployment	5,000.00	5,000.00	5,000.00			
Defined Contribution Retirement Program	3,500.00	3,500.00	147.96		3,352.04	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAP"	1,004,755.00	1,004,755.00	1,000,011.77		4,743.23	
Total General Appropriations for Municipal Purposes Within "CAP"	7,845,420.93	7,845,420.93	7,183,169.74	34,256.05	627,995.14	

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2020

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS EXCLUDED FROM "CAP"						
General Government:						
SFSP Fire District Payment	\$ 1,756.00	\$ 1,756.00	\$ 1,756.00			
Shared Service Agreements:						
Solid Waste Collection - Logan Township	519,000.00	519,000.00	414,887.80		\$ 104,112.20	
School Resource Officer - Harrison Twp School District	106,490.14	106,490.14	106,490.14			
School Resource Officer - Clearview Reg School District	106,490.14	106,490.14	106,490.14			
Subtotal Shared Service Agreements	731,980.28	731,980.28	627,868.08		104,112.20	
State and Federal Programs Offset by Revenues:						
Recycling Tonnage Grant	13,371.81	13,371.81	13,371.81			
Clean Communities	28,091.76	28,091.76	28,091.76			
Drunk Driving Enforcement Program	10,696.54	10,696.54	10,696.54			
Alcohol Education, Rehab and Enforcement Fund	1,848.62	1,848.62	1,848.62			
Body Armor Replacement Fund Program	5,317.35	5,317.35	5,317.35			
Municipal Alliance on Alcoholism and Drug Abuse	8,000.00	8,000.00	8,000.00			
Bullet Proof Vest Partnership	1,664.80	1,664.80	1,664.80			
Total State and Federal Programs Offset by Revenues	68,990.88	68,990.88	68,990.88			
Total Operations Excluded from "CAPS"	802,727.16	802,727.16	698,614.96		104,112.20	
Detail:						
Salaries and Wages	212,980.28	212,980.28	521,377.94			
Other Expenses	589,746.88	589,746.88	485,634.68		104,112.20	
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"						
Capital Improvement Fund	14,675.00	14,675.00	14,675.00			

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2020

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 1,998,000.00	\$ 1,998,000.00	\$ 1,998,000.00			
Payment of Bond Anticipation Notes and Capital Notes	88,580.00	88,580.00	88,440.00			\$ 140.00
Interest on Bonds	764,345.50	764,345.50	764,345.48			0.02
Interest on Notes	55,523.00	55,523.00	51,355.73			4,167.27
Total Municipal Debt Service Excluded from "CAPS"	2,906,448.50	2,906,448.50	2,902,141.21			4,307.29
DEFERRED CHARGES EXCLUDED FROM "CAPS"						
Special Emergency Authorizations - 5 years	110,000.00	110,000.00	110,000.00			
Total Deferred Charges Excluded from "CAPS"	110,000.00	110,000.00	110,000.00			
Total General Appropriations For Municipal Purposes - Excluded from "CAPS"	3,833,850.66	3,833,850.66	3,725,431.17		\$ 104,112.20	4,307.29
Subtotal General Appropriations	11,679,271.59	11,679,271.59	10,908,600.91	\$ 34,256.05	732,107.34	4,307.29
Reserve for Uncollected Taxes	1,023,835.65	1,023,835.65	1,023,835.65			
Total General Appropriations	\$ 12,703,107.24	\$ 12,703,107.24	\$ 11,932,436.56	\$ 34,256.05	\$ 732,107.34	\$ 4,307.29
Adopted Budget		\$ 12,703,107.24				
Reserve for Federal and State Grant Fund			\$ 68,990.88			
Reserve for the Payment of Debt			39,140.00			
Deferred Charges			110,000.00			
Reserve for Uncollected Taxes			1,023,835.65			
Disbursed			10,690,470.03			
		<u>\$ 12,703,107.24</u>	<u>\$ 11,932,436.56</u>			

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, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Control Fund:			
Cash	SB-1	\$ 31,418.11	\$ 30,459.53
		<u>31,418.11</u>	<u>30,459.53</u>
Trust Other Funds:			
Cash	SB-1	3,514,661.55	3,575,138.74
Due from Current Fund	SB-5	3,590.49	4,950.06
		<u>3,518,252.04</u>	<u>3,580,088.80</u>
Municipal Open Space Trust Fund:			
Cash	SB-1	1,996,851.44	1,913,485.54
Due from Current Fund	SB-7	3,274.80	
		<u>2,000,126.24</u>	<u>1,913,485.54</u>
 Total Trust Funds		 <u>\$ 5,549,796.39</u>	 <u>\$ 5,524,033.87</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	SB-2	\$ 29,640.18	\$ 28,437.13
Due State of New Jersey	SB-4	1,072.20	638.40
Due Current Fund	SB-3	705.73	1,384.00
		<u>31,418.11</u>	<u>30,459.53</u>

(Continued)

TOWNSHIP OF HARRISON
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2020 and 2019

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Trust Other Funds:			
Reserve for Trust Other Funds:			
Cash Bond	SB-6	\$ 916,011.78	\$ 957,669.97
Compensatory Plantings	SB-6	27,122.89	27,069.84
Compensated Absences	SB-6	22,536.20	93,689.43
Developers Escrow	SB-6	305,450.21	300,055.23
Economic Development and Improvement	SB-6	83,676.01	83,488.70
Forfeited Funds	SB-6	7,715.88	7,703.63
Developers Fees - Housing Trust Fund (COAH)	SB-6	75,804.63	75,474.59
Housing Savings Trust	SB-6	908,165.21	823,076.41
Affordable Housing	SB-6	6,882.56	6,874.70
Mill Valley Escrow	SB-6	17,857.10	17,857.10
Outside Police Employment	SB-6	24,889.58	59,831.15
Parade	SB-6	11,423.98	11,401.64
Payroll	SB-6	8,108.50	23,715.62
POAA Trust	SB-6	48.78	228.44
Tax Title Lien Premium	SB-6	257,900.00	238,200.00
Tax Title Lien Redemption	SB-6	12,548.34	11,487.53
Public Defender	SB-6	1,649.66	5,066.72
Recreation Commission	SB-6	96,040.36	102,721.16
Recreation	SB-6	528,208.03	527,356.17
Recreation - Adult Community	SB-6	63,423.96	63,281.99
Senior Recreation	SB-6	11,147.01	18,083.78
Storm Recovery	SB-6	43,433.73	49,154.10
Unemployment Compensation	SB-6	83,982.44	72,385.16
Walnut Glen Escrow	SB-6	4,225.20	4,215.74
		<u>3,518,252.04</u>	<u>3,580,088.80</u>
Total Trust Other Funds			
Municipal Open Space Trust Fund:			
Due to Current Fund	SB-7		690.14
Reserve for Future Use	SB-7	2,000,126.24	1,912,795.40
		<u>2,000,126.24</u>	<u>1,913,485.54</u>
		<u>\$ 5,549,796.39</u>	<u>\$ 5,524,033.87</u>
Total Trust Funds			

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, 2020

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to Be Raised By Taxation	\$ 932,100.43	\$ 935,152.76	\$ 3,052.33
Miscellaneous		<u>2,368.59</u>	<u>2,368.59</u>
 Total Open Space Revenues	 <u>\$ 932,100.43</u>	 <u>\$ 937,521.35</u>	 <u>\$ 5,420.92</u>
 <u>Analysis of Realized Revenues</u>			
Amount to be Raised by Taxation:			
Due from Current Fund:			
2020 Open Space Tax Levy	\$ 932,100.43		
2020 Added & Omitted Taxes	<u>3,052.33</u>		
		<u>\$ 935,152.76</u>	
 Miscellaneous:			
Receipts			
Interest Earned on Deposits		<u>\$ 2,368.59</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 Expenditures -- Regulatory Basis
For the Year Ended December 31, 2020

	Appropriations		Expended		
	Adopted Budget	Budget After Modifications	Paid or Charged	Encumbrances Payable	Reserved
Maintenance of Lands for Recreation and Conservation:					
Salaries and Wages	\$ 65,451.20	\$ 65,451.20	\$ 26,413.01		\$ 39,038.19
Other Expenses	11,543.52	11,543.52			11,543.52
Debt Service:					
Payment of Bond Principal	475,000.00	475,000.00	475,000.00		
Payment of Bond Interest	348,777.50	348,777.50	348,777.50		
Reserve for Future Use	31,328.21	31,328.21	31,328.21		
Total Open Space Appropriations	\$ 932,100.43	\$ 932,100.43	\$ 881,518.72	-	\$ 50,581.71
			Disbursed	\$ 850,190.51	
			Reserve for Future Use	31,328.21	
				\$ 881,518.72	

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, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash - Treasurer	SC-1	\$ 4,929,610.58	\$ 5,427,689.18
Due from Current Fund	SC-10		323,895.65
Grant-In-Aid Receivable	SC-6	657,167.79	427,579.90
Deferred Charges to Future Taxation:			
Funded	SC-3	29,586,000.00	33,490,000.00
Unfunded	SC-4	1,951,485.00	1,679,590.00
		<u>\$ 37,124,263.37</u>	<u>\$ 41,348,754.73</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Due Current Fund	SC-10	\$ 1,439.33	
Bond Anticipation Notes Payable	SC-8	1,630,170.00	\$ 1,679,470.00
Bonds Payable	SC-9	29,586,000.00	33,490,000.00
Improvement Authorizations:			
Funded	SC-7	4,707,765.38	4,863,272.09
Unfunded	SC-7	648,491.63	425,721.36
Encumbrances Payable	SC-7	546,810.59	287,974.84
Reserve for Preliminary Costs	C	3,391.86	3,391.86
Reserve for Payment of Debt	C	2.19	2.19
Capital Improvement Fund	SC-5		2,230.00
Due Sewer Capital Fund	SE-1		447,500.00
Fund Balance	C-1	192.39	149,192.39
		<u>\$ 37,124,263.37</u>	<u>\$ 41,348,754.73</u>

There were bonds and notes authorized but not issued in the amounts of \$321,315.00 and \$120.00 as of December 31, 2020 and 2019, respectively.

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

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2020

Balance December 31, 2019	\$	149,192.39
Decreased by:		
Disbursed to Current Fund:		
General Capital Surplus Anticipated as Revenue in Current Fund		149,000.00
Balance December 31, 2020	\$	192.39

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, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents:			
Municipal Financial Officer	SD-1	\$ 680,676.13	\$ 1,081,679.28
Sewer Clerk	SD-1	167,756.25	223,228.36
Change Fund		<u>50.00</u>	<u>50.00</u>
Total Cash and Cash Equivalents		848,482.38	1,304,957.64
Due from Sewer Utility Capital Fund	SE-3	<u>155,245.10</u>	<u>12,126.65</u>
		<u>1,003,727.48</u>	<u>1,317,084.29</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-2	<u>197,270.17</u>	<u>204,158.79</u>
		<u>197,270.17</u>	<u>204,158.79</u>
		<u>\$ 1,200,997.65</u>	<u>\$ 1,521,243.08</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u> 			
Appropriation Reserves	D-3;SD-3	\$ 189,077.86	\$ 260,418.02
Other Liabilities and Reserves:			
Reserve for Encumbrances	D-3	2,285.59	
Accrued Interest on Bonds and Notes	SD-4	174,440.00	234,111.00
Sewer Rent Prepays	SD-6	57,917.83	84,280.87
Sewer Rent Overpayments	SD-5	3,146.63	2,080.89
Reserve for Payment of Debt	D-2		<u>54,510.92</u>
		<u>426,867.91</u>	<u>635,401.70</u>
Reserve for Receivables	D	197,270.17	204,158.79
Fund Balance	D-1	<u>576,859.57</u>	<u>681,682.59</u>
		<u>\$ 1,200,997.65</u>	<u>\$ 1,521,243.08</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
REVENUE AND OTHER INCOME REALIZED:		
Operating Surplus Anticipated	\$ 405,950.00	\$ 748,753.00
Sewer Rents	1,992,597.18	1,914,047.81
Penalties and Interest	20,084.08	21,349.79
Miscellaneous	15,178.25	58,070.75
Reserve for Payment of Debt - Utility Capital	155,792.85	
Reserve for Payment of Debt - Utility Operating	54,510.92	
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	184,201.37	166,898.38
	<u>2,828,314.65</u>	<u>2,909,119.73</u>
Total Income		
EXPENDITURES:		
Budget Appropriations:		
Operating	1,287,740.23	1,289,496.00
Capital Improvements	2,500.00	52,500.00
Debt Service	1,152,178.89	1,093,132.58
Deferred Charges and Statutory Expenditures	84,768.55	80,181.00
	<u>2,527,187.67</u>	<u>2,515,309.58</u>
Total Expenditures		
Excess in Revenue	301,126.98	393,810.15
FUND BALANCE:		
Balance January 1	681,682.59	1,036,625.44
	982,809.57	1,430,435.59
Decreased by:		
Utilized as Revenue	405,950.00	748,753.00
Balance December 31	<u>\$ 576,859.57</u>	<u>\$ 681,682.59</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, 2020

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Operating Surplus Anticipated	\$ 405,950.00	\$ 405,950.00	
Rent	1,900,000.00	1,992,597.18	\$ 92,597.18
Penalties and Interest	20,929.39	20,084.08	(845.31)
Miscellaneous	55,000.00	15,178.25	(39,821.75)
Reserve for Payment of Debt - Utility Capital	155,792.85	155,792.85	
Reserve for Payment of Debt - Utility Operating	54,510.92	54,510.92	
	<u>2,186,233.16</u>	<u>2,238,163.28</u>	<u>51,930.12</u>
	<u>\$ 2,592,183.16</u>	<u>\$ 2,644,113.28</u>	<u>\$ 51,930.12</u>
Other Additions to Income:			
Unexpended Balance of Appropriation Reserves			<u>\$ 184,201.37</u>
 <u>Analysis of Realized Revenue</u>			
Rents:			
Consumer Accounts Receivable:			
Collected			<u>\$ 1,992,597.18</u>
Miscellaneous:			
Sewer Connection Fees			\$ 11,230.20
Miscellaneous			638.54
Interest Earned on Deposits:			
Receipts - Sewer Operating Fund			987.98
Sewer Collector's Account			369.28
Due Sewer Utility Capital Fund			<u>1,952.25</u>
Total Miscellaneous			<u>\$ 15,178.25</u>
Treasurer Cash Receipts			\$ 987.98
Collector Cash Receipts			12,238.02
Due from Sewer Utility Capital Fund - Interest Earned on Investments			<u>1,952.25</u>
Treasurer Cash Receipts			<u>\$ 15,178.25</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, 2020

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modifications	Paid or Charged	Encumbrances	Reserved	
Operating:						
Salaries and Wages	\$ 550,596.23	\$ 549,096.23	\$ 508,473.52		\$ 40,622.71	
Other Expenses	738,644.00	738,644.00	588,671.93	\$ 2,285.59	147,686.48	
Capital Improvement Fund	2,500.00	2,500.00	2,500.00			
Total Operating	1,291,740.23	1,290,240.23	1,099,645.45	2,285.59	188,309.19	-
Debt Service:						
Payment of Bond Principal	797,137.35	797,137.35	793,767.11			\$ 3,370.24
Payment on Bond Anticipation Notes & Capital Notes	18,900.00	18,900.00	18,900.00			
Interest on Bonds	362,869.03	362,869.03	317,099.03			45,770.00
Interest on Notes	38,268.00	38,268.00	22,412.75			15,855.25
Total Debt Service	1,217,174.38	1,217,174.38	1,152,178.89	-	-	64,995.49
Statutory Expenditures:						
Contribution to						
Public Employees' Retirement System	47,068.55	47,068.55	47,068.55			
Social Security System (O.A.S.I)	36,000.00	37,500.00	36,931.33		568.67	
Unemployment Compensation Insurance	200.00	200.00			200.00	
Total Statutory Expenditures	83,268.55	84,768.55	83,999.88	-	768.67	-
Total Expenditures	\$ 2,592,183.16	\$ 2,592,183.16	\$ 2,335,824.22	\$ 2,285.59	\$ 189,077.86	\$ 64,995.49
Accrued Interest on Bonds and Loans			\$ 317,099.03			
Accrued Interest on Notes			22,412.75			
Cash Disbursements			1,993,812.44			
Due Sewer Utility Capital Fund			2,500.00			
			\$ 2,335,824.22			

The accompanying Notes to Financial Statements are an intergral 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, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	SE-1	\$ 1,628,739.99	\$ 1,313,592.75
Due from General Capital Fund	SE-1		447,500.00
Fixed Capital	SE-5	13,743,196.23	13,743,196.23
Fixed Capital Authorized and Uncompleted	SE-6	12,161,150.50	9,303,150.50
		<u>\$ 27,533,086.72</u>	<u>\$ 24,807,439.48</u>
 <u>LIABILITIES AND RESERVES</u> 			
Due Sewer Utility Operating Fund	SE-3	\$ 155,245.10	\$ 12,126.65
Serial Bonds Payable	SE-8	9,840,000.00	10,815,000.00
Sewer Loans Payable	SE-9	974,644.16	1,370,781.51
Bond Anticipation Notes Payable	SE-10	1,301,600.00	1,320,500.00
Improvement Authorizations:			
Funded	SE-7	17,509.77	9,768.08
Unfunded	SE-7	3,776,242.20	1,030,347.28
Encumbrances Payable	SE-7	57,628.00	75,442.97
Reserve for:			
Developer Contribution	E	118,143.00	118,143.00
Preliminary Expenditures	E	1,113.25	1,113.25
Payment of Debt	SE-3		155,792.85
Capital Improvement Fund	SE-4	69,516.00	67,016.00
Reserve for Amortization	SE-12	10,954,727.27	9,564,689.92
Fund Balance	E-1	266,717.97	266,717.97
		<u>\$ 27,533,086.72</u>	<u>\$ 24,807,439.48</u>

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, 2020

Balance December 31, 2020	<u>\$ 266,717.97</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, 2020

	Balance December 31, 2019	Additions	Deletions	Balance December 31, 2020
General Fixed Assets:				
Land	\$ 17,259,889.00			\$ 17,259,889.00
Buildings	2,628,853.00			2,628,853.00
Equipment	4,568,396.00	\$ 63,978.00		4,632,374.00
Investment in General Fixed Assets	<u>\$ 24,457,138.00</u>	<u>\$ 63,978.00</u>	<u>-</u>	<u>\$ 24,521,116.00</u>
Total Investment in General Fixed Assets	<u>\$ 24,457,138.00</u>	<u>\$ 63,978.00</u>	<u>-</u>	<u>\$ 24,521,116.00</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, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Harrison was incorporated as a township by an act of the New Jersey legislature on March 13, 1844 from portions of Greenwich Township and Woolwich Township. The Township, located in Gloucester County, New Jersey, has a total area of approximately nineteen square miles, and is located approximately twenty miles from the City of Philadelphia. The Township borders East Greenwich Township, Elk Township, Glassboro, Mantua Township, South Harrison Township and Woolwich Township. According to the 2010 census, the population 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.

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* (the "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 Township is responsible for levying, collecting, and remitting school taxes for the Township of Harrison School District and the Clearview Regional High School District. For the local school district and regional high school district, operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2019 and decreased by the amount deferred at December 31, 2020.

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.

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, 2020, the Township's bank balances of \$20,565,539.98 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 19,172,359.11
Uninsured and Uncollateralized	<u>1,393,180.87</u>
Total	<u><u>\$ 20,565,539.98</u></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:

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	\$ 3.070	\$ 2.978	\$ 2.896	\$ 2.825	\$ 2.990
Apportionment of Tax Rate:					
Municipal	\$ 0.501	\$ 0.459	\$ 0.435	\$ 0.425	\$ 0.463
County Library	0.047	0.047	0.048	0.048	0.052
County	0.677	0.660	0.642	0.629	0.664
County Open Space	0.041	0.041	0.040	0.040	0.043
Local School	0.904	0.883	0.856	0.841	0.893
Regional High School	0.761	0.751	0.738	0.706	0.732
Fire District	0.079	0.077	0.077	0.076	0.083
Municipal Open Space	0.060	0.060	0.060	0.060	0.060

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2020	\$ 1,545,984,112.00
2019	1,540,362,693.00
2018	1,530,035,240.00
2017	1,528,708,197.00
2016	1,405,992,089.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2020	\$ 47,616,184.61	\$ 47,102,824.35	98.92%
2019	46,178,001.35	45,656,584.16	98.87%
2018	44,578,489.56	44,006,139.60	98.72%
2017	43,401,678.70	42,480,798.30	97.88%
2016	42,157,552.82	41,725,533.79	98.98%

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

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>
2020	\$ 18,637.78	\$ 502,161.85	\$ 520,799.63	1.09%
2019	47,895.02	508,858.14	556,753.16	1.21%
2018	21,104.61	515,784.08	536,888.69	1.20%
2017	31,979.58	724,864.37	756,843.95	1.74%
2016	227,782.35	385,293.71	613,076.06	1.45%

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>
2020	3
2019	3
2018	5
2017	5
2016	15

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>
2020	\$ 563,500.00
2019	563,500.00
2018	563,500.00
2017	563,500.00
2016	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>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2020	\$ 204,158.79	None	\$ 1,985,708.56	\$ 2,189,867.35	\$ 1,992,597.18
2019	259,170.93	None	1,859,035.67	2,118,206.60	1,914,047.81
2018	630,799.31	None	1,555,262.70	2,186,062.01	1,926,891.08
2017	616,335.16	None	1,828,573.35	2,444,908.51	1,814,109.20
2016	624,095.47	None	1,916,350.82	2,540,446.29	1,924,111.13

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>
2020	\$ 2,748,881.60	\$ 2,006,000.00	72.98%
2019	3,342,633.92	2,408,761.00	72.06%
2018	3,019,551.27	1,975,000.00	65.41%
2017	3,696,365.97	2,721,800.00	73.63%
2016	3,176,433.88	1,318,600.00	41.51%

Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 576,859.57	\$ 344,314.50	59.69%
2019	681,682.59	405,950.00	59.55%
2018	1,036,625.44	748,753.00	72.23%
2017	1,318,325.73	673,680.00	51.10%
2016	1,309,709.47	468,345.00	35.76%

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, 2020:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 2,145.06	\$ 6,865.29
Trust - Municipal Open Space	3,274.80	
Trust - Animal Control		705.73
Trust - Other	3,590.49	
General Capital		1,439.33
Sewer Utility - Operating	155,245.10	
Sewer Utility - Capital		155,245.10
Totals	<u>\$ 164,255.45</u>	<u>\$ 164,255.45</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 2021, 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, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://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' 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' Board of Trustees is primarily responsible for the administration of the PERS.

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

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' 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' 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 New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (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.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. 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.

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

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.

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. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. 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)**

Public Employees' Retirement System (Cont'd) - The Township's contractually required contribution rate for the year ended December 31, 2020 was 14.24% 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, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$278,286.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$237,460.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$146,893.18.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

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, 2020 was 28.99% 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.

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) - Based on the most recent PFRS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$618,499.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$488,690.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$213,351.30.

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, 2020 was 4.00% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2020 was \$85,430.00, and is payable by April 1, 2021. For the prior year measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2019 was \$62,992.00, which was paid on April 1, 2020.

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, 2020, employee contributions totaled \$351.92, and the Township's contributions were \$191.96. There were no forfeitures during the year.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Public Employees' Retirement System**

Pension Liability - As of December 31, 2020, the Township's proportionate share of the PERS net pension liability was \$4,148,379.00. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. 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, 2020 measurement date, the Township's proportion was 0.0254386500%, which was an increase of 0.0010263263% from its proportion measured as of June 30, 2019.

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

Pension Expense - For the year ended December 31, 2020, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$306,730.00. This (benefit) 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, 2020, the Township's contribution to PERS was \$237,460.00, and was paid on April 1, 2020.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2020, 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	\$ 7,153,626.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>1,110,210.00</u>
	<u><u>\$ 8,263,836.00</u></u>

Pension Liability - The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. 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, 2020 measurement date, the Township's proportion was 0.0553629732%, which was an increase of 0.0069831223% from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the Township, was 0.0553629732%, which was an increase of 0.0069831223% from its proportion, on-behalf of the Township, measured as of June 30, 2019.

Pension Expense - For the year ended December 31, 2020, the Township's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$818,511.00. This (benefit) 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, 2020, the Township's contribution to PFRS was \$488,690.00, and was paid on April 1, 2020.

For the year ended December 31, 2020, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2020 measurement date, was \$125,820.00. This on-behalf (benefit) 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 (Benefit) 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 - As of December 31, 2020, 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		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 75,535.00	\$ 72,121.00	\$ 147,656.00	\$ 14,670.00	\$ 25,673.00	\$ 40,343.00
Changes of Assumptions	134,578.00	18,002.00	152,580.00	1,736,965.00	1,917,844.00	3,654,809.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	141,795.00	419,451.00	561,246.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	570,499.00	1,601,603.00	2,172,102.00	161,283.00	48,528.00	209,811.00
Township Contributions Subsequent to the Measurement Date	139,143.00	309,250.00	448,393.00	-	-	-
	<u>\$ 1,061,550.00</u>	<u>\$ 2,420,427.00</u>	<u>\$ 3,481,977.00</u>	<u>\$ 1,912,918.00</u>	<u>\$ 1,992,045.00</u>	<u>\$ 3,904,963.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) 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) - Deferred outflows of resources in the amounts of \$139,143.00 and \$309,250.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2021. These amounts were based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the Township's year end of December 31, 2020.

The Township will amortize the other deferred outflows 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, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
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
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	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
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) 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>
2021	\$ (335,659.00)	\$ (257,121.00)	\$ (592,780.00)
2022	(375,274.00)	(95,499.00)	(470,773.00)
2023	(209,750.00)	122,598.00	(87,152.00)
2024	(53,276.00)	239,489.00	186,213.00
2025	(16,552.00)	109,665.00	93,113.00
	<u>\$ (990,511.00)</u>	<u>\$ 119,132.00</u>	<u>\$ (871,379.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: ⁽¹⁾		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

⁽¹⁾ based on years of service

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2020) 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' and PFRS' target asset allocation as of June 30, 2020 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date 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 rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Police and Firemen's Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 measurement date 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 rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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 as of the June 30, 2020 measurement date, calculated using a discount rate of 7.00%, 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 5,222,117.00	\$ 4,148,379.00	\$ 3,237,283.00

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

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 the June 30, 2020 measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 7.00%, 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 9,512,851.00	\$ 7,153,626.00	\$ 5,194,110.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	1,476,351.00	1,110,210.00	806,102.00
	<u>\$ 10,989,202.00</u>	<u>\$ 8,263,836.00</u>	<u>\$ 6,000,212.00</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 (benefit) 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.

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

In accordance with GASBS 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 Eight Plan Years)

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0254386500%	0.0244123237%	0.0231400765%	0.0246708417%
Township's Proportionate Share of the Net Pension Liability	\$ 4,148,379.00	\$ 4,398,730.00	\$ 4,556,166.00	\$ 5,742,978.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,843,264.00	\$ 1,706,004.00	\$ 1,670,668.00	\$ 1,681,200.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	225.06%	257.84%	272.72%	341.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0215009085%	0.0205167471%	0.0194513350%	0.0209669917%
Township's Proportionate Share of the Net Pension Liability	\$ 6,367,952.00	\$ 4,605,599.00	\$ 3,641,822.00	\$ 4,007,209.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,472,836.00	\$ 1,462,396.00	\$ 1,324,916.00	\$ 1,402,524.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	432.36%	314.94%	274.87%	285.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	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 Eight Years)***

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 278,286.00	\$ 237,460.00	\$ 230,169.00	\$ 228,549.00
Township's Contribution in Relation to the Contractually Required Contribution	\$ (278,286.00)	\$ (237,460.00)	(230,169.00)	(228,549.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 1,954,584.00	\$ 1,837,263.00	\$ 1,780,956.00	\$ 1,659,005.00
Township's Contributions as a Percentage of Covered Payroll	14.24%	12.92%	12.92%	13.78%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 191,011.00	\$ 176,389.00	\$ 160,354.00	\$ 157,982.00
Township's Contribution in Relation to the Contractually Required Contribution	(191,011.00)	(176,389.00)	(160,354.00)	(157,982.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 1,622,578.00	\$ 1,507,685.00	\$ 1,442,234.00	\$ 1,358,573.00
Township's Contributions as a Percentage of Covered Payroll	11.77%	11.70%	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 Eight Plan Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0553629732%	0.0483798509%	0.0434779481%	0.0441242775%
Township's Proportionate Share of the Net Pension Liability	\$ 7,153,626.00	\$ 5,920,638.00	\$ 5,883,283.00	\$ 6,811,935.00
State's Proportionate Share of the Net Pension Liability associated with the Township	1,110,210.00	934,880.00	799,147.00	762,994.00
Total	\$ 8,263,836.00	\$ 6,855,518.00	\$ 6,682,430.00	\$ 7,574,929.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,910,292.00	\$ 1,641,492.00	\$ 1,442,404.00	\$ 1,428,292.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	374.48%	360.69%	407.88%	476.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0407395391%	0.0394971602%	0.0390546909%	0.0412762042%
Township's Proportionate Share of the Net Pension Liability	\$ 7,782,294.00	\$ 6,578,850.00	\$ 4,912,718.00	\$ 5,487,299.00
State's Proportionate Share of the Net Pension Liability associated with the Township	653,520.00	576,943.00	529,017.00	511,483.00
Total	\$ 8,435,814.00	\$ 7,155,793.00	\$ 5,441,735.00	\$ 5,998,782.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,284,956.00	\$ 1,250,804.00	\$ 1,205,092.00	\$ 1,295,384.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	605.65%	525.97%	407.66%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	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 Eight Years)***

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 618,499.00	\$ 488,690.00	\$ 425,061.00	\$ 390,508.00
Township's Contribution in Relation to the Contractually Required Contribution	(618,499.00)	(488,690.00)	(425,061.00)	(390,508.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,133,513.00	\$ 1,929,265.00	\$ 1,658,874.70	\$ 1,445,146.00
Township's Contributions as a Percentage of Covered Payroll	28.99%	25.33%	25.62%	27.02%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 332,166.00	\$ 321,053.00	\$ 299,967.00	\$ 301,142.00
Township's Contribution in Relation to the Contractually Required Contribution	(332,166.00)	(321,053.00)	(299,967.00)	(301,142.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,384,742.00	\$ 1,265,643.00	\$ 1,224,332.00	\$ 1,230,324.00
Township's Contributions as a Percentage of Covered Payroll	23.99%	25.37%	24.50%	24.48%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Police and Firemen's Retirement System (PFRS)Changes in Benefit Terms

None

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%
2017	6.14%		

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2020 was not available; therefore, the information from the measurement period June 30, 2019 is disclosed below.

General Information about the OPEB Plan

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the OPEB Plan (Cont'd)**

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Township was billed monthly by the Plan and paid \$113,160.33 for the year ended December 31, 2019, representing 3.00% of the Township's covered payroll. During the year ended December 31, 2019, retirees were not required to contribute to the Plan.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township, is not known, however, under the Special Funding Situation, the State's OPEB (benefit) expense, on-behalf of the Township, is \$58,965.00 for the year ended December 31, 2019 representing 1.57% of the Township's covered payroll.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

OPEB Liability - At December 31, 2019 the Township's and State's proportionate share of the net OPEB liability were as follows:

Township's Proportionate Share of Net OPEB Liability	\$ 5,329,702.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Township	<u>4,448,425.00</u>
	<u>\$ 9,778,127.00</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The Township's proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the Township's proportion was 0.039345% which was a decrease of 0.003141% from its proportion measured as of the June 30, 2018 measurement date.

The State's proportion of the net OPEB liability, on-behalf of the Township was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the State's proportion on-behalf of the Township was 0.080504% which was an increase of 0.010121% from its proportion measured as of the June 30, 2018 measurement date.

OPEB (Benefit) Expense - At December 31, 2019, the Township's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is \$1,044,983.00. This (benefit) 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, 2019, the Township made contributions to the Plan totaling \$113,160.33.

At December 31, 2019, the State's proportionate share of the OPEB (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2019 measurement date is \$58,965.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2019, the Township had deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 1,558,613.00
Changes of Assumptions	-	1,888,728.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	4,390.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	7,267,745.00	627,551.00
Township Contributions Subsequent to the Measurement Date	65,615.83	-
	<u>\$ 7,337,750.83</u>	<u>\$ 4,074,892.00</u>

\$65,615.83 reported as deferred outflows of resources resulting from the Township's contributions subsequent to the measurement date will be included as a reduction of the Township's net OPEB liability during the year ending December 31, 2020. The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
June 30, 2017	-	-
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14
June 30, 2019	8.05	8.05

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (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 the OPEB liability will be recognized in future periods as follows:

Year Ending Dec. 31,		
2020	\$	533,912.00
2021		533,912.00
2022		533,568.00
2023		533,012.00
2024		532,504.00
Thereafter		530,335.00
	\$	3,197,243.00

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Initial Fiscal Year Applied:	
Rate Through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Rate for all Years	3.25% to 15.25%

* Salary Increases are Based on Years of Service
Within the Respective Plan

PERS mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2019.

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2019.

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

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

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

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB Liability at June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

Sensitivity of the net OPEB Liability to Changes in the Discount Rate

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays a portion of the Township's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2019, the Plan's measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Township's Proportionate Share of the Net OPEB Liability	\$ 6,162,491.00	\$ 5,329,702.00	\$ 4,652,951.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	5,143,511.00	4,448,425.00	3,883,576.00
	<u>\$ 11,306,002.00</u>	<u>\$ 9,778,127.00</u>	<u>\$ 8,536,527.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The Township's and State's proportionate share of the net OPEB Liability as of June 30, 2019, the Plan's measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Township's Proportionate Share of the Net OPEB Liability	\$ 4,497,612.00	\$ 5,329,702.00	\$ 6,391,173.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	3,753,922.00	4,448,425.00	5,334,380.00
	<u>\$ 8,251,534.00</u>	<u>\$ 9,778,127.00</u>	<u>\$ 11,725,553.00</u>

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (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 the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Supplementary OPEB Information

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. 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 OPEB Liability (Last Three Plan Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.039345%	0.042486%	0.000000%
Township's Proportionate Share of the Net OPEB Liability	\$ 5,329,702.00	\$ 6,656,119.00	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Township	4,448,425.00	4,373,490.00	4,998,297.00
Total	<u>\$ 9,778,127.00</u>	<u>\$ 11,029,609.00</u>	<u>\$ 4,998,297.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 3,628,935.00	\$ 3,211,611.70	\$ 3,077,518.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	146.87%	207.25%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)***Schedule of the Township's Contributions (Last Three Years)***

	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 113,160.33	\$ 189,483.60	\$ 183,952.50
Township's Contributions in Relation to the Required Contribution	<u>(113,160.33)</u>	<u>(189,483.60)</u>	<u>(183,952.50)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 3,766,528.00	\$ 3,439,830.70	\$ 3,101,151.00
Township's Contributions as a Percentage of Covered Payroll	3.00%	5.51%	5.93%

Other Notes to Supplementary OPEB Information**Changes in Benefit Terms**

In 2019, there were slight changes to the Chapter 48 provisions.

Changes in Assumptions

In 2019, the discount rate changed to 3.50% from 3.87%, and there were changes in the assumed health care cost trend, PPO/HMO future retiree elections, and excise tax assumptions. Further, decrements, salary scale, and mortality assumptions were updated based on the July 1, 2013 - June 30, 2018 PFRS and July 1, 2014 - June 30, 2018 PERS experience studies. For mortality related to PFRS members and retirees, the Pub-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used. For mortality related to PERS members and retirees, the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used.

In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

In 2017, the discount rate changed to 3.58% from 2.85%.

Note 10: COMPENSATED ABSENCES

Under the existing policy of the Township, 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.

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 2018-2020 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 2,500 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, 2020, accrued benefits for compensated absences are valued at \$364,946.23.

Note 11: CAPITAL DEBT**General Improvement Bonds**

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.

General Improvement Bonds, Series 2019 - On May 28, 2019, the Township issued \$9,172,000.00 in general improvement bonds, with interest rates ranging from 2.0% to 3.0%. 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 May 15, 2035.

General Improvement Refunding Bonds, Series 2020 - On August 4, 2020, the Township issued \$11,565,000.00 in general improvement refunding bonds, with interest rates ranging from 3.0% to 5.0%, to refund \$12,996,000.00 outstanding 2010 general improvement bonds with interest rates ranging from 2.0% to 4.0%. The final maturity of the bonds is August 1, 2035.

Note 11: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,501,000.00	\$ 927,487.50	\$ 3,428,487.50
2022	2,585,000.00	855,968.75	3,440,968.75
2023	2,685,000.00	766,243.75	3,451,243.75
2024	2,740,000.00	672,912.50	3,412,912.50
2025	1,935,000.00	577,575.00	2,512,575.00
2026-2030	7,620,000.00	2,095,331.25	9,715,331.25
2031-2035	8,600,000.00	785,250.00	9,385,250.00
2036-2037	920,000.00	28,750.00	948,750.00
Totals	<u>\$ 29,586,000.00</u>	<u>\$ 6,709,518.75</u>	<u>\$ 36,295,518.75</u>

Sewer Utility Improvement Bonds

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.

General Improvement Bonds, Series 2019 - On May 28, 2019, the Township issued \$2,111,000.00 in general improvement bonds, with interest rates ranging from 2.0% to 3.0%. The bonds were issued for the purpose of funding various sewer capital projects in the Township. The final maturity of the bonds is May 15, 2035.

General Improvement Refunding Bonds, Series 2020 - On August 4, 2020, the Township issued \$3,915,000.00 in general improvement refunding bonds, with interest rates ranging from 3.0% to 5.0%, to refund \$4,489,000.00 outstanding 2006 general improvement bonds with interest rates ranging from 2.0% to 4.0%. The final maturity of the bonds is August 1, 2035.

Note 11: 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>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 410,000.00	\$ 308,206.67	\$ 718,206.67
2022	425,000.00	297,625.00	722,625.00
2023	515,000.00	284,556.25	799,556.25
2024	590,000.00	268,168.75	858,168.75
2025	615,000.00	248,712.50	863,712.50
2026-2030	2,885,000.00	945,362.50	3,830,362.50
2031-2035	3,490,000.00	405,518.75	3,895,518.75
2036-2039	910,000.00	59,175.01	969,175.01
Totals	<u>\$ 9,840,000.00</u>	<u>\$ 2,817,325.43</u>	<u>\$ 12,657,325.43</u>

Sewer Utility Debt - New Jersey Environmental Infrastructure Loans

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.

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>
2021	\$ 405,162.24	\$ 28,425.00	\$ 433,587.24
2022	413,988.40	16,625.00	430,613.40
2023	155,493.52	4,512.50	160,006.02
Totals	<u>\$ 974,644.16</u>	<u>\$ 49,562.50</u>	<u>\$ 1,024,206.66</u>

Note 11: CAPITAL DEBT (CONT'D)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 31,216,170.00	\$ 35,169,470.00	\$ 36,555,840.00
Sewer Utility:			
Notes	12,116,244.16	13,506,281.51	13,747,093.71
Total Issued	<u>43,332,414.16</u>	<u>48,675,751.51</u>	<u>50,302,933.71</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	321,195.00	120.00	120.00
Sewer Utility:			
Notes	2,879,190.00	21,190.00	21,190.00
Total Authorized but not Issued	<u>3,200,385.00</u>	<u>21,310.00</u>	<u>21,310.00</u>
Total Issued and Authorized but not Issued	<u>46,532,799.16</u>	<u>48,697,061.51</u>	<u>50,324,243.71</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Bonds	39,142.19	2.19	2.19
Sewer Utility:			
Self-Liquidating Debt	14,995,434.16	13,527,471.51	13,768,283.71
Total Deductions	<u>15,034,576.35</u>	<u>13,527,473.70</u>	<u>13,768,285.90</u>
Net Debt	<u>\$ 31,498,222.81</u>	<u>\$ 35,169,587.81</u>	<u>\$ 36,555,957.81</u>

Note 11: 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 1.982%.

Summary of Statutory Debt Condition - Annual Debt Statement

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 7,336,577.00	\$ 7,336,577.00	
Regional School District	4,671,288.83	4,671,288.83	
Sewer Utility	14,995,434.16	14,995,434.16	
General	31,537,365.00	39,142.19	\$ 31,498,222.81
	<u>\$ 58,540,664.99</u>	<u>\$ 27,042,442.18</u>	<u>\$ 31,498,222.81</u>

Net debt \$31,498,222.81 divided by the equalized valuation basis per N.J.S.A.40A:2-2 as amended, \$1,589,162,849.33 equals 1.982%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 55,620,699.73
Less: Net Debt	<u>31,498,222.81</u>
Remaining Borrowing Power	<u>\$ 24,122,476.92</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 2,644,113.28
Deductions:	
Operating and Maintenance Costs	\$ 1,375,008.78
Debt Service	<u>1,152,178.89</u>
Total Deductions	<u>2,527,187.67</u>
Excess in Revenue	<u>\$ 116,925.61</u>

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

Note 12: 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:

	<u>Balance December 31,</u>	
	<u>2020</u>	<u>2019</u>
Local School Tax:		
Balance of Tax	\$ 6,953,760.00	\$ 6,796,637.00
Deferred	<u>6,226,113.50</u>	<u>5,963,193.50</u>
Local School Tax Payable	<u>\$ 727,646.50</u>	<u>\$ 833,443.50</u>
Regional School Tax:		
Balance of Tax	\$ 5,886,322.04	\$ 5,787,071.04
Deferred	<u>4,870,542.86</u>	<u>4,507,462.86</u>
Regional School Tax Payable	<u>\$ 1,015,779.18</u>	<u>\$ 1,279,608.18</u>

Note 13: 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>
2020	\$ 5,000.00	\$ 7,067.98	\$ 153.47	\$ 624.17	\$ 83,982.44
2019	5,000.00	5,682.23	98.01	896.93	72,385.16
2018	5,200.00	6,470.15	84.21	859.23	62,501.85

It is estimated that there are no unreimbursed payments on behalf of the Township at December 31, 2020.

Joint Insurance Pool - The Township of Harrison is a member of the Gloucester, Salem and Cumberland 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 13: 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.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

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

Note 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020, 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 December 31, 2020</u>	<u>2021 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorization	\$ 340,000.00	\$ 110,000.00

The appropriations in the 2021 Budget as adopted are not less than that required by the statutes.

Note 15: 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 16: 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 17: 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 18: DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 19: SUBSEQUENT EVENTS

Subsequent to December 31, 2020, the Township issued \$2,735,000.00 in General Obligation Bonds, dated May 24, 2021, consisting of \$1,434,000.00 in General Improvement Bonds and \$1,301,000.00 in Sewer Utility Bonds. The maturity schedule starts in 2022 and ends in 2032. Interest rates range from 0.05% to 3.00%.

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		
Completion of Various Pieces of Equipment and Acquisition of Various Capital Improvements	07/19/21	\$ 468,155.00

Note 19: SUBSEQUENT EVENTS (CONT'D)

COVID-19 - On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Township’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Township is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2021.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Current Cash -- Treasurer
For the Year Ended December 31, 2020

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2019	\$ 6,273,811.03	\$ 269,852.29
Increased by Receipts:		
Tax Collector	\$ 47,663,577.35	
Revenue Accounts Receivable	1,864,065.31	
Miscellaneous Revenue Not Anticipated	264,020.85	
Due State of New Jersey:		
Senior Citizen and Veterans Deductions	65,000.00	
Marriage License Fees	2,937.00	
Due Municipal Open Space	912.61	
Due from Animal Control Trust Fund		
Receipts	1,384.00	
Federal and State Grants Receivable		\$ 41,462.95
Reimbursements:		
Reserve for Federal and State Grants - Appropriated		1,035.40
Special Emergency Notes Payable Renewal	340,000.00	
	50,201,897.12	42,498.35
	56,475,708.15	312,350.64
Decreased by Disbursements:		
2020 Appropriations	10,690,470.03	
2019 Appropriation Reserves	264,327.19	
Reserve for Federal and State Grants - Appropriated		32,779.51
County Taxes Payable	11,894,278.29	
Regional High School District Taxes Payable	11,673,396.00	
Local District School Taxes Payable	13,805,336.00	
Fire District Taxes Payable	1,208,524.00	
Municipal Open Space Taxes Payable	932,100.43	
Due State of New Jersey:		
Marriage License Fees	975.00	
Due General Capital Fund	323,895.65	
Special Emergency Notes Payable Renewal	340,000.00	
Special Emergency Notes Payable	110,000.00	
Reserve For:		
Preparation of Master Plan	66,347.45	
	51,309,650.04	32,779.51
Total Cash Disbursements		
	51,309,650.04	32,779.51
Balance December 31, 2020	\$ 5,166,058.11	\$ 279,571.13

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Current Cash - Tax Collector
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 867,649.94
Increased by:		
Receipts:		
Taxes Receivable	\$ 47,151,378.07	
Tax Overpayments	49,852.38	
Tax Title Liens	35,427.16	
Prepaid Taxes	<u>493,947.07</u>	
		<u>47,730,604.68</u>
		48,598,254.62
Decreased by:		
Disbursements:		
Disbursed to Treasurer		<u>47,663,577.35</u>
Balance December 31, 2020		<u><u>\$ 934,677.27</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2020

	Balance Dec. 31, 2019	Accrued in 2020	Collected	Balance Dec. 31, 2020
Miscellaneous Revenues:				
Local Revenues				
Fees and Permits		\$ 51,091.05	\$ 51,091.05	
Fines and Costs:				
Municipal Court	\$ 10,125.52	77,392.65	85,030.07	\$ 2,488.10
Interest and Costs on Taxes		167,404.07	167,404.07	
Interest on Investments and Deposits		47,339.46	47,339.46	
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax		542,591.99	542,591.99	
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		259,503.34	259,503.34	
Special Items of General Revenue Anticipated with Prior Written				
Consent of the Director of the Division of Local Gov't Services:				
Shared Services Agreement Offset with Appropriations				
School Resource Officer - Harrison Twp School District		121,786.84	121,786.84	
School Resource Officer - Clearview Regional School District		98,939.94	98,939.94	
Other Special Items:				
Cable Television		43,868.09	43,868.09	
General Capital Fund Balance		149,000.00	149,000.00	
Payment in Lieu of Taxes		297,510.46	297,510.46	
Total	\$ 10,125.52	\$ 1,856,427.89	\$ 1,864,065.31	\$ 2,488.10
Treasurer		<u>\$ 1,856,427.89</u>	<u>\$ 1,864,065.31</u>	

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2020

Year	Balance Dec. 31, 2019	2020 Levy	Added	Collections 2019	2020	Due From / (To) State of New Jersey	Canceled	Tax Overpayments Applied	Transferred To Tax Title Liens	Transfers	Balance Dec. 31, 2020
Arrears					\$ 36,936.53					\$ 36,936.53	
2018	\$ 10,475.35									(10,475.35)	
2019	498,382.79		\$ 1,000.00		471,215.70		\$ 2,339.76	\$ 1,296.77		(18,785.38)	\$ 5,745.18
	508,858.14	-	1,000.00	-	508,152.23	-	2,339.76	1,296.77	-	7,675.80	5,745.18
2020		\$ 47,616,184.61		\$ 392,848.51	46,643,225.84	\$ 66,750.00	3,097.87		\$ 6,169.92	(7,675.80)	496,416.67
	\$ 508,858.14	\$ 47,616,184.61	\$ 1,000.00	\$ 392,848.51	\$ 47,151,378.07	\$ 66,750.00	\$ 5,437.63	\$ 1,296.77	\$ 6,169.92	-	\$ 502,161.85

Analysis of 2020 Property Tax Levied

Tax Yield:

General Property Tax	\$ 46,253,188.24
Fire District Tax	1,211,848.43
Added Taxes (54:4-63.1 et seq.)	<u>151,147.94</u>
	<u>\$ 47,616,184.61</u>

Tax Levy:

Local District School Tax (Abstract)	\$ 13,962,459.00
Regional High School Tax (Abstract)	11,772,647.00
County Taxes:	
County Tax (Abstract)	\$ 10,464,382.72
County Library Tax (Abstract)	722,086.43
County Open Space Preservation (Abstract)	630,766.88
Due County for Added and Omitted Taxes	<u>38,718.26</u>
Total County Taxes	11,855,954.29
Fire District Taxes (Amount Certified)	1,211,848.43
Municipal Open Space Tax:	
Municipal Open Space (Abstract)	932,100.43
Municipal Open Space for Added and Omitted Tax	<u>3,052.33</u>
Total Municipal Open Space Tax	935,152.76
Local Tax for Municipal Purposes Levied (Abstract)	7,752,615.99
Add: Added and Omitted Tax	109,377.35
Add: Additional Tax Levied	<u>16,129.79</u>
Local Tax for Municipal Purposes Levied	<u>7,878,123.13</u>
	<u>\$ 47,616,184.61</u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 47,895.02
Increased by:	
Transferred from Taxes Receivable	<u>6,169.92</u>
	54,064.94
Decreased by:	
Collections	<u>35,427.16</u>
Balance December 31, 2020	<u><u>\$ 18,637.78</u></u>

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, 2020

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Net Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Amount</u> <u>Raised in the</u> <u>2020 Budget</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
01/17/17	Preparation of Master Plan	\$ 250,000.00	\$ 50,000.00	\$ 150,000.00	\$ 50,000.00	\$ 100,000.00
09/03/19	Preparation of Master Plan	300,000.00	60,000.00	<u>300,000.00</u>	<u>60,000.00</u>	<u>240,000.00</u>
				<u>\$ 450,000.00</u>	<u>\$ 110,000.00</u>	<u>\$ 340,000.00</u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Special Emergency Notes Payable
For the Year Ended December 31, 2020

<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, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2020</u>
Preparation of Master Plan	\$ 250,000.00	03/21/12	02/12/19 02/10/20	02/11/20 02/09/21	2.125% 2.000%	\$ 150,000.00	\$ 100,000.00	\$ 150,000.00	\$ 100,000.00
Preparation of Master Plan	300,000.00	10/01/19	10/01/19 02/10/20	02/11/20 02/09/21	2.050% 2.000%	300,000.00	240,000.00	300,000.00	240,000.00
						<u>\$ 450,000.00</u>	<u>\$ 340,000.00</u>	<u>\$ 450,000.00</u>	<u>\$ 340,000.00</u>
							\$ 340,000.00	\$ 340,000.00	
								110,000.00	
							<u>\$ 340,000.00</u>	<u>\$ 450,000.00</u>	

Renewed
Paid by Budget Appropriation

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Due to State of New Jersey -- Marriage License Fees
 For the Year Ended December 31, 2020

Balance December 31, 2019	\$	300.00
Increased by:		
Receipts		2,937.00
		3,237.00
Decreased by:		
Disbursements		975.00
		975.00
Balance December 31, 2020	\$	2,262.00

Exhibit SA-9

TOWNSHIP OF HARRISON
CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2020

		Balance <u>Dec. 31, 2020</u>
Tax Collector	\$	50.00
Municipal Clerk		100.00
Municipal Court		100.00
		250.00
	\$	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, 2020

Balance December 31, 2019		\$ 1,305.48
Decreased by:		
Received from State of New Jersey		65,000.00
		(63,694.52)
Increased by:		
Deductions per Tax Billing:		
Senior Citizens	\$ 6,500.00	
Veterans	58,750.00	
Deductions Allowed by Collector:		
Senior Citizens - 2020 Taxes	750.00	
Veterans - 2020 Taxes	750.00	
	\$ 66,750.00	
Less:		
Deductions Disallowed by Collector:		
Senior Citizens - 2019 Taxes		1,000.00
Total State Share Applied to Taxes Receivable		65,750.00
Balance December 31, 2020		\$ 2,055.48

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2020

	<u>Balance December 31, 2019</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		\$ 2,501.15	\$ 258.15		\$ 258.15
Other Expenses	\$ 359.90	19,723.82	19,054.72	\$ 6,127.03	12,927.69
Mayor and Committee:					
Salaries and Wages		1.72	1.72		1.72
Other Expenses		683.94	683.94	450.00	233.94
Township Clerk:					
Salaries and Wages		1,724.37	1,724.37		1,724.37
Other Expenses		5,302.01	7,545.01	5,554.77	1,990.24
Financial Administration:					
Other Expenses		43,428.58	43,428.58	43,428.58	
Automated Data Processing:					
Other Expenses		1,957.00	1,957.00	1,957.00	
Collection of Taxes:					
Salaries and Wages		803.80	803.80		803.80
Other Expenses		2,507.77	2,507.77		2,507.77
Legal Services and Costs:					
Other Expenses		40,445.98	40,445.98	16,231.54	24,214.44
Economic Development Council:					
Salaries and Wages		3,000.00	3,000.00		3,000.00
Engineering Services and Costs:					
Other Expenses		7,044.76	7,044.76	1,117.35	5,927.41
Historic Preservation Committee:					
Salaries and Wages		0.61	0.61		0.61
Other Expenses	1,762.50	3,385.00	5,147.50	1,807.50	3,340.00
Municipal Land Use Law:					
Planning Board:					
Salaries and Wages		0.83	0.83		0.83
Other Expenses	462.00	14,075.87	14,537.87	5,149.55	9,388.32
Zoning Board of Adjustment:					
Salaries and Wages		1.79	1.79		1.79
Other Expenses		1,172.20	1,172.20		1,172.20
Public Safety:					
Police:					
Salaries and Wages		93,220.00	54,220.00		54,220.00
Other Expenses	15,106.85	17,229.52	32,336.37	18,243.82	14,092.55
Emergency Management Services:					
Salaries and Wages		35.60	35.60		35.60
Other Expenses		6,755.00	6,755.00		6,755.00
Municipal Prosecutor:					
Salaries and Wages		3,886.00	3,886.00		3,886.00
Other Expenses		100.00	100.00		100.00
Public Works:					
Streets and Roads:					
Road Repair and Maintenance:					
Salaries and Wages		21,339.66	21,339.66		21,339.66
Other Expenses		18,660.76	18,660.76	10,097.02	8,563.74
Solid Waste Collection:					
Other Expenses		19,500.00	19,500.00		19,500.00
Waste Disposal		603.61	39,603.61	38,282.86	1,320.75
Public Buildings and Grounds:					
Salaries and Wages		1,281.37	1,281.37		1,281.37
Other Expenses	600.00	10,851.15	11,451.15	3,914.43	7,536.72
Vehicle Maintenance:					
Salaries and Wages		5,505.60	5,505.60		5,505.60
Other Expenses		29,306.23	29,306.23	14,579.32	14,726.91
Health and Human Services:					
Board of Health:					
Salaries and Wages		1.00	1.00		1.00
Other Expenses		50.00	50.00		50.00
Environmental Commission:					
Other Expenses		1,875.55	1,875.55	78.74	1,796.81

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2020

	<u>Balance December 31, 2019</u>		<u>Balance After</u>	<u>Paid or</u>	<u>Lapsed to</u>
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS WITHIN "CAPS" (Cont'd)					
Park and Recreation Functions:					
Parks and Playgrounds:					
Salaries and Wages		\$ 4,009.04	\$ 4,009.04		\$ 4,009.04
Other Expenses		120.47	120.47		120.47
Veterans Commission		600.00	600.00		600.00
Municipal Court:					
Salaries and Wages		14,504.32	14,504.32		14,504.32
Other Expenses	\$ 2,036.13	7,059.29	9,095.42	\$ 2,704.70	6,390.72
Public Defender:					
Other Expenses		9,600.00	9,600.00		9,600.00
JIF Administration:					
Salaries and Wages		1,001.62	1,001.62		1,001.62
Insurance					
Volunteer Insurance		500.00	500.00		500.00
General Liability		1,501.55	1,501.55		1,501.55
Workers Compensation		0.45	0.45		0.45
Employee Group Health		8,077.56	8,077.56		8,077.56
Health Benefit Retirees		9.71	9.71		9.71
Code Enforcement & Administrator:					
Construction Official:					
Salaries and Wages		19,912.32	19,912.32		19,912.32
Other Expenses	97.00	5,761.64	5,858.64	607.17	5,251.47
Unclassified - Utilities:					
Electricity		16,664.29	16,664.29	16,664.29	
Street Lighting		26,805.90	26,805.90	13,280.41	13,525.49
Telephone		3,333.09	3,333.09	2,604.40	728.69
Water		1,200.21	1,200.21	630.07	570.14
Natural Gas		4,258.15	5,023.15	5,021.67	1.48
Fuel Oil		2,728.78	2,992.78	2,991.85	0.93
Gasoline		19,938.17	19,938.17	(3,968.76)	23,906.93
Contingent		100.00	100.00		100.00
Total Operations Within "CAP"	20,424.38	525,648.81	546,073.19	207,555.31	338,517.88
Deferred Charges and Statutory Expenditures - Municipal Within "CAP"					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System		1,320.78	1,320.78		1,320.78
Social Security System (O.A.S.I.)		2,566.90	2,566.90		2,566.90
Defined Contribution Retirement Program		1,186.40	1,186.40	43.99	1,142.41
Total Deferred Charges and Statutory Expenditures	-	5,074.08	5,074.08	43.99	5,030.09
Shared Service Agreements:					
Solid Waste Collection - Logan Township		56,769.65	56,769.65	56,727.89	41.76
Total Shared Service Agreements	-	56,769.65	56,769.65	56,727.89	41.76
State and Federal Programs Offset by Revenues:					
Matching Funds for Grants		2,250.00	2,250.00		2,250.00
Total State and Federal Programs Offset by Revenues	-	2,250.00	2,250.00	-	2,250.00
	\$ 20,424.38	\$ 589,742.54	\$ 610,166.92	\$ 264,327.19	\$ 345,839.73
			Cash Disbursements	<u>\$ 264,327.19</u>	

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2020

Balance December 31, 2019	\$	1,081.61
Increased by:		
Overpayments Received by Collector		49,852.38
		50,933.99
Decreased by:		
Applied to Taxes		1,296.77
Balance December 31, 2020	\$	49,637.22

Exhibit SA-13

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2020

Balance December 31, 2019	\$	392,848.51
Increased by:		
Collections - 2021 Taxes		493,947.07
		886,795.58
Decreased by:		
Applied to 2020 Taxes Receivable		392,848.51
Balance December 31, 2020	\$	493,947.07

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Local District School Taxes Payable
For the Year Ended December 31, 2020

<hr/>		
Balance December 31, 2019		
School Tax Payable	\$ 833,443.50	
School Tax Deferred	<u>5,963,193.50</u>	
		\$ 6,796,637.00
Increased by:		
School Year Levy - July 1, 2020 - June 30, 2021		<u>13,962,459.00</u>
		20,759,096.00
Decreased by:		
Disbursements		<u>13,805,336.00</u>
Balance December 31, 2020		
School Tax Payable	727,646.50	
School Tax Deferred	<u>6,226,113.50</u>	
Total Local District School Taxes Payable		<u><u>\$ 6,953,760.00</u></u>
2020 Liability for Local District Tax		
Tax Paid		\$ 13,805,336.00
Tax Payable - December 31, 2020		<u>727,646.50</u>
		14,532,982.50
Less: Tax Payable - December 31, 2019		<u>833,443.50</u>
Amount Charged to 2020 Operations		<u><u>\$ 13,699,539.00</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Regional High School Taxes Payable
For the Year Ended December 31, 2020

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Balance December 31, 2019		
School Tax Payable	\$ 1,279,608.18	
School Tax Deferred	<u>4,507,462.86</u>	
		\$ 5,787,071.04
Increased by:		
School Year Levy - July 1, 2020 - June 30, 2021		<u>11,772,647.00</u>
		17,559,718.04
Decreased by:		
Disbursements		<u>11,673,396.00</u>
Balance December 31, 2020		
School Tax Payable	1,015,779.18	
School Tax Deferred	<u>4,870,542.86</u>	
Total Regional High School Taxes Payable		<u><u>\$ 5,886,322.04</u></u>
2020 Liability for Regional High School Tax		
Tax Paid		\$ 11,673,396.00
Tax Payable - December 31, 2020		<u>1,015,779.18</u>
		12,689,175.18
Less: Tax Payable - December 31, 2019		<u>1,279,608.18</u>
Amount Charged to 2020 Operations		<u><u>\$ 11,409,567.00</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 77,042.27
Increased by:		
2020 Tax Levy:		
General County	\$ 10,464,382.72	
County Library	722,086.43	
Open Space Preservation	630,766.88	
Added and Omitted Taxes	<u>38,718.26</u>	
		<u>11,855,954.29</u>
		11,932,996.56
Decreased by:		
Disbursements		<u>11,894,278.29</u>
Balance December 31, 2020		<u><u>\$ 38,718.27</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Municipal Open Space Taxes Payable
For the Year Ended December 31, 2020

Balance December 31, 2019		\$	222.47
Increased by:			
2020 Tax Levy:			
Open Space Preservation	\$	932,100.43	
Added and Omitted Taxes		<u>3,052.33</u>	
			<u>935,152.76</u>
			935,375.23
Decreased by:			
Disbursements			<u>932,100.43</u>
Balance December 31, 2020		\$	<u><u>3,274.80</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Fire District Taxes Payable
For the Year Ended December 31, 2020

Balance December 31, 2019	\$	0.99
Increased by:		
2020 Tax Levy		<u>1,211,848.43</u>
		1,211,849.42
Decreased by:		
Disbursements		<u>1,208,524.00</u>
Balance December 31, 2020	\$	<u><u>3,325.42</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Reserve for Preparation of Master Plan
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 276,822.37
Decreased by:	
Disbursements	<u>66,347.45</u>
Balance December 31, 2020	<u><u>\$ 210,474.92</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
Schedule of Property Acquired for Taxes - Assessed Valuation
As of December 31, 2020

Balance December 31, 2020	<u>\$ 563,500.00</u>
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TOWNSHIP OF HARRISON
FEDERAL AND STATE GRANT FUND
 Statement of Federal and State Grants Receivable
 For the Year Ended December 31, 2020

Program	Balance Dec. 31, 2019	Accrued	Received	Balance Dec. 31, 2020
State Grants:				
Body Armor Replacement Fund Program		\$ 5,317.35	\$ 2,346.56	\$ 2,970.79
Municipal Alliance on Alcoholism and Drug Abuse	\$ 141,279.00	8,000.00	416.77	148,862.23
Recycling Tonnage Grant		13,371.81	13,371.81	
Clean Communities Program		25,327.81	25,327.81	
Total State Grants	\$ 141,279.00	\$ 52,016.97	\$ 41,462.95	\$ 151,833.02
Anticipated in Budget		\$ 25,383.67		
Cash Received in Federal and State Grant Fund			\$ 41,462.95	
Unappropriated Grants		26,633.30		
		\$ 52,016.97	\$ 41,462.95	

TOWNSHIP OF HARRISON
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Appropriated
For the Year Ended December 31, 2020

<u>Program</u>	<u>Balance Dec. 31, 2019</u>	<u>2020 Budget Appropriations</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2020</u>
Federal Grants:				
Bulletproof Vest Partnership Grant		\$ 1,664.80		\$ 1,664.80
N.J. Transportation Trust Fund Authority Act - Colson Lane/Union Road	\$ 4,990.24			4,990.24
Total Federal Grants	4,990.24	1,664.80	-	6,655.04
State Grants:				
Body Armor Replacement Fund Program	0.40	5,317.35	\$ 4,733.70	584.05
Recycling Tonnage Grant	100,389.77	13,371.81	25,147.96	88,613.62
Drug Abuse Resistance Education	1,845.38			1,845.38
Drunk Driving Enforcement Fund	2,957.64	10,696.54	3,770.48	9,883.70
Clean Communities Program	105,217.97	28,091.76	1,359.10	131,950.63
Neighborhood Preservation Balanced Housing Program	121.72			121.72
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund	19,549.10	1,848.62		21,397.72
Municipal Alliance to Prevent Alcoholism and Drug Abuse	129,292.75	8,000.00		137,292.75
Total State Grants	359,374.73	67,326.08	35,011.24	391,689.57
Total All Grants	\$ 364,364.97	\$ 68,990.88	\$ 35,011.24	\$ 398,344.61
Cash Disbursements by Federal and State Grant Fund			\$ 32,779.51	
Reserve for Encumbrances			6,426.24	
Liquidation of Prior Year Encumbrances			(3,159.11)	
Reimbursements			(1,035.40)	
			<u>\$ 35,011.24</u>	

TOWNSHIP OF HARRISON
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Unappropriated
For the Year Ended December 31, 2020

	Balance Dec. 31, 2019	Federal and State Grants Receivable	Realized as Miscellaneous Revenue in 2020 Budget	Balance Dec. 31, 2020
Federal Grants:				
Bulletproof Vest Partnership Grant	\$ 2,970.29		\$ 1,664.80	\$ 1,305.49
State Grants:				
Recycling Tonnage Grant		\$ 13,371.81	13,371.81	
Alcohol Education, Rehab and Enforcement Fund	1,848.62		1,848.62	
Drunk Driving Enforcement	10,696.54		10,696.54	
Municipal Alliance on Alcoholism and Drug Abuse		8,000.00	8,000.00	
Body Armor Replacement Fund		5,317.35	5,317.35	
Clean Communities Program	28,091.76	25,327.81	28,091.76	25,327.81
Total State Grants	40,636.92	52,016.97	67,326.08	25,327.81
Total All Grants	\$ 43,607.21	\$ 52,016.97	\$ 68,990.88	\$ 26,633.30

TOWNSHIP OF HARRISON
FEDERAL AND STATE GRANT FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2020

Decreased by:

Grant Funds Anticipated in Current Fund	<u>\$ 68,990.88</u>
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Increased by:

Grant Funds Appropriated in Current Fund	<u><u>\$ 68,990.88</u></u>
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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, 2020

	<u>Animal Control Fund</u>	<u>Trust Other Fund</u>	<u>Municipal Open Space</u>
Balance December 31, 2019	\$ 30,459.53	\$ 3,575,138.74	\$ 1,913,485.54
Increased by Receipts:			
Animal Control License Fees	\$ 7,129.00		
State Registration Fees Collected	1,360.80		
Due Current Fund - Interest Earned on Deposits	53.73	\$ 1,359.57	
Due Current Fund - Cat License Fees	652.00		
Municipal Open Space Tax Levy			\$ 932,100.43
Interest Earned on Deposits		7,421.76	2,368.59
Trust Fund Reserve Deposits	34.85	6,112,498.40	
	<u>9,230.38</u>	<u>6,121,279.73</u>	<u>934,469.02</u>
Total Receipts	39,689.91	9,696,418.47	2,847,954.56
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	5,960.80		
State of New Jersey	927.00		
Due Current Fund	1,384.00		912.61
Trust Fund Reserve Expenditures		6,181,756.92	850,190.51
	<u>8,271.80</u>	<u>6,181,756.92</u>	<u>851,103.12</u>
Total Disbursements	8,271.80	6,181,756.92	851,103.12
Balance December 31, 2020	<u>\$ 31,418.11</u>	<u>\$ 3,514,661.55</u>	<u>\$ 1,996,851.44</u>

TOWNSHIP OF HARRISON
TRUST FUND - ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Expenditures
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 28,437.13
Increased by:		
License Fees Collected	\$ 7,129.00	
Miscellaneous	34.85	
	7,163.85	35,600.98
Decreased by:		
Expenditures Under R.S. 4:19-15.11		5,960.80
Balance December 31, 2020		\$ 29,640.18

<u>License Fees Collected</u>	
Year	Amount
2018	\$ 19,510.50
2019	13,294.00
	\$ 32,804.50

TOWNSHIP OF HARRISON
TRUST FUND - ANIMAL CONTROL FUND
Statement of Due Current Fund
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 1,384.00
Increased by:		
Interest Earned on Deposits	\$ 53.73	
Cat License Fees	<u>652.00</u>	
		<u>705.73</u>
		2,089.73
Decreased by:		
Disbursed to Current Fund:		
Interfund Loans Returned		<u>1,384.00</u>
Balance December 31, 2020		<u><u>\$ 705.73</u></u>

Exhibit SB-4

TOWNSHIP OF HARRISON
TRUST FUND - ANIMAL CONTROL FUND
Statement of Due to State of New Jersey
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 638.40
Increased by:		
State Registration Fees		<u>1,360.80</u>
Decreased by:		
Disbursements to State of New Jersey		<u>927.00</u>
Balance December 31, 2020		<u><u>\$ 1,072.20</u></u>

TOWNSHIP OF HARRISON
TRUST OTHER FUND
Statement of Due To / From Current Fund
For the Year Ended December 31, 2020

<u>Trust Other Fund</u>	<u>Balance Due (to) / from December 31, 2019</u>	<u>Decreased by Interest Earnings</u>	<u>Balance Due (to) / from December 31, 2020</u>
Developers Escrow		\$ 802.00	\$ (802.00)
Mill Valley Escrow	\$ (670.96)	41.55	(712.51)
Outside Police Employment	(3.59)	63.37	(66.96)
Net Payroll	5,938.77	149.37	5,789.40
Tax Title Lien Premium	(303.49)	272.67	(576.16)
Tax Title Lien Redemption	(10.67)	30.61	(41.28)
Total	<u>\$ 4,950.06</u>	<u>\$ 1,359.57</u>	<u>\$ 3,590.49</u>

TOWNSHIP OF HARRISON
TRUST OTHER FUND
Statement of Reserves and Special Deposits
For the Year Ended December 31, 2020

	Balance December 31, 2019	Increased by		Decreased by	Balance December 31, 2020
		Interest Earnings	Receipts	Disbursements	
Cash Bond	\$ 957,669.97	\$ 1,446.30	\$ 7,357.50	\$ 50,461.99	\$ 916,011.78
Compensation Tree Planting Donations	27,069.84	53.05			27,122.89
Accumulated Absences	93,689.43	198.79	10,000.00	81,352.02	22,536.20
Developer's Escrow Fund	300,055.23		374,592.95	369,197.97	305,450.21
Economic Development and Improvement	83,488.70	187.31			83,676.01
Disposal of Forfieted Property	7,703.63	12.25			7,715.88
Developers Fees - Housing Trust Funds (COAH)	75,474.59	330.04			75,804.63
Housing Savings Trust	823,076.41	3,743.67	144,799.48	63,454.35	908,165.21
Affordable Housing	6,874.70	7.86			6,882.56
Mill Valley Escrow	17,857.10				17,857.10
Outside Employment of Off-Duty Municipal Police Officer	59,831.15		132,516.40	167,457.97	24,889.58
Parade	11,401.64	22.34			11,423.98
Payroll	23,715.62		5,062,551.33	5,078,158.45	8,108.50
Parking Offenses Adjudication Act	228.44	0.22		179.88	48.78
Tax Title Lien Premium	238,200.00		68,100.00	48,400.00	257,900.00
Tax Title Lien Redemption	11,487.53		209,245.78	208,184.97	12,548.34
Municipal Public Defender	5,066.72	7.94	1,575.00	5,000.00	1,649.66
Board of Recreation Commission	102,721.16	145.43	60,987.83	67,814.06	96,040.36
Recreation Trust	527,356.17	851.86			528,208.03
Adult Community Center	63,281.99	141.97			63,423.96
Recreation Trust - Senior	18,083.78	23.23	20,710.00	27,670.00	11,147.01
Storm Recovery	49,154.10	86.57	7,994.15	13,801.09	43,433.73
Unemployment Compensation	72,385.16	153.47	12,067.98	624.17	83,982.44
Walnut Glen Escrow	4,215.74	9.46			4,225.20
TOTAL	\$ 3,580,088.80	\$ 7,421.76	\$ 6,112,498.40	\$ 6,181,756.92	\$ 3,518,252.04

TOWNSHIP OF HARRISON
TRUST FUND - MUNICIPAL OPEN SPACE
Statement of Reserve for Future Use
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 1,912,795.40
Increased by:		
2020 Levy	\$ 932,100.43	
2020 Added & Omitted Taxes	3,052.33	
Interest Earned on Deposits	2,368.59	
		937,521.35
		2,850,316.75
Decreased by:		
Expended		850,190.51
Balance December 31, 2020		\$ 2,000,126.24
 <u>Analysis of Balance:</u>		
Cash		\$ 1,996,851.44
Due Current Fund		3,274.80
Reserve for Future Use		\$ 2,000,126.24

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, 2020

Balance December 31, 2019		\$ 5,427,689.18
Increased by Receipts:		
Budget Appropriations:		
Capital Improvement Fund	\$ 14,675.00	
Improvement Authorization Reimbursements	35,976.10	
Due from Current Fund	323,895.65	
Due Current Fund - Interest Earned on Deposits	1,439.33	
Grant Receivable	50,412.11	
		426,398.19
		5,854,087.37
Decreased by Disbursements:		
Improvement Authorizations	327,976.79	
Disbursed to Current Fund:		
Surplus Anticipated as Revenue in Current Fund	149,000.00	
Due Sewer Capital Fund	447,500.00	
		924,476.79
Balance December 31, 2020		\$ 4,929,610.58

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
 Analysis of General Capital Cash and Investments
 For the Year Ended December 31, 2020

	Receipts			Disbursements		Transfers		Balance Dec. 31, 2020	
	Balance Dec. 31, 2019	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
General Capital Fund Balance	\$ 149,192.39				\$ 149,000.00			\$ 192.39	
Capital Improvement Fund	2,230.00	\$ 14,675.00				\$ 16,905.00			
Due to Current Fund	(323,895.65)		\$ 325,334.98					1,439.33	
Due Sewer Capital Fund - Bond Anticipation Notes	447,500.00				447,500.00				
Grants Receivable	(427,579.90)		50,412.11			280,000.00		(657,167.79)	
Reserve for Preliminary Costs	3,391.86							3,391.86	
Reserve for Payment of Debt	2.19							2.19	
Reserve for Encumbrances	287,974.84					287,974.84	\$ 546,810.59	546,810.59	
Improvement Authorizations:									
<u>Ordinance</u>									
<u>Number</u>									
25-2001	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	27.72						27.72	
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	16,427.82		\$ 5,740.00		65,767.00	65,767.00	10,687.82	
17-2003	Completion of Phase II Construction for the Public Works Complex	51,974.88						51,974.88	
14-2004	Acquisition and Development of Real Property	35,971.87						35,971.87	
31-2005	Completion of Phase II Construction for the Public Works Complex and Shared Services Facility as Amended	68,472.70						68,472.70	
32-2005	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	42,511.13						42,511.13	
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	201.30				2,794.00	2,794.00	201.30	
26-2007	Acquisition of Various Pieces of Equipment and the Completion of Various Capital Improvements	5,914.75		1,831.00				4,083.75	
01-2009	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	1,508.48						1,508.48	
36-2011	Completion of Various Improvements to Recreational Facilities in and for the Township	532,486.12		106,746.05		30,765.21	30,765.21	425,740.07	
40-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	12,807.17				58,252.58	61,780.58	3,528.00	
31-2012	Acquisition of Various Pieces of Equipment	223,121.82		39,266.95		4,298.10	4,298.10	12,807.17	
26-2013	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	223,121.82				27,330.96	27,330.96	183,854.87	
28-2013;	Reconstruction of								
05-2014	Heilig Road	8,646.49						8,646.49	
21-2014	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	732,498.73		7,993.87		22,724.10	21,843.68	723,624.44	
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	121,976.01						121,976.01	
09-2015	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	259,838.10		1,495.72		40,389.00	389.00	218,342.38	
09-2016	Completion of the Brookside Farms Site Improvements	19,416.12						19,416.12	
10-2016	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	2,351,204.68	35,976.10	57,449.83		1,169.78	14,973.78	2,343,534.95	
15-2017	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	3,800.00		1,969.99				1,830.01	
28-2017	Reconstruction of Heilig Road Phase 3					10,985.16	10,985.16		
10-2018	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	66,751.22		11,153.18			4,153.18	59,751.22	
12-2018	Reconstruction of Jackson Road	7,686.22		7,357.53			27,285.43	27,614.12	
12-2019	Reconstruction of Jackson Road - Phase 2	270,000.00		6,972.12		235,500.00		27,527.88	
13-2019	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	355,050.14		37,658.90			15,608.76	333,000.00	
13-2020	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements			41,002.90		46,834.70	16,905.00	(70,932.60)	
15-2020	Reconstruction of Colson Lane and Walters Road			1,338.75			280,000.00	278,661.25	
		<u>\$ 5,427,689.18</u>	<u>\$ 14,675.00</u>	<u>\$ 411,723.19</u>	<u>\$ 327,976.79</u>	<u>\$ 596,500.00</u>	<u>\$ 1,131,690.43</u>	<u>\$ 1,131,690.43</u>	<u>\$ 4,929,610.58</u>

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 33,490,000.00
Increased by:		
Issuance of General Obligation Bonds, Series 2020		11,565,000.00
		45,055,000.00
Decreased by:		
Budget Appropriation:		
Payment of Bonds Payable	\$ 2,473,000.00	
Refunded Bonds	12,996,000.00	
		15,469,000.00
Balance December 31, 2020		\$ 29,586,000.00

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation--Unfunded
 For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Funded by Appropriation	Balance Dec. 31, 2020	Analysis of Balance December 31, 2020		Unexpended Improvement Authorization
						Financed by Bond Anticipation Notes	Expenditures	
15-2017	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	\$ 643,720.00		\$ 49,300.00	\$ 594,420.00	\$ 594,300.00		\$ 120.00
10-2018	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	411,540.00			411,540.00	411,540.00		
13-2019	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	624,330.00			624,330.00	624,330.00		
13-2020	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements		\$ 321,195.00		321,195.00		\$ 70,932.60	250,262.40
		<u>\$ 1,679,590.00</u>	<u>\$ 321,195.00</u>	<u>\$ 49,300.00</u>	<u>\$ 1,951,485.00</u>	<u>\$ 1,630,170.00</u>	<u>70,932.60</u>	<u>\$ 250,382.40</u>
Improvement Authorizations - Unfunded								\$ 648,491.63
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:								
						\$ 1,830.01		
						59,751.22		
						<u>333,000.00</u>		
								<u>398,109.23</u>
								<u>\$ 250,382.40</u>

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2020

Balance December 31, 2019	\$	2,230.00
Increased by:		
2020 Budget Appropriation		14,675.00
		16,905.00
Decreased by:		
Appropriation to Finance Improvement Authorizations	\$	16,905.00

Exhibit SC-6

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Grant-In-Aid Receivable
For the Year Ended December 31, 2020

Balance December 31, 2019	\$	427,579.90
Increased by:		
Grant Award - Ordinance 15-2020		280,000.00
		707,579.90
Decreased by:		
Receipts		50,412.11
Balance December 31, 2020	\$	657,167.79
Analysis of Balance December 31, 2020:		
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 3 (Ord 2017-28)		16,405.69
NJDOT - Reconstruction of Jackson Road Phase 1 (Ord 2018-12)		39,429.20
NJDOT - Resonstruction of Jackson Road Phase 2 (Ord 2019-12)		270,000.00
NJDOT - Reconstruction of Colson Lane & Walters Road (15-2020)		280,000.00
	\$	657,167.79

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2019		2020 Authorizations	Transfer from Reserve for Encumbrances	Paid or Charged	Balance December 31, 2020	
		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	\$ 27.72					\$ 27.72	
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	16,427.82			\$ 65,767.00	\$ 71,507.00	10,687.82	
17-2003	Completion of Phase II Construction for the Public Works Complex	04/21/03	1,100,000.00	51,974.88					51,974.88	
14-2004	Acquisition and Development of Real Property	04/05/04	725,000.00	35,971.87					35,971.87	
31-2005	Completion of Phase II Construction for the Public Works Complex and Shared Services Facility, As Amended	07/05/05	700,000.00	68,472.70					68,472.70	
32-2005	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	07/05/05	2,016,928.00	42,511.13					42,511.13	
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	201.30			2,794.00	2,794.00	201.30	
26-2007	Acquisition of Various Pieces of Equipment and the Completion of Various Capital Improvements	06/18/07	3,687,502.00	5,914.75				1,831.00	4,083.75	
01-2009	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	02/17/09	377,000.00	1,508.48					1,508.48	
36-2011	Completion of Various Improvements to Recreational Facilities in and for the Township	07/18/11	1,908,741.01	532,486.12			30,765.21	137,511.26	425,740.07	
40-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	10/22/11	2,091,770.00				61,780.58	58,252.58		\$ 3,528.00
31-2012	Acquisition of Various Pieces of Equipment	07/02/12	585,488.00	12,807.17			4,298.10	4,298.10	12,807.17	
26-2013	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	07/15/13	2,979,117.00	223,121.82			27,330.96	66,597.91	183,854.87	
05-2014	Reconstruction of Heilig Road	02/19/14	175,000.00	8,646.49					8,646.49	
21-2014	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	08/04/14	7,550,000.00	732,498.73			21,843.68	30,717.97	723,624.44	
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	121,976.01					121,976.01	
09-2015	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	06/01/15	785,000.00	259,838.10			389.00	41,884.72	218,342.38	
09-2016	Completion of the Brookside Farms (Phases I and III) Site Improvements	05/02/16	50,000.00	19,416.12					19,416.12	
10-2016	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	05/02/16	4,942,200.00	2,351,204.68			14,973.78	22,643.51	2,343,534.95	
15-2017	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	05/01/17	677,600.00		\$ 3,920.00			1,969.99		1,950.01
28-2017	Reconstruction of Heilig Road Phase 3	09/18/17	175,000.00				10,985.16	10,985.16		
10-2018	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	05/07/18	463,200.00		66,751.22		4,153.18	11,153.18		59,751.22
12-2018	Reconstruction of Jackson Road	05/07/18	275,000.00	7,686.22			27,285.43	7,357.53	27,614.12	
12-2019	Reconstruction of Jackson Road - Phase 2	05/20/19	270,000.00	270,000.00				242,472.12	27,527.88	
13-2019	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	05/06/19	657,190.00		355,050.14		15,608.76	37,658.90		333,000.00
13-2020	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	06/01/20	338,100.00			\$ 338,100.00		87,837.60		250,262.40
15-2020	Reconstruction of Colson Lane and Walters Road	06/01/20	280,000.00			280,000.00		1,338.75	278,661.25	
			\$ 4,863,272.09	\$ 425,721.36	\$ 618,100.00	\$ 287,974.84	\$ 838,811.28	\$ 4,707,765.38	\$ 648,491.63	
			Capital Improvement Fund			\$ 16,905.00				
			Deferred Charges to Future Taxation-Unfunded			321,195.00				
			Grant Receivable			280,000.00				
			Cash Disbursements					\$ 327,976.79		
			Encumbrances Payable					546,810.59		
			Reimbursements					(35,976.10)		
						\$ 618,100.00		\$ 838,811.28		

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes Payable
For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Original Issue	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020	
15-2017	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	\$ 643,720.00	06/01/17	05/28/19 05/26/20	05/27/20 05/25/21	2.75% 0.98%	\$ 643,600.00	\$ 594,300.00	\$ 643,600.00	\$ 594,300.00	
10-2018	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	411,540.00	05/30/18	05/28/19 05/26/20	05/27/20 05/25/21	2.75% 0.98%	411,540.00	411,540.00	411,540.00	411,540.00	
13-2019	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	624,330.00	05/28/19	05/28/19 05/26/20	05/27/20 05/25/21	2.75% 0.98%	624,330.00	624,330.00	624,330.00	624,330.00	
							<u>\$ 1,679,470.00</u>	<u>\$ 1,630,170.00</u>	<u>\$ 1,679,470.00</u>	<u>\$ 1,630,170.00</u>	
Renewed in Current Fund Paid by Budget Appropriation								\$ 1,630,170.00	\$ 1,630,170.00	49,300.00	
								<u>\$ 1,630,170.00</u>	<u>\$ 1,679,470.00</u>		

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
 Statement of General Obligation Bonds
 For the Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2019	Issued	Refunded	Paid by Budget Appropriation	Balance Dec. 31, 2020			
			Outstanding Dec. 31, 2020 Date	Amount									
General Obligation Bonds, Series 2010	08/18/10	\$ 20,111,000.00	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%			\$ 14,271,000.00	\$12,996,000.00	\$ 1,275,000.00			
			General Obligation Refunding Bonds, Series 2014	08/05/14	4,810,000.00	08/1/21-23	555,000.00	4.000%					
						08/01/24	560,000.00	4.000%					
08/01/25	555,000.00	4.000%				3,335,000.00			555,000.00	\$ 2,780,000.00			
General Obligation Bonds, Series 2017	05/18/17	7,172,000.00	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%			6,712,000.00		288,000.00	6,424,000.00		
			General Obligation Bonds, Series 2019	05/28/19	9,172,000.00	05/15/21	492,000.00	2.000%					
						05/15/22	505,000.00	2.000%					
05/15/23	515,000.00	2.000%											
05/15/24	525,000.00	2.000%											
05/15/25	535,000.00	2.000%											
05/15/26	545,000.00	2.000%											
05/15/27	560,000.00	2.000%											
05/15/28	580,000.00	2.000%											
05/15/29	595,000.00	2.250%											
05/15/30	615,000.00	2.500%											
05/15/31	630,000.00	2.500%											
05/15/32	650,000.00	2.750%											
05/15/33	670,000.00	2.750%											
05/15/34	690,000.00	3.000%											
05/15/35	710,000.00	3.000%						9,172,000.00		355,000.00	8,817,000.00		
General Obligation Refunding Bonds, Series 2020	08/04/20	11,565,000.00	08/01/21	1,155,000.00	3.000%								
			08/01/22	1,220,000.00	4.000%								
			08/01/23	1,300,000.00	4.000%								
			08/01/24	1,335,000.00	4.000%								
			08/01/25	515,000.00	4.000%								
			08/01/26	540,000.00	4.000%								
			08/01/27	565,000.00	5.000%								
			08/01/28	575,000.00	5.000%								
			08/01/29	605,000.00	5.000%								
			08/01/30	635,000.00	5.000%								
			08/01/31	645,000.00	3.000%								
			08/01/32	635,000.00	3.000%								
			08/01/33	625,000.00	3.000%								
			08/01/34	615,000.00	** %								
			08/01/35	600,000.00	2.000%				\$ 11,565,000.00		11,565,000.00		
									\$ 33,490,000.00	\$ 11,565,000.00	\$12,996,000.00	\$ 2,473,000.00	\$ 29,586,000.00
Paid by Current Fund Budget Appropriation									\$ 1,998,000.00				
Paid by Municipal Open Space Trust Fund									475,000.00				
									<u>\$ 2,473,000.00</u>				

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Due from/to Current Fund
For the Year Ended December 31, 2020

Balance December 31, 2019 (Due from)	\$ 323,895.65
Increased by:	
Interest Earned on Deposits	<u>1,439.33</u>
	325,334.98
Decreased by:	
Interfund Loans Received	<u>323,895.65</u>
Balance December 31, 2020 (Due to)	<u><u>\$ 1,439.33</u></u>

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2020

<u>Ordinance</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2019</u>	<u>2020 Authorizations</u>	<u>Balance Dec. 31, 2020</u>
15-2017	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	\$ 120.00		\$ 120.00
13-2020	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements		\$ 321,195.00	321,195.00
		<u>\$ 120.00</u>	<u>\$ 321,195.00</u>	<u>\$ 321,315.00</u>

SUPPLEMENTAL EXHIBITS
SEWER UTILITY OPERATING FUND

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Sewer Utility Cash
For The Year Ended December 31, 2020

	<u>Operating</u>	<u>Sewer Collector</u>
Balance December 31, 2019	\$ 1,081,679.28	\$ 223,228.36
Increased by Receipts:		
Consumer Accounts Receivable		\$ 1,908,316.31
Prepaid Rents		57,917.83
Overpayments		1,065.74
Penalties and Interest on Rents		20,084.08
Miscellaneous Revenue:		
Connection Fees		11,230.20
Miscellaneous		638.54
Interest Earned on Deposits	\$ 987.98	369.28
Sewer Clerk	2,055,094.09	
Due Sewer Utility Capital Fund	12,126.65	
	<u>2,068,208.72</u>	<u>1,999,621.98</u>
	3,149,888.00	2,222,850.34
Decreased by Disbursements:		
Disbursed to Sewer Utility Operating Fund		2,055,094.09
Budget Appropriations	1,993,812.44	
Appropriation Reserves	76,216.65	
Accrued Interest on Bonds and Notes	399,182.78	
	<u>2,469,211.87</u>	<u>2,055,094.09</u>
Balance December 31, 2020	<u>\$ 680,676.13</u>	<u>\$ 167,756.25</u>

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For The Year Ended December 31, 2020

Balance December 31, 2019		\$ 204,158.79
Increased by:		
Sewer Rents Levied - Net of Adjustments		1,985,708.56
		2,189,867.35
Decreased by:		
Collections	\$ 1,908,316.31	
Transferred from Sewer Prepaid Rents	84,280.87	
		1,992,597.18
Balance December 31, 2020		\$ 197,270.17

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of 2019 Appropriation Reserves
For The Year Ended December 31, 2020

	<u>Balance December 31, 2019</u>			Lapsed to
	<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	\$ 58,510.99			\$ 58,510.99
Other Expenses	150,581.73		\$ 76,216.65	74,365.08
Capital Outlay	50,000.00			50,000.00
Statutory Expenditures:				
Social Security System (O.A.S.I)	1,125.30			1,125.30
Unemployment Compensation Insurance	200.00			200.00
	<u>\$ 260,418.02</u>	<u>-</u>	<u>\$ 76,216.65</u>	<u>\$ 184,201.37</u>
Cash Disbursements			<u>\$ 76,216.65</u>	

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, 2020

Balance December 31, 2019		\$ 234,111.00
Increased by:		
Budget Appropriation for:		
Interest on Bonds	\$ 317,099.03	
Interest on Notes	<u>22,412.75</u>	
		<u>339,511.78</u>
		573,622.78
Decreased by:		
Cash Disbursements		<u>399,182.78</u>
Balance December 31, 2020		<u><u>\$ 174,440.00</u></u>

Analysis of Accrued Interest - December 31, 2020

<u>Issue</u>	<u>Principal Outstanding Dec. 31, 2020</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Sewer Serial Bonds	\$ 3,915,000.00	Various	08/01/20	12/31/20	153 Days	\$ 59,173.00
Sewer Serial Bonds	480,000.00	Various	08/01/20	12/31/20	153 Days	8,027.00
Sewer Serial Bonds	3,420,000.00	Various	06/01/20	12/31/20	214 Days	59,326.00
Sewer Serial Bonds	2,025,000.00	Various	05/29/20	12/31/20	217 Days	28,341.00
Sewer Serial Loans	320,000.00	Various	08/01/20	12/31/20	153 Days	6,517.00
Sewer Serial Loans	275,000.00	Various	08/01/20	12/31/20	153 Days	5,367.00
Sewer Bond Anticipation Notes	1,301,600.00	0.98%	05/26/20	12/31/20	220 Days	<u>7,689.00</u>
						<u><u>\$ 174,440.00</u></u>

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
 Statement of Utility Overpayments
 For The Year Ended December 31, 2020

Balance December 31, 2019	\$	2,080.89
Increased by:		
Overpayments Received by Collector		1,065.74
Balance December 31, 2020	\$	3,146.63

Exhibit SD-6

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
 Statement of Sewer Prepaid Rents
 For The Year Ended December 31, 2020

Balance December 31, 2019	\$	84,280.87
Increased by:		
Receipts		57,917.83
		142,198.70
Decreased by:		
Transferred to Consumer Accounts Receivable		84,280.87
Balance December 31, 2020	\$	57,917.83

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, 2020

Balance December 31, 2019		\$ 1,313,592.75
Increased by Receipts:		
Bond Anticipation Notes	\$ 1,301,600.00	
Due General Capital Fund	447,500.00	
Due Sewer Utility Operating Fund - Interest Earned on Deposits	<u>1,952.25</u>	
		<u>1,751,052.25</u>
		3,064,645.00
Decreased by Disbursements:		
Improvement Authorizations	122,178.36	
Bond Anticipation Notes	1,301,600.00	
Due Sewer Utility Operating Fund	<u>12,126.65</u>	
		<u>1,435,905.01</u>
Balance December 31, 2020		<u><u>\$ 1,628,739.99</u></u>

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Utility Capital Cash and Investments
 For the Year Ended December 31, 2020

	Balance/ (Deficit) Dec. 31, 2019	Receipts		Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2020	
		Bond Anticipaton Notes	Miscellaneous	Improvement Authorizations	Bond Anticipaton Notes	Miscellaneous	From	To		
Capital Improvement Fund	\$ 67,016.00							\$ 2,500.00	\$ 69,516.00	
Due Sewer Utility Fund	12,126.65		\$ 1,952.25			\$ 12,126.7	\$ 2,500.00	155,792.85	155,245.10	
Due General Capital Fund	(447,500.00)		447,500.00							
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	155,792.85						155,792.85			
Reserve for Encumbrances	75,442.97						75,442.97	57,628.00	57,628.00	
Excess Note Cash	45,814.70								45,814.70	
Fund Balance	266,717.97								266,717.97	
Improvement Authorizations:										
Ordinance Number										
2007-27	Acquisition of Various Pieces of Sewer Equipment and Construction of Various Sewer Improvements	5,991.87							5,991.87	
2014-22	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer	1,431.25							1,431.25	
2015-10	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	1,311.99							1,311.99	
2016-11	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	1,032.97		\$ 2,953.31				10,695.00	8,774.66	
2017-16	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	289,910.82	\$ 421,100.00	14,417.30	\$ 421,100.00			1,869.97	277,363.49	
2018-11	Completion of Various Capital Improvements and the Acquisition of Capital Equipment for the Sewer Utility	385,338.24	447,500.00	22,977.76	447,500.00		1,165.00	16,103.00	377,298.48	
2019-14	Completion of Various Capital Improvements and the Acquisition of Capital Equipment for the Sewer Utility	333,908.22	433,000.00	53,998.27	433,000.00			46,775.00	326,684.95	
2020-14	Completion of Various Capital Improvements and the Acquisition of Capital Equipment for the Sewer Utility			27,831.72			56,463.00		(84,294.72)	
		<u>\$ 1,313,592.75</u>	<u>\$ 1,301,600.00</u>	<u>\$ 449,452.25</u>	<u>\$ 122,178.36</u>	<u>\$ 1,301,600.00</u>	<u>\$ 12,126.65</u>	<u>\$ 291,363.82</u>	<u>\$ 291,363.82</u>	<u>\$ 1,628,739.99</u>

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Due To Sewer Utility Operating Fund
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 12,126.65
Increased by:		
Interest Earned on Deposits	\$ 1,952.25	
Anticipated as Revenue in Sewer Utility Operating Fund:		
Reserve for Payment of Debt	155,792.85	
		157,745.10
		169,871.75
Decreased by:		
Interfund Loans Returned	12,126.65	
2020 Budget Appropriation --		
Capital Improvement Fund	2,500.00	
		14,626.65
Balance December 31, 2020		\$ 155,245.10

Exhibit SE-4

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 67,016.00
Increased by:		
2020 Budget Appropriation		2,500.00
Balance December 31, 2020		\$ 69,516.00

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
 Schedule of Fixed Capital
 As of December 31, 2020 and 2019

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2020 and 2019</u>
Sanitation Sewer	\$ 6,036,054.83
Sanitation Sewer Station Extension	198,216.96
General Equipment	578,584.74
Sludge Press	1,990,890.61
Preliminary Design Plant	300,000.00
Infiltration and Inflow Study	92,520.00
Sewer Improvements	1,659,280.85
Pump Stations	2,887,648.24
	\$ 13,743,196.23
	\$ 13,743,196.23

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2019</u>	<u>2020 Authorizations</u>	<u>Balance Dec. 31, 2020</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
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
2018-11	Completion of Various Capital Improvements and the Acquisition of Capital Equipment for the Sewer Utility	05/07/18	447,500.00	447,500.00		447,500.00
2019-14	Completion of Various Capital Improvements and the Acquisition of Capital Equipment for the Sewer Utility	05/06/19	433,000.00	433,000.00		433,000.00
2020-14	Completion of Various Capital Improvements and the Acquisition of Capital Equipment for the Sewer Utility	06/01/20	2,858,000.00		\$ 2,858,000.00	2,858,000.00
				<u>\$ 9,303,150.50</u>	<u>\$ 2,858,000.00</u>	<u>\$ 12,161,150.50</u>

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Date	Ordinance		Balance December 31, 2019		2020 Authorizations	Transfer from Reserve for Encumbrances	Paid or Charged	Balance December 31, 2020		
			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	\$	5,991.87					\$	5,991.87	
2014-22	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	08/04/14	2,050,000.00		1,431.25	\$ 21,190.00					1,431.25 \$ 21,190.00	
2015-10	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	06/01/15	802,000.00		1,311.99						1,311.99	
2016-11	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	05/02/16	1,328,400.00		1,032.97			\$ 10,695.00	\$ 2,953.31		8,774.66	
2017-16	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	05/01/17	440,000.00			289,910.82		1,869.97	14,417.30		277,363.49	
2018-11	Completion of Various Capital Improvements and the Acquisition of Capital Equipment for the Sewer Utility	05/07/18	447,500.00			385,338.24		16,103.00	24,142.76		377,298.48	
2019-14	Completion of Various Capital Improvements and the Acquisition of Capital Equipment for the Sewer Utility	05/06/19	433,000.00			333,908.22		46,775.00	53,998.27		326,684.95	
2020-14	Completion of Various Capital Improvements and the Acquisition of Capital Equipment for the Sewer Utility	06/01/20	2,858,000.00				\$ 2,858,000.00		84,294.72		2,773,705.28	
			\$ 9,768.08	\$	1,030,347.28	\$ 2,858,000.00	\$	75,442.97	\$ 179,806.36	\$	17,509.77 \$ 3,776,242.20	
			Cash Disbursed						\$ 122,178.36			
			Encumbrances Payable						57,628.00			
									\$ 179,806.36			

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Sewer Serial Bonds
For the Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2019	Issued	Refunded	Paid by Budget Appropriation	Balance Dec. 31, 2020
			Date	Amount						
General Obligation Bonds, Series 2010	08/18/10	\$ 5,014,000.00				\$ 4,584,000.00		\$ 4,489,000.00	\$ 95,000.00	
General Obligation Refunding Bonds, Series 2014	08/05/14	810,000.00	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%	565,000.00		85,000.00	\$ 480,000.00	
General Obligation Bonds, Series 2017	05/18/17	3,811,000.00	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%			3,555,000.00		135,000.00	3,420,000.00		
General Obligation Bonds, Series 2019	05/28/19	2,111,000.00	5/15/21-22	115,000.00	2.000%					
			5/15/23-25	120,000.00	2.000%					
			5/15/26	125,000.00	2.000%					
			5/15/27-28	130,000.00	2.000%					
			5/15/29	135,000.00	2.250%					
			5/15/30	140,000.00	2.500%					
			5/15/31	145,000.00	2.500%					
			5/15/32	150,000.00	2.750%					
			5/15/33	155,000.00	2.750%					
			5/15/34	160,000.00	3.000%					
			5/15/35	165,000.00	3.000%			2,111,000.00		86,000.00
General Obligation Bonds, Series 2020	08/04/20	3,915,000.00	08/01/21	70,000.00	3.000%					
			08/01/22	80,000.00	4.000%					
			08/01/23	155,000.00	4.000%					
			08/01/24	225,000.00	4.000%					
			08/01/25	240,000.00	4.000%					
			08/01/26	250,000.00	4.000%					
			08/01/27	265,000.00	5.000%					
			08/01/28	280,000.00	5.000%					
			08/01/29	295,000.00	5.000%					
			08/01/30	310,000.00	5.000%					
			08/01/31	330,000.00	3.000%					
			08/01/32	340,000.00	3.000%					
			08/01/33	350,000.00	3.000%					
			08/01/34	360,000.00	2.000%					
08/01/35	365,000.00	2.000%								
						\$ 3,915,000.00			3,915,000.00	
						<u>\$ 10,815,000.00</u>	<u>\$ 3,915,000.00</u>	<u>\$ 4,489,000.00</u>	<u>\$ 401,000.00</u>	<u>\$ 9,840,000.00</u>

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Sewer Loans Payable
For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Series</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2020</u>
(1) Construction of Wastewater Treatment Plant	2002A	10/15/02	08/01/22	3.00%-5.25%	\$ 470,000.00	\$ 150,000.00	\$ 320,000.00
(1) Construction of Wastewater Treatment Plant	2002A	10/15/02	08/01/22	None	295,660.57	99,078.16	196,582.41
(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%	360,000.00	85,000.00	275,000.00
(1) Upgrade and Rehabilitation of Pump Stations No.'s 1,2,4 and 7	2003A	11/01/03	08/01/23	None	245,120.94	62,059.19	183,061.75
					<u>\$ 1,370,781.51</u>	<u>\$ 396,137.35</u>	<u>\$ 974,644.16</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, 2020

Ordinance Number	Improvement Description	Date of Original Issue	Amount of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
2017-16	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	06/01/17	\$ 440,000.00	05/28/19 05/26/20	05/27/20 05/25/21	2.75% 0.98%	\$ 440,000.00	\$ 421,100.00	\$ 440,000.00	\$ 421,100.00
2018-11	Completion of Various Capital Improvements and the Acquisition of Capital Equipment for the Sewer Utility	05/30/18	447,500.00	05/28/19 05/26/20	05/27/20 05/25/21	2.75% 0.98%	447,500.00	447,500.00	447,500.00	447,500.00
2019-14	Completion of Various Capital Improvements and the Acquisition of Capital Equipment for the Sewer Utility	05/28/19	433,000.00	05/28/19 05/26/20	05/27/20 05/25/21	2.75% 0.98%	433,000.00	433,000.00	433,000.00	433,000.00
							<u>\$ 1,320,500.00</u>	<u>\$ 1,301,600.00</u>	<u>\$ 1,320,500.00</u>	<u>\$ 1,301,600.00</u>
								Renewed Paid by Budget Appropriation	\$ 1,301,600.00 18,900.00	
								<u>\$ 1,301,600.00</u>	<u>\$ 1,320,500.00</u>	

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Bonds and Notes Authorized but Not Issued
For the Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2019</u>	<u>2020 Authorizations</u>	<u>Balance Dec. 31, 2020</u>
2014-22	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	\$ 21,190.00		\$ 21,190.00
2020-14	Completion of Various Capital Improvements and the Acquisition of Various Capital Equipment		\$ 2,858,000.00	2,858,000.00
		<u>\$ 21,190.00</u>	<u>\$ 2,858,000.00</u>	<u>\$ 2,879,190.00</u>

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 9,564,689.92
Increased by:		
Serial Bonds Paid by Sewer Utility Operating Fund	\$ 401,000.00	
Sewer Loans Paid by Sewer Utility Operating Fund	396,137.35	
Serial Bonds Paid by Refunding Bonds	574,000.00	
Bond Anticiaption Notes Paid by Sewer Utility Operating Fund	18,900.00	
		1,390,037.35
Balance December 31, 2020		\$ 10,954,727.27

PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

TOWNSHIP OF HARRISON
Schedule of Findings and Recommendations
For the Year Ended December 31, 2020

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

None.

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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*.

None.

TOWNSHIP OF HARRISON
Officials in Office
For the Year Ended December 31, 2020

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

<u>Name</u>	<u>Title</u>
Louis Manzo	Township Committee - Mayor
Donald Heim	Township Committee - Deputy Mayor
Julie DeLaurentis	Township Committee
John Williams	Township Committee
Adam Wingate	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 (until December)
Ronald Cundey	Acting Chief of Police (beginning December)
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



Certified Public Accountant
Registered Municipal Accountant