HARRISON REDEVELOPMENT AGENCY
COUNTY OF HUDSON, NEW JERSEY

REPORT OF AUDIT
ON THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

HARRISON REDEVELOPMENT AGENCY

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Harrison Redevelopment Agency, a component unit of the Town of Harrison, County of Hudson, State of New Jersey, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements which comprise the Harrison Redevelopment Agency's 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Harrison Redevelopment Agency, State of New Jersey, as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The information included in the supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

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

The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2018 on our consideration of the Harrison Redevelopment Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Harrison Redevelopment Agency's internal control over financial reporting and compliance.

Samuel Klein and Company

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Joseph J. Faccone

JOSEPH J. FACCONE, RMA, PA

Newark, New Jersey
August 15, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Harrison Redevelopment Agency's (the "Agency") annual financial report, the management of the Agency provides a narrative discussion and analysis of the financial activities of the Agency for the audit year ending December 31, 2017.

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

Discussion of Financial Statements Included in Annual Audit

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

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

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

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

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

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

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

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

Comparative Statement of Net Position

The Harrison Redevelopment Agency's Total Assets increased $12,888.19 due to increases in cash. Total liabilities increased $12,509.53 due to an increase in accounts payable. Assets exceeded liabilities by $3,757.42. This compares to 2016 where the assets exceeded liabilities by $3,378.76.

Comparative Statement of Net Position (Continued)

The Harrison Redevelopment Agency had a Net Position of $3,757.42, comprised of the following:

Unrestricted - Undesignated	$ 3,757.42

	As of December 31, 2017	2016
Total Current Assets	$ 241,506.19	$ 196,683.60
Total Restricted Assets	2,540,339.15	2,572,273.55
Total Assets	2,781,845.34	2,768,957.15
Total Current Liabilities Payable from Current Assets	237,748.77	193,304.84
Total Current Liabilities Payable from Restricted Assets	2,540,339.15	2,572,273.55
Total Liabilities	2,778,087.92	2,765,578.39
Net Position	$ 3,757.42	$ 3,378.76

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

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

Comparative Statement of Revenues, Expenses and Changes in Net Position

Operating Expenses increased $71,342.14 due to an increase of new redevelopment projects for legal services and planning as it pertains to the redevelopment process.

Total Net Position as of December 31, 2017 increased $378.66, from a net position of $3,378.76 to a net position of $3,757.42.

	2017	2016
Operating Expenses	$ 247,994.16	$ 176,652.02
Operating Loss	(247,994.16)	(176,652.02)
Nonoperating Revenues/(Expenses) - Net	248,372.82	166,986.03
Net Profit (Loss)	378.66	(9,665.99)
Change in Net Position	378.66	(9,665.99)
Net Position, Beginning	3,378.76	13,044.75
Net Position, Ending	$ 3,757.42	$ 3,378.76

Statement of Cash Flows

The net increase in Cash and Cash Equivalents was $42,176.62.

Future Economic Outlook

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

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

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
COMPARATIVE STATEMENTS OF NET POSITION
DECEMBER 31, 2017 AND DECEMBER 31, 2016

Exhibit A

ASSETS	Balance Dec. 31, 2017	Balance Dec. 31, 2016
Current Assets:		
Cash and Cash Equivalents	$ 226,415.40	$ 166,845.69
Accounts Receivable	15,090.79	29,837.91
Total Current Assets	241,506.19	196,683.60
Restricted Assets:		
Cash and Cash Equivalents	1,706,588.23	1,723,981.32
Grants Receivable	833,750.92	848,292.23
Total Restricted Assets	2,540,339.15	2,572,273.55
TOTAL ASSETS	$2,781,845.34	$2,768,957.15
LIABILITIES		
Current Liabilities Payable from Current Assets:		
Accounts Payable	$ 158,641.86	$ 142,243.29
Prepaid Administration Fee	79,106.91	51,061.55
Total Current Liabilities Payable from Current Assets	237,748.77	193,304.84
Current Liabilities Payable from Restricted Assets:		
Reserve for Escrows	248,428.69	265,821.78
Reserve for Grants	2,291,910.46	2,306,451.77
Total Current Liabilities Payable from Restricted Assets	2,540,339.15	2,572,273.55
TOTAL LIABILITIES	$2,778,087.92	$2,765,578.39
NET POSITION		
Unreserved - Undesignated	$ 3,757.42	$ 3,378.76
TOTAL NET POSITION	$ 3,757.42	$ 3,378.76

See accompanying notes to financial statements.

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2017 AND DECEMBER 31, 2016

Exhibit B

	Dec. 31, 2017	Dec. 31, 2016
Operating Expenses:		
Administrative	$ 58,803.34	$ 50,385.17
Cost of Providing Services	189,190.82	126,266.85
Total Operating Expenses	247,994.16	176,652.02
Operating Loss	(247,994.16)	(176,652.02)
Nonoperating Revenues:		
Developer's Fees	125,957.77	143,738.88
Developer Reimbursements	33,112.15	17,164.50
Miscellaneous	89,302.90	6,082.65
Total Nonoperating Revenues	248,372.82	166,986.03
Net Profit (Loss)	378.66	(9,665.99)
Change in Net Position	378.66	(9,665.99)
Net Position, Beginning of Year	3,378.76	13,044.75
Net Position, End of Year	$ 3,757.42	$ 3,378.76

See accompanying notes to financial statements.

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2017 AND DECEMBER 31, 2016

Exhibit C

	Dec. 31, 2017	Dec. 31, 2016
Cash Flows from Operating Activities:		
Net Profit (Loss)	$ 378.66	$ (9,665.99)
Adjustments to Reconcile Change in Net Position to Net Cash Provided by (Used in) Operating Activities:		
Change in Assets and Liabilities:		
(Increase)/Decrease in Grants Receivable	14,541.31	86,502.70
(Increase)/Decrease in Accounts Receivable	14,747.12	(11,494.10)
Increase/(Decrease) in Reserve for Grants	(14,541.31)	(86,502.70)
Increase/(Decrease) in Reserve for Escrows	(17,393.09)	96,621.82
Increase/(Decrease) in Prepaid Administration Fee	28,045.36	51,061.55
Increase/(Decrease) in Accounts Payable	16,398.57	(82,921.70)
Total Adjustments to Change in Net Position	41,797.96	53,267.57
Net Cash Provided by (Used in) Operating Activities	42,176.62	43,601.58
Net Increase/(Decrease) in Cash and Cash Equivalents	42,176.62	43,601.58
Cash and Cash Equivalents, Beginning of Year	1,890,827.01	1,847,225.43
Cash and Cash Equivalents, End of Year	$1,933,003.63	$1,890,827.01
Reconciliation to Balance Sheet:		
Unrestricted Cash and Cash Equivalents	$ 226,415.40	$ 166,845.69
Restricted Cash and Cash Equivalents	1,706,588.23	1,723,981.32
	$1,933,003.63	$1,890,827.01

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. REPORTING ENTITY

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Financial Statements

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

B. Use of Estimates

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Unrestricted - Cash, Cash Equivalents and Investments

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

D. Restricted - Cash, Cash Equivalents and Investments

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

E. Intergovernmental Receivables and Payables

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

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

F. Deferred Revenue

There was no deferred revenue as of December 31, 2017.

G. Restricted Assets

Certain assets are restricted as a result of certain agreements entered into between the Agency and third parties. The cash balance of $1,706,588.23 is money being used for grants, escrows and other uses in the redevelopment zone.

H. Net Position

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

I. Budgetary Information

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Deferred Outflows/Inflows of Resources

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

K. Accounting and Financial Reporting for Pensions

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Accounting and Financial Reporting for Pensions (Continued)

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

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

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

Recent Accounting Pronouncements Not Yet Effective

In June 2015, the Governmental Accounting Standards Board issued GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions.* This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The Agency is currently reviewing what effect, if any, this Statement might have on future financial statements.

In March 2016, the Governmental Accounting Standards Board issued GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73.* The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pensions, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.* Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements and is effective for reporting periods beginning after June 15, 2017. The Agency is currently reviewing what effect, if any, this Statement might have on future financial statements.

In November 2016, the Governmental Accounting Standards Board issued GASB Statement No. 83, *Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement and is effective for reporting periods beginning after June 15, 2017. The Agency is currently reviewing what effect, if any, this Statement might have on future financial statements.

In January 2017, the Governmental Accounting Standards Board issued GASB Statement No. 84, *"Fiduciary Activities".* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported and is effective for reporting periods beginning after December 15, 2018. The Agency is currently reviewing what effect, if any, this Statement might have on future financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Recent Accounting Pronouncements Not Yet Effective (Continued)

In March 2017, the Governmental Accounting Standards Board issued GASB Statement No. 85, *"Omnibus 2017"*. The object of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics, including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB) and is effective for reporting periods beginning after June 15, 2017. The Agency is currently reviewing what effect, if any, this Statement might have on future financial statements.

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No. 86, *"Certain Debt Extinguishment Issues"*. The object of this Statement is to improve consistency in accounting and financial reporting for in substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance and is effective for reporting periods beginning after June 15, 2017. The Agency is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *"Leases"*. The object of this Statement is to better meet the information needs of financial statements users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract and is effective for reporting periods beginning after December 15, 2019. The Agency is currently reviewing what effect, if any, this Statement might have on future financial statements.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

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

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

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

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

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Cash and Cash Equivalents (Continued)

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

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

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

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.00.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Agency does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute, which requires cash be deposited only in New Jersey based bank institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Agency in excess of FDIC insured amounts are protected by GUDPA. As of December 31, 2017, of the cash on balance in the bank, $250,000.00 was covered by Federal Depository Insurance and $1,683,003.63 was covered under the provisions of NJGUDPA.

As of December 31, 2017 and 2016, the Agency's cash, cash equivalents and investments consisted of:

	2017	2016
Valley National Bank - Checking Accounts	$	$ 1,890,827.01
Investors Bank - Checking Accounts	1,933,003.63	
	$ 1,933,003.63	$ 1,890,827.01

During the year, the Agency had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of 2017 and 2016, no such investments were held by the Agency.

As of December 31, 2017 and 2016, the Agency had no investments.

B. Investments

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

- Bonds or other obligations of the local unit or school districts of which the local unit is a part.

- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.

- Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.

- New Jersey State Cash Management Fund.

- Repurchase agreements of fully collateralized securities, subject to special conditions.

C. Risk Category

As of December 31, 2017, the Agency had funds invested and on deposit in checking accounts. The amount of the Agency's cash on deposit as of December 31, 2017 was $1,933,003.63. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40. There were no securities categorized as investments as defined by GASB Statement No. 40.

4. CONTINGENT LIABILITIES

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

The Agency has no accrued liability for compensated absences recorded at December 31, 2017.

5. PENSION PLANS

Plan Description

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

Funding Policy

Employee contributions are based on a statutorily defined percentage of employees' annual compensation. Employer's contributions are actuarially determined annually by the Division of Pensions. The Agency's contributions to the PERS for the year ending December 31, 2017 were funded by the Pension Security Act Credit. All contributions were equal to the required contributions. The employees' contributions for PERS for the year ended December 31 was as follows:

Year Ended December 31	Employees' Contributions
2017	$2,981.37
2016	2,175.00
2015	1,971.85

6. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

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

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

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

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

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

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).

- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PFRS after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.

- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least $5,000.00.

- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least $5,000.00 annually.

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

Contributions Required and Made

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

During the year 2017, there were no officials or employees enrolled in the DCRP.

7. DEFERRED COMPENSATION PLAN

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

8. CAPITAL ASSETS

The Agency did not have any capital assets at December 31, 2017.

9. IMPROVEMENT AUTHORIZATIONS

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

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

10. RISK MANAGEMENT

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

11. LITIGATION

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

12. SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the Agency shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB"). The Agency has no outstanding debt and is not subject to this disclosure.

13. SUBSEQUENT EVENT

The Harrison Redevelopment Agency has evaluated subsequent events that occurred after the balance sheet date, but before August 15, 2018. No items were determined to require disclosure.

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN CASH AND CASH EQUIVALENTS
UNRESTRICTED ACCOUNTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Schedule 1

Cash and Cash Equivalents, December 31, 2016:		
Unrestricted		$166,845.69
Cash Receipts:		
Developer's Fees	$ 74,896.22	
Accounts Receivable	29,837.91	
Developer's Reimbursement	33,112.15	
Miscellaneous	74,212.11	
Prepaid Developer's Fee	79,106.91	
		291,165.30
		458,010.99
Cash Disbursements:		
Accounts Payable	47,243.29	
Administrative Expenses	47,598.73	
Cost of Providing Services	136,753.57	
		231,595.59
Cash and Cash Equivalents, December 31, 2017:		
Unrestricted		$226,415.40

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN CASH AND CASH EQUIVALENTS
RESTRICTED ACCOUNTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Schedule 2

Cash and Cash Equivalents, December 31, 2016:		
Restricted		$1,723,981.32
Cash Receipts:		
Escrow Receipts	$156,300.00	
Interest on Escrow	667.63	
Grants Received	14,541.31	
		171,508.94
		1,895,490.26
Cash Disbursed:		
Escrow Disbursements	174,360.72	
Grant Reserves	14,541.31	
		188,902.03
Cash and Cash Equivalents, December 31, 2017:		
Restricted		$1,706,588.23

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
COMPARATIVE SCHEDULES OF OPERATING REVENUES AND EXPENDITURES FUNDED
BY OPERATING REVENUE COMPARED TO BUDGET
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2017 AND DECEMBER 31, 2016

Schedule 3

	Dec. 31, 2017			Dec. 31, 2016		
	Final Budget	Realized	Excess (Deficit)	Final Budget	Realized	Excess (Deficit)
Revenues						
Nonoperating Revenues:						
Developer's Fees	$117,000.00	$125,957.77	$ 8,957.77	$135,000.00	$143,738.88	$ 8,738.88
Developer's Reimbursements	200,000.00	33,112.15	(166,887.85)	200,000.00	17,164.50	(182,835.50)
Miscellaneous		89,302.90	89,302.90		6,082.65	6,082.65
Total Nonoperating Revenues	317,000.00	248,372.82	(68,627.18)	335,000.00	166,986.03	(168,013.97)
Expenditures						
Administration:						
Salary and Wages	45,000.00	41,477.37	3,522.63	57,500.00	34,739.11	22,760.89
Fringe Benefits	11,500.00	10,685.76	814.24	10,000.00	10,685.74	(685.74)
Other Expenses	2,000.00	6,640.21	(4,640.21)	5,000.00	4,960.32	39.68
Cost of Providing Services:						
Other Expenses	258,500.00	189,190.82	69,309.18	262,500.00	126,266.85	136,233.15
Total Operating Expenses	317,000.00	247,994.16	69,005.84	335,000.00	176,652.02	158,347.98
Excess of Revenues Over/(Under) Expenditures	$ -	$ 378.66	$ 378.66	$ -	$ (9,665.99)	$ (9,665.99)

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
ANALYSIS OF RESERVE FOR GRANTS RECEIVABLE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Schedule 4

Balance December 31, 2016	$ 848,292.23
Decreased by:	
Cash Received	14,541.31
Balance December 31, 2017	$ 833,750.92

Analysis of Grants

	Grant Award	Balance Dec. 31, 2016	Receipts	Balance Dec. 31, 2017 Oversight Fees Held in Escrow	Balance Dec. 31, 2017 Available	Balance Dec. 31, 2017 Total
New Jersey Economic Development Authority:						
#P20376 Spiegel Trucking Inc.	$4,003,046.00	$ 43,219.78	$	$ 43,219.78	$	$ 43,219.78
#P21428 Former Hartz Mountain Facility	316,536.00	4,790.45		4,790.45		4,790.45
#P19199 Former Hartz Mountain Facility	134,014.00	12,184.00		12,183.00	1.00	12,184.00
#P19800 Spiegel Trucking Inc.	862,940.00	78,449.00		78,449.00		78,449.00
#P24745 Spiegel Trucking Inc.	1,827,296.00	79,615.00	14,541.31	65,073.69		65,073.69
#P39598 Former Hartz Mountain Facility		630,034.00			630,034.00	630,034.00
	$7,143,832.00	$ 848,292.23	$14,541.31	$ 203,715.92	$ 630,035.00	$ 833,750.92

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
ANALYSIS OF ACCOUNTS PAYABLE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Schedule 5

Balance December 31, 2016	$142,243.29
Increased by:	
Unpaid Charges 2017:	
Budget Appropriations	63,641.86
	205,885.15
Decreased by:	
Cash Disbursed	47,243.29
Balance December 31, 2017	$158,641.86

HARRISON REDEVELOPMENT AGENCY
COMPONENT UNIT
ANALYSIS OF RESERVE FOR GRANTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Schedule 6

Balance December 31, 2016	$2,306,451.77
Decreased by:	
Cash Disbursements	14,541.31
Balance December 31, 2017	$2,291,910.46

Analysis of Grants

	Grant Award	Balance Dec. 31, 2016	Expended	Balance Dec. 31, 2017 Oversight Fees Held in Escrow	Encumbered	Available	Total
New Jersey Economic Development Authority:							
#P20376 Spiegel Trucking Inc.	$ 4,003,046.00	$ 796,997.44	$	$ 43,219.78	$	$ 753,777.66	$ 796,997.44
#P21428 Former Hartz Mountain Facility	316,536.00	14,835.17		4,790.45		10,044.72	14,835.17
#P19199 Former Hartz Mountain Facility	134,014.00	12,183.00		12,183.00			12,183.00
#P19800 Spiegel Trucking Inc.	862,940.00	522,552.30		78,449.00		444,103.30	522,552.30
#P24745 Spiegel Trucking Inc.	1,827,296.00	329,849.44	14,541.31	65,073.69	93,270.00	156,964.44	315,308.13
#P39598 Former Hartz Mountain Facility	4,694,888.00	630,034.42				630,034.42	630,034.42
	$11,838,720.00	$2,306,451.77	$14,541.31	$203,715.92	$93,270.00	$1,994,924.54	$2,291,910.46

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

ROSTER OF OFFICIALS

GENERAL COMMENTS, FINDINGS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

Samuel Klein and Company
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Harrison Redevelopment Agency as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Harrison Redevelopment Agency's basic financial statements, and have issued our report thereon dated August 15, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Samuel Klein and Company

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Joseph J. Faccone

JOSEPH J. FACCONE, RMA, PA

Newark, New Jersey
August 15, 2018

ROSTER OF OFFICIALS

AS OF DECEMBER 31, 2017

Name	Title
James Fife	Chairperson
Anthony Comprelli	Vice Chairperson
Harold Stahl	Commissioner
Vanessa Gallagher	Commissioner
Miguel Simoes	Commissioner
Robert Gerris	Commissioner
Raymond Lucas	Commissioner

GENERAL COMMENTS

Corrective Action Plan

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

Such a plan was submitted in regard to the 2016 Report of Audit.

Miscellaneous

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

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

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

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

Other

Finding 2017-01:

The Agency has several contracts with several professional contractors. During 2017, one contractor had not submitted bills that covered the period of August 2013 through December 2016. This practice makes it difficult to post expenses to the proper years. Roughly 70% of the expenses are eligible for reimbursement by the Redevelopers, if applicable.

Recently, the Agency had received bills from this contractor dating from April 2013 to present. Agency personnel are currently reviewing these bills.

Finding 2017-02:

In the Redevelopment Agreement between Bergen Street Urban Renewal, LLC and the Agency, an amount of $25,000.00 was deposited into a separate interest bearing Escrow Account to be drawn down for the payment of professional fees including, but not limited to, attorneys, financial consultants or any other experts deemed necessary by the Agency. The agreement also states that if the escrow fund drops below fifty percent (50%) of the amount initially deposited, the Redeveloper shall replenish the Escrow Fund within ten (10) business days of being notified. The escrow balance fell to $7,056.10.

It is noted that a Certificate of Completion has been issued for this Redevelopment Project. The balance of $7,056.10 has been retained to offset any outstanding bills that are discussed in Finding 2017-01.

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

Finding 2017-03:

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

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

RECOMMENDATIONS

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

* * *

Acknowledgment

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

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

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

Respectfully submitted,

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH J. FACCONE, RMA, PA

Newark, New Jersey
August 15, 2018