

CITY OF HACKENSACK
County of Bergen, New Jersey

NJ Comprehensive Annual Financial Report
Year Ended December 31, 2015
(With Independent Auditors' Reports Thereon)

**CITY OF HACKENSACK
 NJ COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2015
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CITY OF HACKENSACK
NJ Comprehensive Annual Financial Report
Introductory Section

**CITY OF HACKENSACK
ROSTER OF OFFICIALS**

Name	Title	Term Expires
John P. Labrosse, Jr.	Mayor	06/30/17
Kathleen Canestrino	Councilwoman	06/30/17
David Sims	Councilman	06/30/17
Leonardo Battaglia	Councilman	06/30/17
Deborah Keeling-Geddis	Councilwoman	06/30/17
Deborah Karlsson	City Clerk	
David R. Troast	City Manager	
Simeon Cumberbatch	Personnel Director	
Lisamarie Schieli	Recycling Coordinator	
James A. Mangin	Chief Financial Officer	
	Treasurer	
	Purchasing Agent	
Elisa Coccia	Tax Collector	
	Tax Search Officer	
DiMaria & DiMaria, LLP	City Auditor	
Alexander H. Carver, III, Esq.	City Attorney	
Frank Catania, Jr.	City Prosecutor	
Marc Raso, Esq.	Tax Appeal Attorney	
Wilentz, Goldman & Spitzer	Bond Counsel	
Art Carlson, Jr.	Tax Assessor	
Boswell Engineering	City Engineer	
Otterstedt Agency	Risk Management Consultants	
Michael Mordaga	Police Director	
Louis J. Dinice, Esq.	Municipal Court Judge	12/31/15
Elizabeth Pezzillo, MCA	Municipal Court Administrator	
Ernest J. Sisco	Construction Code Official	
	Electrical Sub-code Official	
David Ludwig	Building Sub-code Official	
Michael T. Meade	Plumbing Sub-code Official	
Charles E. Eyer	Fire Sub-code Official	
Joseph A. Delgrosso	Elevator Sub-code Official	
Thomas Freeman	Fire Chief	
Susan McVeigh	Health Officer	
	Registrar of Vital Statistics	
Sharon Castanteen	Library Director	
Jesse D'Amore	Public Works Superintendent	
Pat Ruggerio	Recreation Superintendent	

CITY OF HACKENSACK
NJ Comprehensive Annual Financial Report
Financial Section

Di Maria & Di Maria LLP

Accountants & Consultants

245 Union Street
Lodi, New Jersey 07644
Voice 973.779.6890
Facsimile 973.779.6891

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Hackensack, County of Bergen, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - *regulatory basis* - of the various funds and account group of the City of Hackensack, in the County of Bergen (the "City") as of and for the years ended December 31, 2015 and 2014, and the related statement of operations and changes in fund balance - *regulatory basis* - for the years then ended, and the related statement of revenues - *regulatory basis* - and statement of expenditures - *regulatory basis* - of the various funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the foregoing 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 practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Report (Continued)

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division, 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 City'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 City'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.

Independent Auditors' Report (Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2, these financial statements have been prepared on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which are a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "*Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles*" paragraph, the financial statements 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 City as of December 31, 2015 and 2014, or the changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - regulatory basis referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group as of December 31, 2015 and 2014, and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the respective revenues - regulatory basis and expenditures - regulatory basis of the various funds for the year ended December 31, 2015 in accordance with the financial accounting and reporting principles and practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 2.

Independent Auditors' Report (Continued)

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The supplementary data schedules listed in the table of contents, the letter of comments and recommendations section, and the accompanying schedules of expenditures of federal awards and the schedule of expenditures of state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary data schedules and schedules listed above 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 supplementary data schedules listed in the table of contents, the schedules of expenditures of federal awards, and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting as described in Note 2.

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

Independent Auditors' Report (Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2016 on our consideration of the City'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 the City's internal control over financial reporting and compliance.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank Di Maria

Registered Municipal Accountant
RMA No. CR00463

June 30, 2016

CITY OF HACKENSACK
 COMBINED COMPARATIVE BALANCE SHEET (REGULATORY BASIS)
 DECEMBER 31, 2015

	Current Fund	Grant Fund	Trust Fund	General Capital Fund	Public Parking Utility Operating Fund	Public Parking Utility Capital Fund	Fixed Asset Account Group	Totals (Memorandum Only)	
								2015	2014
ASSETS AND OTHER DEBITS									
Cash	\$ 12,019,489	\$ -	\$ 12,715,332	\$ 6,235,914	\$ 844,731	\$ 225,851	\$ -	\$ 32,041,317	\$ 27,516,003
Investments	-	-	-	-	251,000	-	-	251,000	251,000
Interfunds Receivable	-	612,918	-	-	-	-	-	612,918	909,212
Taxes Receivable	1,483,295	-	-	-	-	-	-	1,483,295	4,643,210
Intergovernmental Receivable	-	169,056	-	2,408,663	-	-	-	2,577,719	1,775,238
Deferred Charges	950,000	-	-	54,771,797	-	-	-	55,721,797	46,454,005
Fixed Capital Authorized & Uncompleted	-	-	-	-	-	434,000	-	434,000	434,000
Fixed Capital	-	-	-	-	-	8,035,084	-	8,035,084	8,035,084
Fixed Assets	-	-	-	-	-	-	51,562,905	51,562,905	51,562,905
Total Assets and Other Debits	\$ 14,452,784	\$ 781,974	\$ 12,715,332	\$ 63,416,374	\$ 1,095,731	\$ 8,694,935	\$ 51,562,905	\$ 152,720,035	\$ 141,580,657
LIABILITIES, RESERVES AND FUND BALANCE									
Accounts Payable	\$ 75,877	\$ -	\$ -	\$ 35,331	\$ 66,193	\$ -	\$ -	\$ 177,401	\$ 1,990,998
Interfunds Payable	612,918	-	-	-	-	-	-	612,918	909,212
Intergovernmental Payable	761,234	-	-	-	-	-	-	761,234	34,247
Other Liabilities and Reserves	6,806,722	781,974	12,715,332	2,834,830	195,483	141,000	-	23,475,341	20,288,377
Improvement Authorizations	-	-	-	10,205,524	-	394,352	-	10,599,876	10,424,300
Serial Bonds Payable	-	-	-	20,424,000	-	450,000	-	20,874,000	22,599,000
Bond Anticipation Notes Payable	-	-	-	23,704,992	-	-	-	23,704,992	14,034,434
Loans Payable	-	-	-	4,298,204	-	-	-	4,298,204	2,258,324
Capital Lease Obligations Payable	-	-	-	523,249	-	-	-	523,249	663,373
Reserve for Receivables & Other Assets	1,483,295	-	-	-	-	-	-	1,483,295	4,509,225
Reserve for Investment in Fixed Assets	-	-	-	-	-	-	51,562,905	51,562,905	51,562,905
Reserve for Amortization	-	-	-	-	-	7,585,084	-	7,585,084	7,435,084
Fund Balance	4,712,738	-	-	1,390,244	834,055	124,499	-	7,061,536	4,871,178
Total Liabilities, Reserves and Fund Balance	\$ 14,452,784	\$ 781,974	\$ 12,715,332	\$ 63,416,374	\$ 1,095,731	\$ 8,694,935	\$ 51,562,905	\$ 152,720,035	\$ 141,580,657

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

**CITY OF HACKENSACK
COMBINED STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE (REGULATORY BASIS)
YEAR ENDED DECEMBER 31, 2015**

	Current Fund	Public Parking Utility Fund	Total
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Revenues:			
Operating Surplus Anticipated	\$ 1,000,000	\$ 480,000	\$ 1,480,000
Miscellaneous	12,370,230	-	12,370,230
Receipts from Delinquent Taxes	3,012,899	-	3,012,899
Amount to be Raised by Taxation - Local	78,288,114	-	78,288,114
Amount to be Raised by Taxation - Library	1,845,832	-	1,845,832
Off Street Parking	-	691,513	691,513
On Street Parking	-	399,912	399,912
Interest on Investments & Deposits	-	1,081	1,081
Total Revenues	96,517,075	1,572,506	98,089,581
Other Credits to Income	93,928,730	388,509	94,317,239
Total Revenues and Other Credits to Income	\$ 190,445,805	\$ 1,961,015	\$ 192,406,820
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>			
Expenditures:			
Within "CAPS":			
Operations:			
Salaries and Wages	\$ 40,021,670	\$ -	\$ 40,021,670
Other Expenses	28,743,548	-	28,743,548
Deferred Charges	-	-	-
Statutory Expenditures	9,275,115	-	9,275,115
Excluded From "CAPS":			
Operations:			
Salaries and Wages	606,000	265,500	871,500
Other Expenses	9,314,189	679,069	9,993,258
Capital Improvements	400,000	5,394	405,394
Debt Service	6,357,208	174,537	6,531,745
Deferred Charges and Statutory Expenditures	54,900	25,500	80,400
Deficit in Operations in Prior Years	-	-	-
Surplus (General Budget)	-	480,000	480,000
Reserve for Uncollected Taxes	3,735,000	-	3,735,000
Total Expenditures	98,507,630	1,630,000	100,137,630
Other Charges to Income	88,283,694	-	88,283,694
Total Expenditures and Charges to Income	\$ 186,791,324	\$ 1,630,000	\$ 188,421,324
Statutory Excess to Fund Balance	3,654,481	331,015	3,985,496
Deferred Charges to Budget of Succeeding Year	592,361	-	592,361
Fund Balance, January 1	1,465,896	983,040	2,448,936
	5,712,738	1,314,055	7,026,793
Decreased by:			
Utilization as Anticipated Revenue	1,000,000	480,000	1,480,000
Fund Balance, December 31	\$ 4,712,738	\$ 834,055	\$ 5,546,793

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

**CITY OF HACKENSACK
CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE (REGULATORY BASIS)
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015**

	Budget as Modified	Actual	Variance
REVENUES AND OTHER CREDITS TO INCOME			
Revenues:			
Operating Surplus Anticipated	\$ 1,000,000	\$ 1,000,000	\$ -
Miscellaneous Revenues	11,632,698	12,370,230	737,532
Receipts from Delinquent Taxes	2,750,000	3,012,899	262,899
Amount to be Raised by Taxation - Local	80,686,739	78,288,114	(2,398,625)
Amount to be Raised by Taxation - Library	1,845,832	1,845,832	-
Total Revenues	97,915,269	96,517,075	(1,398,194)
Other Credits to Income	88,043,465	93,928,730	5,885,265
Total Revenues and Other Credits to Income	<u>\$ 185,958,734</u>	<u>\$ 190,445,805</u>	<u>\$ 4,487,071</u>
EXPENDITURES AND OTHER CHARGES TO INCOME			
Expenditures:			
Within "CAPS":			
Operations:			
Salaries and Wages	\$ 40,021,670	\$ 40,021,670	\$ -
Other Expenses	28,743,548	28,743,548	-
Deferred Charges	-	-	-
Statutory Expenditures	9,275,115	9,275,115	-
Excluded From "CAPS":			
Operations:			
Salaries and Wages	606,000	606,000	-
Other Expenses	9,314,189	9,314,189	-
Capital Improvements	400,000	400,000	-
Municipal Debt Service	6,357,208	6,357,208	-
Deferred Charges	54,900	54,900	-
Reserve for Uncollected Taxes	3,735,000	3,735,000	-
Total Expenditures	98,507,630	98,507,630	-
Other Charges to Income	88,043,465	88,283,694	240,229
Total Expenditures and Charges to Income	<u>\$ 186,551,095</u>	<u>\$ 186,791,324</u>	<u>\$ 240,229</u>
Statutory Excess to Current Fund Balance		3,654,481	
Deferred Charges to Budget of Succeeding Year		592,361	
Fund Balance, January 1		1,465,896	
		<u>\$ 5,712,738</u>	
Decreased by:			
Utilization as Anticipated Revenue		1,000,000	
Fund Balance, December 31		<u>\$ 4,712,738</u>	

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

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE (REGULATORY BASIS)
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015**

	Budget as Modified	Actual	Variance
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Anticipated Revenues:			
Operating Surplus Anticipated	\$ 480,000	\$ 480,000	\$ -
Off Street Parking	720,000	691,513	(28,487)
On Street Parking	430,000	399,912	(30,088)
Total Anticipated Revenues	1,630,000	1,571,425	(58,575)
Non-Budget Revenue	-	1,081	1,081
Other Credits to Income	-	388,509	388,509
Total Anticipated Revenues and Other Credits to Income	<u>\$ 1,630,000</u>	<u>\$ 1,961,015</u>	<u>\$ 331,015</u>
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>			
Budgetary Expenditures:			
Operations:			
Salaries and Wages	\$ 265,500	\$ 265,500	\$ -
Other Expenses	679,069	679,069	-
Capital Improvements	5,394	5,394	-
Debt Service	174,537	174,537	-
Deferred Charges & Statutory Expenditures	25,500	25,500	-
Deficit in Operations in Prior Years	-	-	-
Surplus (General Budget)	480,000	480,000	-
Total Budgetary Expenditures	1,630,000	1,630,000	-
Other Charges to Income	-	-	-
Total Expenditures and Charges to Income	<u>\$ 1,630,000</u>	<u>\$ 1,630,000</u>	<u>\$ -</u>
Statutory Excess to Current Fund Balance		331,015	
Deferred Charges to Budget of Succeeding Year		-	
Fund Balance, January 1		983,040	
		1,314,055	
Decreased by:			
Utilization as Anticipated Revenue		480,000	
Fund Balance, December 31		<u>\$ 834,055</u>	

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 1 - Reporting Entity, Organization and Function

A. Introduction

The City of Hackensack (the "City") is a municipal corporation of the State of New Jersey located in the county of Bergen and is located approximately 12 miles northwest of the City of New York. The City's population according to the 2010 census is 43,010.

The City operates under the 1923 Municipal Manager Law form of New Jersey municipal government. The City Council consists of five members who are elected to four-year terms on a concurrent basis in a non-partisan election held every four years in May. This form of government separates policy making (the work of the mayor and city council) from the execution of policy (the work of the city manager). This maintains professional management and a City-wide perspective through: nonpartisan election, at-large representation, concentration of executive responsibility in the hands of a professional manager accountable to the Mayor and Council, concentration of policy making power in one body: a five-person Mayor and Council. In the several decades in which the City has used the Municipal Manager form of government, Hackensack has had only ten City Managers. The Township operates on a calendar fiscal year, January 1 to December 31.

The municipal budget includes the following generally stated municipal services:

General Government Functions	Code Enforcement Functions
Land Use Administration Functions	Municipal Court Functions
Public Safety Functions	Capital Improvements
Health and Human Service Functions	Debt Service
Park and Recreation Functions	Educational Functions

B. Component Units

The financial statements of the component units of the municipality are not presented in accordance with Governmental Accounting Standards Board Statement No. 14 as amended by Statement No. 61. If the provisions of this statement had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the municipality:

Free Public Library

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 2 - Summary of Significant Accounting Policies

Financial Statement Reporting

The financial statements contain all applicable funds and account groups in accordance with the "Requirements of Audit" and the "N.J. Comprehensive Annual Financial Report" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the municipality accounts for its financial transactions through the following separate funds which differs from the funds required by generally accepted accounting principles (GAAP).

Basis of Accounting

A modified accrual basis of accounting is followed with minor exceptions. Accounting principles prescribed for New Jersey municipalities by the Department of Community Affairs, Division of Local Government Services differ in certain respects from generally accepted accounting principles applicable to local government units.

Reclassifications and Restatements

Certain reclassifications and restatements may be made to prior amounts for clarification purposes.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 2 - Summary of Significant Accounting Policies (Continued)

A. Funds and Account Groups

The accounts are organized into the following funds and account groups:

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature.

Federal and State Grant Fund - The Federal and State Grant Fund accounts for the budgeted and unbudgeted revenue/receipt, expenditure/disbursement of federal and state grants which qualify for accounting treatment more closely related to GAAP.

Trust Fund - 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. It is also the only fund, other than the Current Fund, that possesses the statutory authority to issue debt.

General Fixed Asset Account Group - The General Fixed Asset Account Group accounts for Township owned real and personal property in accordance with N.J.A.C. 5:30-5.6.

Public Parking Utility Fund - The Parking Utility Fund is used to account for the revenues and expenditures for the operation of the parking utility and the related assets and liabilities. Acquisition or improvement of capital facilities and assets are accounted for in the capital section of the fund.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 2 - Summary of Significant Accounting Policies (Continued)

B. Budgets and Budgetary Accounting

The municipality must adopt an annual budget in accordance with N.J.S.A. 40A:4 et al. 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 (10) days prior to the hearing in a newspaper published and circulated in the municipality. The public hearing must not be held less than twenty-eight (28) 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. 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. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last 2 months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level.

The Borough is not required to adopt budgets for the Trust and General Capital Funds.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

C. Cash and Investments

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 New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The cash management plan adopted by the municipality requires that funds be deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires government units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act. Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of 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 in the collateral pool, is available to pay the full amount of their deposits to the governmental units. All certificates of deposit are recorded as cash regardless of date of maturity.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 2 - Summary of Significant Accounting Policies (Continued)

D. 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. GAAP does not require the establishment of an offsetting reserve.

E. 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 balance sheets.

F. General Fixed Assets

Accounting for Governmental Fixed Assets, as promulgated by N.J.A.C. 5:30-5.6 differs in certain respects from generally accepted accounting principles. The following is a brief description of the provisions of the statute. Property and equipment purchased after December 31, 1985 are stated at cost. Donated fixed assets are recorded at estimated fair market value at the date of donation. Purchases prior to December 31, 1985 are stated as assessed value for Land & Buildings and estimated historical cost for Machinery & Equipment. Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation on general fixed assets is recorded in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital have not been accounted for separately.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 2 - Summary of Significant Accounting Policies (Continued)

G. Foreclosed Property

Foreclosed property is recorded in the Current Fund at the assessed value 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 Account Group. If such property is converted to a municipal use, it will be capitalized in the General Fixed Asset Account Group. GAAP requires property to be recorded in the General Fixed Asset Account Group at the market value at the time of acquisition.

H. 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 al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

I. 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 fiscal year. Lapsed appropriation reserves are recorded as income. Appropriation Reserves are not established under GAAP.

J. 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.

K. Fund Balance

Fund Balances included in the current fund represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 2 - Summary of Significant Accounting Policies (Continued)

L. 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 are realized as and when anticipated as such in the City's budget. Other amounts that are due the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP generally requires that grant revenues be recognized when the actual expenditures financed by the grant are made.

M. Property Tax Revenues

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with the statutes. The amount of taxes levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the local free public library (if applicable), municipal open space (if applicable) and the entities described in "N" and "O" below. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenue to be recognized when available and measurable reduced by an allowance for doubtful accounts.

N. School Taxes

The municipality is responsible for levying, collecting and remitting school taxes for the Local School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30. GAAP would require the recording of a deferred revenue.

O. County Taxes

The municipality is responsible for levying, collecting and remitting county taxes for the County. Operations are charged for the amount due 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 are 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.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 2 - Summary of Significant Accounting Policies (Continued)

P. Reserve for Uncollected Taxes

The inclusion of the "Reserve for Uncollected Taxes" appropriation in the municipality's annual budget protects 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, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A Reserve for Uncollected Taxes is not established under GAAP.

Q. Expenditures

Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Outstanding encumbrances at December 31, are recorded as a cash liability. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long term debt which is recognized when due.

R. 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. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long term obligations.

S. Total Columns on Combined Statements

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 2 - Summary of Significant Accounting Policies (Continued)

T. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

U. New Reporting Standard(s)

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, does not have any effect on the City's financial reporting. However, the provisions of this statement do require significant modifications to the disclosure requirements related to the City's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level. Refer to Note 10 for the disclosures pertaining to this pronouncement.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this statement also require significant modifications to the disclosure requirements related to the City's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level. Refer to Note 10 for the disclosures pertaining to this pronouncement.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 3 - Cash and Cash Equivalents

Change funds, petty cash, cash in banks, certificates of deposit and funds on deposit with the New Jersey Cash Management Fund are considered cash and cash equivalents.

A. Deposits

The Borough's deposits of public funds are insured by either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA which requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm.

At December 31, the municipality's deposits are summarized as follows:

	<u>Year</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash	2015	\$ 34,167,839	\$ 32,041,317
Investments	2015	\$ 251,000	\$ 251,000

Refer to Note 4 regarding the City's investment balance.

B. New Jersey Cash Management Fund

The State of New Jersey Cash Management Fund is managed by the State of New Jersey, Division of Investment under the Department of Treasury. It consists of U.S. Treasury obligations, government agency obligations, certificates of deposit and commercial paper. The City had no investments in this Fund as of December 31, 2015.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 4 - Investments

New Jersey Statutes permit the municipality to purchase the following types of securities for investment:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States of America.
- b. Government Money Market Mutual Funds.
- c. Any obligation that a federal agency or federal instrumentality has issued, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest.
- d. Bonds or other obligations of municipalities or bonds or other obligations of school districts.
- e. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.
- f. Local government investment pools.
- g. Agreement for the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1(8a-8e).

In addition, the City is permitted to invest LOSAP Funds (if applicable) with the types of eligible investments authorized in N.J.A.C. 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2015, the City had no LOSAP investments as its emergency services are paid and not volunteer. Had there been LOSAP investments they would have been subject to custodial credit risk as they are held in the pledging financial institution's trust department but are not in the City's name. In the event of the failure of the counterparty, the City may not be able to recover the value of the investments held by the outside party.

City held investments as of December 31, 2015 totaled \$251,000 representing the City's Public Parking Utility's purchase of its own General Capital Bond Anticipation Notes (BAN's).

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 5 - Fixed Assets

The following is a summary of general fixed asset additions, deletions and adjustments as of December 31, 2015:

	Beginning Balance		Additions		Deletions		Adjustments		Ending Balance
Land	\$ 9,539,800	\$	-	\$	-	\$	-	\$	9,539,800
Buildings	19,913,247		-		-		-		19,913,247
Improvements & Infrastructure	7,576,900		-		-		-		7,576,900
Machinery, Vehicles & Equipment	14,532,958		-		-		-		14,532,958
	<u>\$ 51,562,905</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>51,562,905</u>

CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

Note 6 - Municipal Debt

A. Types of Municipal Debt

Capital Debt

The "Local Bond Law" of New Jersey Statutes governs the issuance of bonds and notes to finance capital expenditures, and are permitted only from the General Capital Fund. Bonds and Notes are backed by the full faith and credit of the municipality. Capital projects financed under the Local Bond Law must have a minimum useful life of five years.

Bond Anticipated Notes - Bond Anticipation Note ("BANs") are issued to temporarily finance projects prior to the issuance of permanent bonds. Generally, the term of BANs can not exceed one year, but may be renewed from time to time for periods not exceeding one year, and ultimately paid or permanently financed no later than the first day of the fifth month following the close of the tenth fiscal year following the original issue date of the BAN. New Jersey Statutes require that on or before the third anniversary date of the original BAN issue date, an amount at least equal to the first legally payable installment must be paid towards the BAN upon each renewal until permanently funded or retired.

Bonds - Bonds issued are retired in serial installments within statutory periods of usefulness. New Jersey Statutes limit installment increments unless approval for a non-conforming maturity schedule is approved by the Local Finance Board.

The City's long term debt paid by the Current Fund consisted of the following at December 31, 2015:

General Serial Bonds:

\$11,900,000 - General Obligation Bonds Series 2008 issued 1/1/2008 payable in annual installments through 1/15/2021. This issue was refinanced at the end of 2015 restructuring the debt payments by an additional \$285,000 over the life of the loan but also lowered the required semi-annual interest rate to 1.620% per annum from varying rates of 3.75% to 5.00% per annum. The balance remaining on this issue as of December 31, 2015 is \$9,500,000.

\$5,865,000 - General Obligation Refunding Bonds Series 2008 issued 4/11/2008 payable in annual installments through 3/15/2018. Interest is paid semi-annually at varying rates from 2.25% to 4.75% per annum. The balance remaining on this issue as of December 31, 2015 is \$1,825,000.

\$6,170,000 - General Obligation Bonds Series 2013"A" issued 5/1/2013 payable in annual installments through 5/1/2028. Interest is paid semi-annually at varying rates from 2.00% to 3.00% per annum. The balance remaining on this issue as of December 31, 2015 is \$5,700,000.

\$3,679,000 - General Obligation Bonds Series 2013"B" issued 5/1/2013 payable in annual installments through 5/1/2028. Interest is paid semi-annually at varying rates from 3.00% to 3.40% per annum. The balance remaining on this issue as of December 31, 2015 is \$3,399,000.

Green Acres Loans:

\$445,113 - Green Trust Loan (Second Ward Park Improvement Project) issued 12/4/2012 payable in annual installments through 3/9/2032. Interest is paid annually at 2.00% per annum. The balance remaining on this issue as of December 31, 2015 is \$395,703.

CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

Note 6 - Municipal Debt (Continued)

A. Types of Municipal Debt (Continued)

NJEIT Wastewater Treatment Loans

\$1,445,000 - Series 1997"TT" issued 11/1/97 payable in annual installments through 8/1/2017. Interest is paid annually at varying rates from 4.00% to 5.00% per annum. The balance remaining on this issue as of December 31, 2015 is \$220,000.

\$1,387,492 - Series 1997"L" issued 11/1/97 payable in semi-annual installments through 8/1/2015. No interest is payable on this issue. This issue was fully paid off as of December 31, 2015.

\$495,000 - Series 2000 Trust Loan issued 10/15/00 payable in annual installments through 8/1/2020. Interest is paid annually at varying rates from 5.00% to 5.25% per annum. The balance remaining on this issue as of December 31, 2015 is \$175,000.

\$490,000 - Series 2002"A" Trust Loan issued 10/15/02 payable in annual installments through 8/1/2017. Interest is paid annually at varying rates from 3.00% to 5.00% per annum. The balance remaining on this issue as of December 31, 2015 is \$90,000.

\$527,500 - Series 2010"A" Fund Loan issued 9/30/10 payable in semi-annual installments through 8/1/2030. No interest is payable on this issue. The balance remaining on this issue as of December 31, 2015 is \$402,331.

\$980,000 - Series 2010"B" Trust Loan issued 12/2/10 payable in annual installments through 8/1/2030. Interest is paid annually at 5.00% per annum. The balance remaining on this issue as of December 31, 2015 is \$845,000.

\$760,000 - Series 2015"A-1" Trust Loan issued 5/28/15 payable in annual installments through 8/1/2034. Interest is paid annually at varying rates from 4.00% to 5.00% per annum. The balance remaining on this issue as of December 31, 2015 is \$760,000.

\$1,459,650 - Series 2015"A-1" Fund Loan issued 5/28/15 payable in annual installments through 8/1/2034. No interest is payable on this issue. The balance remaining on this issue as of December 31, 2015 is \$1,410,170.

Capital Lease Obligations:

\$456,750 - BCIA (Garbage Truck Purchase) - issued 6/4/09 payable in semi-annual installments through 7/1/2019. Interest is paid semi-annually at 2.47% per annum. The balance remaining on this issue as of December 31, 2015 is \$196,249.

\$520,000 - BCIA (Pension Refunding) - issued 5/1/12 payable in annual installments through 3/1/2018. Interest is paid semi-annually at varying rates from .43% to 2.11% per annum. The balance remaining on this issue as of December 31, 2015 is \$327,000.

The City's long term debt paid by the Public Parking Utility Fund consisted of the following at December 31, 2015:

General Serial Bonds:

\$1,500,000 - General Obligation Refunding Bonds Series 2008 issued 4/11/2008 payable in annual installments through 3/15/2018. Interest is paid semi-annually at varying rates from 2.25% to 4.75% per annum. The balance remaining on this issue as of December 31, 2015 is \$450,000.

CITY OF HACKENSACK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015

Note 6 - Municipal Debt (Continued)

B. Summary of Debt and Remaining Borrowing Power

The following information summarizes the statutory debt calculations of the municipality as reported on the municipality's Annual Debt Statement.

	<u>2015</u>
Issued:	
School Bonds and Notes	\$ 2,935,000
General Bonds	20,424,000
Public Parking Utility Bonds	450,000
Infrastructure & Green Trust Loans	4,298,204
Bond Anticipation Notes - General	23,704,992
Bond Anticipation Notes - Public Parking Utility	-
	<u>\$ 51,812,196</u>
Authorized but not Issued:	
General Bonds and Notes	\$ 5,821,352
Public Parking Utility	434,000
	<u>\$ 6,255,352</u>
Gross Debt	<u>\$ 58,067,548</u>
Deductions	<u>\$ 9,130,055</u>
Net Debt	<u>\$ 48,937,493</u>
Equalized Valuation Basis	\$ 5,576,541,129
Statutory Net Debt Percentage	0.878%
3-1/2% of Equalized Valuation Basis	\$ 195,178,940
Remaining Borrowing Power	\$ 146,241,447

CITY OF HACKENSACK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015

Note 6 - Municipal Debt (Continued)

C. Long-Term Bonded Debt Service Requirements to Maturity

The annual debt service requirement for long-term obligations requirements to maturity, including principal and interest as of December 31, 2015 are as follows:

General Bonds

Calendar Year	1/1/2008		4/11/2008	
	General Improvement Bonds		Pension Refunding Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 950,000	\$ 271,754	\$ 580,000	\$ 71,375
2017	1,045,000	145,678	630,000	42,638
2018	1,430,000	109,998	615,000	13,837
2019	1,965,000	82,498	-	-
2020	1,995,000	50,423	-	-
2021	2,115,000	17,131	-	-
	\$ 9,500,000	\$ 677,482	\$ 1,825,000	\$ 127,850

Calendar Year	5/1/2013		5/1/2013	
	General Improvement Bonds "A"		General Improvement Bonds "B"	
	Principal	Interest	Principal	Interest
2016	\$ 470,000	\$ 124,340	\$ 280,000	\$ 100,121
2017	345,000	116,190	200,000	92,921
2018	345,000	109,290	200,000	86,921
2019	375,000	102,090	270,000	79,871
2020	405,000	94,290	270,000	71,771
2021	470,000	85,540	270,000	63,671
2022	470,000	76,140	270,000	55,571
2023	470,000	66,740	270,000	47,471
2024	470,000	57,340	270,000	39,371
2025	470,000	47,470	270,000	31,271
2026	470,000	35,250	280,000	22,741
2027	470,000	21,150	270,000	13,873
2028	470,000	7,050	279,000	4,743
	\$ 5,700,000	\$ 942,880	\$ 3,399,000	\$ 710,317

Calendar Year	Total	
	Principal	Interest
2016	\$ 2,280,000	\$ 567,590
2017	2,220,000	397,427
2018	2,590,000	320,046
2019	2,610,000	264,459
2020	2,670,000	216,484
2021	2,855,000	166,342
2022	740,000	131,711
2023	740,000	114,211
2024	740,000	96,711
2025	740,000	78,741
2026	750,000	57,991
2027	740,000	35,024
2028	749,000	11,793
	\$ 20,424,000	\$ 2,458,530

CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

Note 6 - Municipal Debt (Continued)

C. Long-Term Bonded Debt Service Requirements to Maturity (Continued)

General Bonds (Continued)

Loans

Calendar Year	12/4/2012 Green Acres Trust		11/1/1997 NJ EIT Wastewater Treatment "T"	
	Principal	Interest	Principal	Interest
	2016	\$ 20,463	\$ 7,812	\$ 105,000
2017	20,874	7,401	115,000	5,750
2018	21,294	6,981	-	-
2019	21,722	6,553	-	-
2020	22,158	6,117	-	-
2021	22,604	5,672	-	-
2022	23,058	5,217	-	-
2023	23,521	4,754	-	-
2024	23,994	4,281	-	-
2025	24,476	3,799	-	-
2026	24,968	3,306	-	-
2027	25,470	2,805	-	-
2028	25,982	2,293	-	-
2029	26,504	1,771	-	-
2030	27,037	1,238	-	-
2031	27,581	694	-	-
2032	13,997	139	-	-
	<u>\$ 395,703</u>	<u>\$ 70,833</u>	<u>\$ 220,000</u>	<u>\$ 16,750</u>

Calendar Year	10/15/2000 NJ EIT Wastewater Treatment		10/15/2002 NJ EIT Wastewater Treatment "A"	
	Principal	Interest	Principal	Interest
	2016	\$ 30,000	\$ 9,150	\$ 45,000
2017	35,000	7,612	45,000	2,250
2018	35,000	5,775	-	-
2019	35,000	3,938	-	-
2020	40,000	2,100	-	-
	<u>\$ 175,000</u>	<u>\$ 28,575</u>	<u>\$ 90,000</u>	<u>\$ 6,750</u>

Calendar Year	9/30/2010 NJ EIT Wastewater Treatment "A"		12/2/2010 NJ EIT Wastewater Treatment "B"	
	Principal	Interest	Principal	Interest
	2016	\$ 26,822	\$ -	\$ 40,000
2017	26,822	-	40,000	40,250
2018	26,822	-	45,000	38,250
2019	26,822	-	45,000	36,000
2020	26,822	-	50,000	33,750
2021	26,822	-	50,000	31,250
2022	26,822	-	50,000	28,750
2023	26,822	-	55,000	26,250
2024	26,822	-	60,000	23,500
2025	26,822	-	60,000	20,500
2026	26,822	-	65,000	17,500
2027	26,822	-	65,000	14,250
2028	26,822	-	70,000	11,000
2029	26,822	-	75,000	7,500
2030	26,823	-	75,000	3,750
	<u>\$ 402,331</u>	<u>\$ -</u>	<u>\$ 845,000</u>	<u>\$ 374,750</u>

Calendar Year	5/28/2015 NJ EIT Wastewater Treatment "Trust"		5/28/2015 NJ EIT Wastewater Treatment "Fund"	
	Principal	Interest	Principal	Interest
	2016	\$ 25,000	\$ 34,000	\$ 74,219
2017	25,000	32,750	74,219	-
2018	30,000	31,500	74,220	-
2019	30,000	30,000	74,219	-
2020	30,000	28,500	74,220	-
2021	35,000	27,000	74,219	-
2022	35,000	25,250	74,220	-
2023	35,000	23,500	74,219	-
2024	35,000	21,750	74,220	-
2025	40,000	20,000	74,219	-
2026	40,000	18,000	74,220	-
2027	45,000	16,000	74,219	-
2028	45,000	14,200	74,220	-
2029	45,000	12,400	74,219	-
2030	50,000	10,600	74,220	-
2031	50,000	8,600	74,219	-
2032	55,000	6,600	74,220	-
2033	55,000	4,400	74,219	-
2034	55,000	2,200	74,220	-
	<u>\$ 760,000</u>	<u>\$ 367,250</u>	<u>\$ 1,410,170</u>	<u>\$ -</u>

CITY OF HACKENSACK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015

Note 6 - Municipal Debt (Continued)

C. Long-Term Bonded Debt Service Requirements to Maturity (Continued)

Loans (Continued)

Calendar Year	Total	
	Principal	Interest
2016	\$ 366,504	\$ 108,712
2017	381,915	96,013
2018	232,336	82,506
2019	232,763	76,491
2020	243,200	70,467
2021	208,645	63,922
2022	209,100	59,217
2023	214,562	54,504
2024	220,036	49,531
2025	225,517	44,299
2026	231,010	38,806
2027	236,511	33,055
2028	242,024	27,493
2029	247,545	21,671
2030	253,080	15,588
2031	151,800	9,294
2032	143,217	6,739
2033	129,219	4,400
2034	129,220	2,200
	<u>\$ 4,298,204</u>	<u>\$ 864,908</u>

CITY OF HACKENSACK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015

Note 6 - Municipal Debt (Continued)

C. Long-Term Bonded Debt Service Requirements to Maturity (Continued)

Capital Lease Obligations

Calendar Year	6/4/2009		5/1/2012	
	BCIA - Garbage Truck		BCIA Pension Refunding	
	Principal	Interest	Principal	Interest
2016	\$ 47,271	\$ 4,557	\$ 101,000	\$ 4,880
2017	48,446	3,382	108,000	3,371
2018	49,649	2,178	118,000	1,244
2019	50,883	946	-	-
	<u>\$ 196,249</u>	<u>\$ 11,063</u>	<u>\$ 327,000</u>	<u>\$ 9,495</u>

Calendar Year	Total	
	Principal	Interest
2016	\$ 148,271	\$ 9,437
2017	156,446	6,753
2018	167,649	3,422
2019	50,883	946
	<u>\$ 523,249</u>	<u>\$ 20,558</u>

Public Parking Utility Bonds

Calendar Year	4/11/2009	
	Principal	Interest
2016	\$ 150,000	\$ 17,437
2017	150,000	10,313
2018	150,000	3,375
	<u>\$ 450,000</u>	<u>\$ 31,125</u>

CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

Note 6 - Municipal Debt (Continued)

D. Summary of Changes in Municipal Debt

Loans and General Bonds

	Beginning Balance	Issued/ Refinanced	Adjustments/ Retired	Ending Balance
Short-Term Debt:				
Tax Anticipation Notes	\$ -	\$ -	\$ -	\$ -
Bond Anticipation Notes	14,034,434	23,704,992	(14,034,434)	23,704,992
Emergency Notes	-	-	-	-
	<u>\$ 14,034,434</u>	<u>\$ 23,704,992</u>	<u>\$ (14,034,434)</u>	<u>\$ 23,704,992</u>
Long-Term Debt:				
Serial Bonds	\$ 21,999,000	\$ 285,000	\$ (1,860,000)	\$ 20,424,000
Loans/Notes Payable	2,258,324	2,219,650	(179,770)	4,298,204
Capital Lease Obligations	663,373	-	(140,124)	523,249
Authorized but not Issued	7,443,974	13,352,000	(14,974,622)	5,821,352
	<u>\$ 32,364,671</u>	<u>\$ 15,856,650</u>	<u>\$ (17,154,516)</u>	<u>\$ 31,066,805</u>
	<u>\$ 46,399,105</u>	<u>\$ 39,561,642</u>	<u>\$ (31,188,950)</u>	<u>\$ 54,771,797</u>

	Ending Balance	Amounts Due within One Year	Long-term Portion
Short-Term Debt:			
Tax Anticipation Notes	\$ -	\$ -	\$ -
Bond Anticipation Notes	23,704,992	23,704,992	-
Emergency Notes	-	-	-
	<u>\$ 23,704,992</u>	<u>\$ 23,704,992</u>	<u>\$ -</u>
Long-Term Debt:			
Serial Bonds	\$ 20,424,000	\$ 2,280,000	\$ 18,144,000
Loan Payable	4,298,204	366,504	3,931,700
Capital Lease Obligations	523,249	148,271	374,978
Authorized but not Issued	5,821,352	-	5,821,352
	<u>\$ 31,066,805</u>	<u>\$ 2,794,775</u>	<u>\$ 28,272,030</u>
	<u>\$ 54,771,797</u>	<u>\$ 26,499,767</u>	<u>\$ 28,272,030</u>

CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

Note 6 - Municipal Debt (Continued)

D. Summary of Changes in Municipal Debt (Continued)

Public Parking Utility Bonds

	Beginning Balance	Issued	Retired	Ending Balance
Short-Term Debt:				
Tax Anticipation Notes	\$ -	\$ -	\$ -	\$ -
Bond Anticipation Notes	-	-	-	-
Emergency Notes	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Debt:				
Serial Bonds	\$ 600,000	\$ -	\$ (150,000)	\$ 450,000
Loan Payable	-	-	-	-
Authorized but not Issued	434,000	-	-	434,000
	<u>\$ 1,034,000</u>	<u>\$ -</u>	<u>\$ (150,000)</u>	<u>\$ 884,000</u>
	<u>\$ 1,034,000</u>	<u>\$ -</u>	<u>\$ (150,000)</u>	<u>\$ 884,000</u>

	Ending Balance	Amounts Due within One Year	Long-term Portion
Short-Term Debt:			
Tax Anticipation Notes	\$ -	\$ -	-
Bond Anticipation Notes	-	-	-
Emergency Notes	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Long-Term Debt:			
Serial Bonds	\$ 450,000	\$ 150,000	\$ 300,000
Loan Payable	-	-	-
Authorized but not Issued	434,000	-	434,000
	<u>\$ 884,000</u>	<u>\$ 150,000</u>	<u>\$ 734,000</u>
	<u>\$ 884,000</u>	<u>\$ 150,000</u>	<u>\$ 734,000</u>

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 7 - Risk Management

The City is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established a self-insurance fund for the following types of coverages:

General Liability
Workers' Compensation
Dental Insurance

The City makes annual contributions to fund the cost of the plan. Claims are administered by Bergen Risk Managers, Inc.

The City has not created a loss reserve for claims incurred which were unpaid and/or unreported at December 31, 2105. In addition, the City has not created a reserve for any potential unreported losses which have occurred but for which the City has not received notices or report of losses. The effect on the financial statements from these omissions could not be determined. A contingent liability exists with respect to reinsurance which would become an actual liability in the event the reinsuring company might be unable to meet their obligations to the City under existing reinsurance agreements. Any future liabilities would be funded by municipal taxes.

Cash reserves maintained by the City for the past 3 years are as follows:

Reserve for General Liability Insurance Claims:

2015 \$26,986
2014 \$26,986
2013 \$ 5,973

Reserve for Dental Insurance Claims:

2015 \$111,963
2014 \$100,551
2013 \$ 86,941

Reserve for Workmen's Compensation Claims:

2015 \$7,810
2014 \$6,828
2013 \$ 0

The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the State of New Jersey provides the administration of payments to former employees of the City. The City is billed quarterly for benefits paid to former employees. A separate dedicated unemployment Trust account is maintained to which all Unemployment expenditures are charged.

Unemployment expenditures for the past 3 years are as follows:

CY2015 - \$116,874
CY2014 - \$ 0
CY2013 - \$100,218

**CITY OF HACKENSACK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015**

Note 8 - Interfunds

As of December 31, 2015, interfund balances on the City's various balance sheets were as follows:

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ -	\$ 612,918
Grant Fund	612,918	-
Trust Fund	-	-
General Capital Fund	-	-
Public Parking Utility Operating Fund	-	-
Public Parking Utility Capital Fund	-	-
	<u>\$ 612,918</u>	<u>\$ 612,918</u>

Interfund balances are comprised of the following:

Current Fund owes the Grant Fund \$612,918 for cash received and not turned over. It is anticipated that all interfunds will be liquidated during the subsequent fiscal year.

**CITY OF HACKENSACK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015**

Note 9 - Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015 the following deferred charges are shown on the balance sheet of the indicated Fund:

	<u>Balance</u> <u>December 31,</u>	<u>Appropriated in</u> <u>Subsequent</u> <u>Year's Budget</u>	<u>Balance to</u> <u>Succeeding</u>
Current Fund:			
Special Emergency Authorizations (40A:4-55) -	\$ 950,000	\$ 190,000	\$ 760,000
Employee Retirement Payments			
Emergency Authorization	-	-	-
	<u>\$ 950,000</u>	<u>\$ 190,000</u>	<u>\$ 760,000</u>

Note 10 - Retirement Plans

Description of the Plans

All required employees of the City are covered by either the Public Employees' Retirement System (PERS) or the Police and Fireman's Retirement System (PFRS) which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (the "Division"). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Police and Fireman's Retirement System. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

The State also established and administers a Supplemental Annuity Collective Trust Fund ("SACT") which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

Additionally, the State also administers the Pensions Adjustment Fund ("PAF"). Prior to the adoption of pension reform legislation, P.L. 2011, C.78, it provided cost of living increases equal to 60% of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems. Cost-of-living increases provided under the State's pension adjustment program are currently suspended as a result of the reform legislation. This benefit is funded by the State as benefit allowances become payable.

The cost-of-living increase for PERS and PFRS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, which was rolled forward to June 30, 2015, the aggregate funded ratio for the local PERS system is 47.93% and \$22.5 billion, respectively and the aggregate funded ratio and unfunded accrued liability for the local PFRS is 56.3% and \$18.1 billion, respectively.

The funded status and funding progress of the retirement systems includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2014 PERS and PFRS actuarial valuations, the date of the most recent actuarial valuations, the five year average of market value was used as the asset valuation method. The actuarial assumptions included (a) 7.9% for investment rate of return and (b) changes to projected salary increases of 2.15% to 5.40% based on age for PERS and 2.60% to 10.48% based on age for PFRS.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 10 - Retirement Plans (Continued)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, employer contributions and benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms consistent with the accrual basis of accounting. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the City's liability of for its proportionate share of the net pension liability was \$30,752,460 which is not required to be reflected in the financial statements but is a required disclosure under GASB 68. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The City's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2015 and 2014. At June 30, 2015, the City's proportion was 0.13699%, which was a decrease of 0.0164% from its proportion measured as of June 30, 2013 which was rolled forward to June 30, 2014.

For the year ended December 31, 2015, the City recognized PERS related pension expense of \$1,297,704 representing the required annual contribution. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 733,646	\$ -
Changes of assumptions	3,302,569	-
Net difference between projected and actual earnings on pension plan investments	-	494,440
Changes in proportion and differences between City contributions and proportionate share of contributions	404,901	2,601,405
City contributions subsequent to the measurement date	1,297,704	-
Total	<u>\$ 5,738,820</u>	<u>\$ 3,095,845</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended 12/31:
2016	\$ (244,974)
2017	(244,974)
2018	(244,974)
2019	(389,994)
2020	(220,355)
	<u>\$ (1,345,271)</u>

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

**Note 10 - Retirement Plans (Continued)
Public Employees' Retirement System (PERS) (Continued)**

Collective balances are as follows:

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources (Local Group)	\$ 3,578,755,666	\$ 952,194,675
Collective deferred inflows of resources (Local Group)	\$ 993,410,555	\$ 1,479,224,662
Collective net pension liability (Non State - Local Group)	\$22,447,996,119	\$18,722,735,003
City's Portion of net pension liability	\$ 30,752,460	\$ 28,715,305
City's Proportion	0.1369942325%	0.1533713157%

Actuarial Assumptions

The total pension liability in the July 1, 2014 actuarial valuation, which was rolled forward to June 30, 2015, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.04%
Salary Increases:	
2012-2021	2.15% - 4.40% based on age
Thereafter	3.15% - 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

**Note 10 - Retirement Plans (Continued)
PERS Actuarial Assumptions (Continued)**

Discount rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, 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 made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate

The following presents the City's December 31, 2015 proportionate share of the net pension liability measured as of June 30, 2015, calculated using the discount rate of 4.90%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate. A sensitivity analysis specific to the City's net pension liability was not provided by the pension system.

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Borough's proportionate share of the \$ net pension liability	38,221,617	\$ 30,752,460	\$ 24,490,337

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

Defined Contribution Retirement Plan (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 and was expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010 effective May 21, 2010 to new Tier 2 employees of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not work the minimum required hours but earn a base salary of at least \$5,000. The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007, Chapter 103, P.L. 2007, Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010, plan members are required to contribute 5.5% of their annual covered salary and employers contribute 3% of employees base salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

PERS Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS. Retirement benefits for age and service are available at ages 60, 62 or 65 and are generally determined to be 1/55 or 1/60 of the final average salary for each year of service credit, as defined depending on the employees membership tier. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit 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 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 10 - Retirement Plans (Continued)
PERS Vesting and Benefit Provisions (Continued)

The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for earnings on their contributions at 2% per annum. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems. Chapter 78's provisions impacting employee pension and health benefits include:

1. New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
2. The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
3. The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
4. Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011.
5. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
6. The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
7. New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
8. In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements

The PERS contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.06% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate for PERS. The current PERS rate is 12.46% of covered payroll.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 10 - Retirement Plans (Continued)

Police and Firemen's Retirement System (PFRS)

The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death, disability and medical benefits to certain qualified members. The Police and Firemen's Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PFRS and additions to/deductions from PFRS fiduciary net position have been determined on the same basis as they are reported by PFRS. For this purpose, employer contributions and benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms consistent with the accrual basis of accounting. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the City's liability of for its proportionate share of the net pension liability was \$124,201,853 which is not required to be reflected in the financial statements but is a required disclosure under GASB 68. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, rolled forward to June 30, 2015. The City's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PFRS during the years ended June 30, 2015 and 2014. At June 30, 2015, the City's proportion was 0.7457%, which was an increase of 0.0209% from its proportion measured as of June 30, 2013 rolled forward to June 30, 2014.

For the year ended December 31, 2015, the City recognized PFRS related pension expense of \$5,940,000 representing the required annual contribution. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,071,280
Changes of assumptions	22,930,747	-
Net difference between projected and actual earnings on pension plan investments	-	2,161,624
Changes in proportion and differences between City contributions and proportionate share of contributions	2,306,406	-
City contributions subsequent to the measurement date	5,940,000	-
Total	\$ 31,177,153	\$ 3,232,904

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended 12/31:</u>
2015	\$ (4,178,607)
2016	(4,178,607)
2017	(4,178,607)
2018	(6,852,123)
2019	(2,616,305)
	<u>\$ (22,004,249)</u>

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

**Note 10 - Retirement Plans (Continued)
Police and Firemen's Retirement System (PFRS) (Continued)**

Collective balances are as follows:

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources (Non Special Funding)	\$ 3,512,729,953	\$ 750,532,959
Collective deferred inflows of resources (Non Special Funding)	\$ 871,083,367	\$ 1,561,923,934
Collective net pension liability (Non Special Funding)	\$16,656,514,197	\$12,579,072,492
City's Portion of net pension liability	\$ 124,201,853	91,171,863
City's Proportion	0.7456653387%	0.7247900277%

Actuarial Assumptions

The total pension liability in the July 1, 2014 actuarial valuation, which was rolled forward to June 30, 2015, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.04%
Salary Increases:	
2012-2021	2.60% - 9.48% based on age
Thereafter	3.60% - 10.48% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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 PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

**Note 10 - Retirement Plans (Continued)
PFRS Actuarial Assumptions (Continued)**

Discount rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, 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 and the nonemployer contributing entity will be made based on the average of the last five years of contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate

The following presents the City's December 31, 2015 proportionate share of the net pension liability measured as of June 30, 2015, calculated using the discount rate of 5.79%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

	1% Decrease (4.79%)	Current Discount Rate (5.79%)	1% Increase (6.79%)
Borough's proportionate share of the net pension liability \$	163,735,303	\$ 124,201,853	\$ 91,959,052

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

PFRS Vesting and Benefit Provisions

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A. All benefits vest after ten years of service, except for disability benefits that vest after four years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek early retirement after achieving 25 years of service credit, 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.

Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members contributions providing no survivor death benefits are payable.

Contribution Requirements

The PFRS contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate for PFRS. The current PFRS rate is 25.67% of covered payroll.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 11 - Other Post Retirement Benefits

A. Compensated Absences (Unaudited)

Under the existing ordinances of the City, employees are permitted to accumulate (with certain limitations) unused sick and vacation pay over the life of their working careers which may be redeemed in cash (with certain limitations), upon death, retirement or by extended time off immediately preceding retirement.

At December 31, 2015, the accumulated value of unused sick and vacation was approximately \$9,700,000. There were \$438,935 in trust reserves for such purposes as of December 31, 2015. Payments are charged to operations when incurred. In 2016, \$1,300,000 has been budgeted within "CAPS" for accumulated absences.

In accordance with accounting practices prescribed by the Division of Local Government Services, this amount is not recorded as either an expenditure or a liability.

B. Post Retirement Health Benefits

In addition to the pension benefits described in Note 10, the City provides, at its cost, post employment health care benefits, including prescription drug and vision benefits, as part of the medical plan on a self-funded basis administered by Horizon BC/BS of New Jersey in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981.

Pursuant to GASB Statement No. 45 ("GASB 45"), Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, the City obtained an actuarially determined calculation for this obligation.

The City's annual other postemployment benefits ("OPEB") costs for the Plan, which is currently funded on a pay-as-you-go basis and is a non-contributory plan with all plan payments for plan benefits being funded by the City, is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and interest on the net OPEB obligation and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The City's annual OPEB cost for the year ended December 31, 2013 (latest available), and the related information for the plan are as follows:

CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

Note 11 - Other Post Retirement Benefits (continued)

Projected Unfunded Accrued Liability as of 12/31/13:

(1) Unfunded Accrued Liability (UAL) as of 1/1/13	\$156,588,653
(2) Service Cost at Year End	4,608,509
(3) Projected Pay-As-You-Go Benefits for 1/1/13 to 12/31/13	4,344,899
(4) Interest on Unfunded Accrued Liability	<u>6,176,648</u>
(5) Unfunded Accrued Liability (UAL) as of 12/31/13	<u>\$163,028,911</u>

Annual OPEB Cost as of 12/31/13:

(1) Service Cost at Year End	\$ 4,608,509
(2) Amortization of Initial UAL	5,208,259
(3) Interest on Net OPEB Obligation for Current Plan Year	<u>225,175</u>
(4) Total Annual OPEB Cost - 1/1/13 to 12/31/13	\$10,041,943
(5) Projected Pay-As-You-Go Benefits for 1/1/13 to 12/31/13	<u>4,344,899</u>
(6) Net OPEB Cost as of 12/31/13	<u>\$ 5,697,044</u>

The **Present Value of all Projected Benefits** is the total present value of all expected future benefits, based on certain actuarial assumptions. The Present Value of all projected benefits is a measure of total liability or obligation. Essentially, the Present Value of all projected benefits is the value (on the valuation date) of the benefits promised to current and future retirees. The Plan's present value of all projected benefits (at December 31, 2012) was \$206,415,080 assuming no prefunding obligations. The majority of this liability is for current active employees (future retirees). This calculation was not performed at December 31, 2013.

The **Actuarial Accrued Liability** is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Plan's Actuarial Accrued Liability (at December 31, 2013) is \$163,028,911 assuming no prefunding obligations. The majority of this liability is for current active employees.

Future Normal Costs represent the present value of the remaining balance of all projected benefits to be earned in future years.

Assumptions

The results were calculated based upon plan provisions, as provided by the City of Hackensack and the State of New Jersey, along with certain demographic and economic assumptions as recommended by the actuary, in conjunction with the City of Hackensack with guidance from the GASB statement.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 11 - Other Post Retirement Benefits (continued)

Demographic Assumptions

Data was provided by the City of Hackensack as of December 31, 2013. Some highlights of census demographic information as of the January 1, 2012 valuation date are as follows:

- (1) Valuation based on 567 employees, 407 active and 160 retired. Of the retired, 157 are retirees and 3 are surviving spouses.
- (2) For retirees, the overall average age is 59.1 years, which reflects an average age of 56.7 for pre-65 retirees and 69.0 for post-65 retirees.
- (3) For actives, the average age is 43.6 years and average years of service of 11.2.
- (4) Of the active population, 6.9% of the population (28 employees) is eligible to retire.
- (5) 20.6% actives and 13.8% retirees valued were female. Retiree counts include surviving spouses (3 listed).
- (6) The discount rate assumption is 4%.
- (7) The healthcare inflation assumptions reflect 9% beginning January 1, 2014 and decrease one percent per year until an ultimate trend rate of 5%.

Economic Assumptions

The GASB statement requires that the discount rate used to determine the retiree healthcare liabilities should be estimated long-term yield on the "investments that are expected to be used to finance the payments of benefits". Since the City of Hackensack does not currently pre-fund the retiree healthcare liabilities, the discount rate for the "no prefunding" scenario should be based on the portfolio of the City of Hackensack's "general assets" used to pay these benefits. The discount rate assumption selected by the City is 4.00%.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 11 - Other Post Retirement Benefits (continued)

Eligibility for participation in the post-retirement benefit program by collective bargaining unit are as follows:

White Collar NON-CONTRACTUAL

Members who retire subsequent to 1/1/02 and their eligible dependents are entitled to medical and prescription insurance under the City of Hackensack's group insurance plan until the demise of the association member, if the retiree has completed 25 years of service with the City of Hackensack at the time of their retirement and has been accepted by the PERS and continues to receive retirement benefits under Service, Early, Veteran, Ordinary Disability or Accidental Disability Retirement. The 25 years of service credit is waived for Disability retirements. At age 65 or upon Medicare Eligibility, coverage under the City of Hackensack's group medical insurance plan is supplemental to Medicare ONLY. Inclusion in this benefit is predicated upon enrollment in both Medicare Parts A & B upon eligibility. Proof of Medicare participation in both Medicare Parts A & B are required by the retiree and any dependent eligible for Medicare. A copy of their Medicare card must be supplied to the office of the CFO upon its receipt.

Members who retired prior to 1/1/02 who are accepted by the PERS for a bona fide retirement are covered under the City of Hackensack's group medical and prescription insurance beginning at age 55 until such time as the retiree attains the age of 65 regardless of their years of service with the City. This coverage also includes any eligible dependents. Once the member attains the age of 65 coverage will continue for a period of six (6) months as a supplement to Medicare in order to provide time for the member to obtain supplemental coverage on their own. Any eligible dependent of the association member will continue under the City of Hackensack's group insurance plan during this time and enjoy the coverage they have had in the past. Once this six (6) month period has expired, all coverage under the City of Hackensack's group medical and prescription insurance will cease for the association member and any eligible dependents.

The above coverage is not applicable to any HMO coverage. At age 65 or upon Medicare eligibility the City of Hackensack will reimburse the association member ONLY for their Medicare Part B premiums.

School Crossing Guards Local # 97

There are NO Other Post Employment Benefits offered to any association member.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 11 - Other Post Retirement Benefits (continued)

White Collar Local # 424J UPSEU

Members who retire subsequent to 1/1/04 and their eligible dependents are entitled to medical and prescription insurance under the City of Hackensack's group insurance plan until the demise of the association member, if the retiree, has completed 25 years of service with the City of Hackensack at the time of their retirement and has been accepted by the PERS and continues to receive retirement benefits under Service, Early, Veteran, Ordinary Disability or Accidental Disability Retirement. The 25 years of service credit is waived for Disability retirements. At age 65 or upon Medicare Eligibility, coverage under the City of Hackensack's group medical insurance plan is supplemental to Medicare ONLY. Inclusion in this benefit is predicated upon enrollment in both Medicare Parts A & B upon eligibility. Proof of Medicare participation in both Medicare Parts A & B are required by the retiree and any dependent eligible for Medicare. A copy of their Medicare card must be supplied to the office of the CFO upon its receipt.

Members who retired prior to 1/1/04 who are accepted by the PERS for a bona fide retirement are covered under the City of Hackensack's group medical and prescription insurance until such time as the retiree attains the age of 65 regardless of their years of service with the City. This coverage also includes any eligible dependents. Once the member attains the age of 65 coverage will continue for a period of six (6) months as a supplement to Medicare in order to provide time for the member to obtain supplemental coverage on their own. Any eligible dependent of the association member will continue under the City of Hackensack's group insurance plan during this time and enjoy the coverage they have had in the past. Once this six (6) month period has expired, all coverage under the City of Hackensack's group medical and prescription insurance will cease for the association member and any eligible dependents.

The above coverage is not applicable to any HMO coverage. At age 65 or upon Medicare eligibility the City of Hackensack will reimburse the association member ONLY for their Medicare Part B premiums.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 11 - Other Post Retirement Benefits (continued)

DPW/Sanitation Local # 424J UPSEU

Members who retire subsequent to 1/1/04 and their eligible dependents are entitled to medical and prescription insurance under the City of Hackensack's group insurance plan until the demise of the association member, if the retiree, has completed 25 years of service with the City of Hackensack at the time of their retirement and has been accepted by the PERS and continues to receive retirement benefits under Service, Early, Veteran, Ordinary Disability or Accidental Disability Retirement. The 25 years of service credit is waived for Disability retirements. At age 65 or upon Medicare Eligibility, coverage under the City of Hackensack's group medical insurance plan is supplemental to Medicare ONLY. Inclusion in this benefit is predicated upon enrollment in both Medicare Parts A & B upon eligibility. Proof of Medicare participation in both Medicare Parts A & B are required by the retiree and any dependent eligible for Medicare. A copy of their Medicare card must be supplied to the office of the CFO upon its receipt.

Members who retire without 25 years of service but with a minimum of 15 years of service and who are accepted by the PERS for a bona fide retirement are covered under the City of Hackensack's group medical and prescription insurance beginning at age 55 until such time as the retiree attains the age of 65 regardless of their years of service with the City. This coverage also includes any eligible dependents.

Members who have retired prior to 1/1/69 are not included in this coverage.

The above coverage is not applicable to any HMO coverage. At age 65 or upon Medicare eligibility the City of Hackensack will reimburse the association member ONLY for their Medicare Part B premiums.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 11 - Other Post Retirement Benefits (continued)

Hackensack Public Works Supervisors Group Local # 424J UPSEU

Members who retire subsequent to 1/1/04 and their eligible dependents are entitled to medical and prescription insurance under the City of Hackensack's group insurance plan until the demise of the association member, if the retiree, has completed 25 years of service with the City of Hackensack at the time of their retirement and has been accepted by the PERS and continues to receive retirement benefits under Service, Early, Veteran, Ordinary Disability or Accidental Disability Retirement. The 25 years of service credit is waived for Disability retirements. At age 65 or upon Medicare Eligibility, coverage under the City of Hackensack's group medical insurance plan is supplemental to Medicare ONLY. Inclusion in this benefit is predicated upon enrollment in both Medicare Parts A & B upon eligibility. Proof of Medicare participation in both Medicare Parts A & B are required by the retiree and any dependent eligible for Medicare. A copy of their Medicare card must be supplied to the office of the CFO upon its receipt.

Members who retired prior to 1/1/04 who are accepted by the PERS for a bona fide retirement are covered under the City of Hackensack's group medical and prescription insurance until such time as the retiree attains the age of 65 regardless of their years of service with the City. This coverage also includes any eligible dependents. Once the member attains the age of 65 coverage will continue for a period of six (6) months as a supplement to Medicare in order to provide time for the member to obtain supplemental coverage on their own. Any eligible dependent of the association member will continue under the City of Hackensack's group insurance plan during this time and enjoy the coverage they have had in the past. Once this six (6) month period has expired, all coverage under the City of Hackensack's group medical and prescription insurance will cease for the association member and any eligible dependents.

The above coverage is not applicable to any HMO coverage. At age 65 or upon Medicare eligibility the City of Hackensack will reimburse the association member ONLY for their Medicare Part B premiums.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 11 - Other Post Retirement Benefits (continued)

Hackensack Fraternal Order of Police

Members who retire subsequent to 1/1/00 and their eligible dependents are entitled to medical and prescription insurance under the City of Hackensack's group insurance plan until the demise of the association member, if the retiree, has completed 25 years of service with the City of Hackensack at the time of their retirement and has been accepted by the PFRS and continues to receive retirement benefits under Service, Special, Ordinary Disability or Accidental Disability Retirement. The 25 years of service credit is waived for Disability retirements. At age 65 or upon Medicare Eligibility, coverage under the City of Hackensack's group medical insurance plan is supplemental to Medicare ONLY. Inclusion in this benefit is predicated upon enrollment in both Medicare Parts A & B upon eligibility. Proof of Medicare participation in both Medicare Parts A & B are required by the retiree and any dependent eligible for Medicare. A copy of their Medicare card must be supplied to the office of the CFO upon its receipt.

Members who retired prior to 1/1/00 who are accepted by the PFRS for a bona fide retirement are covered under the City of Hackensack's group medical and prescription insurance until such time as the retiree attains the age of 65 regardless of their years of service with the City. This coverage also includes any eligible dependents. Once the member attains the age of 65 coverage will continue for a period of six (6) months as a supplement to Medicare in order to provide time for the member to obtain supplemental coverage on their own. Any eligible dependent of the association member will continue under the City of Hackensack's group insurance plan during this time and enjoy the coverage they have had in the past. Once this six (6) month period has expired, all coverage under the City of Hackensack's group medical and prescription insurance will cease for the association member and any eligible dependents.

The above coverage is not applicable to any HMO coverage. At age 65 or upon Medicare eligibility the City of Hackensack will reimburse the association member ONLY for their Medicare Part B premiums.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 11 - Other Post Retirement Benefits (continued)

PBA Local # 9

Members who retire subsequent to 1/1/00 and their eligible dependents are entitled to medical and prescription insurance under the City of Hackensack's group insurance plan until the demise of the association member, if the retiree, has completed 25 years of service with the City of Hackensack at the time of their retirement and has been accepted by the PFRS and continues to receive retirement benefits under Service, Special, Ordinary Disability or Accidental Disability Retirement. The 25 years of service credit is waived for Disability retirements. At age 65 or upon Medicare Eligibility, coverage under the City of Hackensack's group medical insurance plan is supplemental to Medicare ONLY. Inclusion in this benefit is predicated upon enrollment in both Medicare Parts A & B upon eligibility. Proof of Medicare participation in both Medicare Parts A & B are required by the retiree and any dependent eligible for Medicare. A copy of their Medicare card must be supplied to the office of the CFO upon its receipt.

Members who retired prior to 1/1/00 who are accepted by the PFRS for a bona fide retirement are covered under the City of Hackensack's group medical and prescription insurance until such time as the retiree attains the age of 65 regardless of their years of service with the City. This coverage also includes any eligible dependents. Once the member attains the age of 65 coverage will continue for a period of six (6) months as a supplement to Medicare in order to provide time for the member to obtain supplemental coverage on their own. Any eligible dependent of the association member will continue under the City of Hackensack's group insurance plan during this time and enjoy the coverage they have had in the past. Once this six (6) month period has expired, all coverage under the City of Hackensack's group medical and prescription insurance will cease for the association member and any eligible dependents.

The above coverage is not applicable to any HMO coverage. At age 65 or upon Medicare eligibility the City of Hackensack will reimburse the association member ONLY for their Medicare Part B premiums.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 11 - Other Post Retirement Benefits (continued)

Fire Fighters Local # 2081

Members who retire subsequent to 1/1/02 and their eligible dependents are entitled to medical and prescription insurance under the City of Hackensack's group insurance plan until the demise of the association member, if the retiree, has completed 25 years of service with the City of Hackensack at the time of their retirement and has been accepted by the PFRS and continues to receive retirement benefits under Service, Special, Ordinary Disability or Accidental Disability Retirement. The 25 years of service credit is waived for Disability retirements. At age 65 or upon Medicare Eligibility, coverage under the City of Hackensack's group medical insurance plan is supplemental to Medicare ONLY. Inclusion in this benefit is predicated upon enrollment in both Medicare Parts A & B upon eligibility. Proof of Medicare participation in both Medicare Parts A & B are required by the retiree and any dependent eligible for Medicare. A copy of their Medicare card must be supplied to the office of the CFO upon its receipt.

Members who retired prior to 1/1/02 who are accepted by the PFRS for a bona fide retirement are covered under the City of Hackensack's group medical and prescription insurance until such time as the retiree attains the age of 65 regardless of their years of service with the City. This coverage also includes any eligible dependents. Once the member attains the age of 65 coverage will continue for a period of six (6) months as a supplement to Medicare in order to provide time for the member to obtain supplemental coverage on their own. Any eligible dependent of the association member will continue under the City of Hackensack's group insurance plan during this time and enjoy the coverage they have had in the past. Once this six (6) month period has expired, all coverage under the City of Hackensack's group medical and prescription insurance will cease for the association member and any eligible dependents.

The above coverage is not applicable to any HMO coverage. At age 65 or upon Medicare eligibility the City of Hackensack will reimburse the association member ONLY for their Medicare Part B premiums.

Note 11 - Other Post Retirement Benefits (continued)

Uniform Fire Officers Association

Members who retire subsequent to 1/1/02 and their eligible dependents are entitled to medical and prescription insurance under the City of Hackensack's group insurance plan until the demise of the association member, if the retiree, has completed 25 years of service with the City of Hackensack at the time of their retirement and has been accepted by the PFRS and continues to receive retirement benefits under Service, Special, Ordinary Disability or Accidental Disability Retirement. The 25 years of service credit is waived for Disability retirements. At age 65 or upon Medicare Eligibility, coverage under the City of Hackensack's group medical insurance plan is supplemental to Medicare ONLY. Inclusion in this benefit is predicated upon enrollment in both Medicare Parts A & B upon eligibility. Proof of Medicare participation in both Medicare Parts A & B are required by the retiree and any dependent eligible for Medicare. A copy of their Medicare card must be supplied to the office of the CFO upon its receipt.

Members who retired prior to 1/1/02 who are accepted by the PFRS for a bona fide retirement are covered under the City of Hackensack's group medical and prescription insurance until such time as the retiree attains the age of 65 regardless of their years of service with the City. This coverage also includes any eligible dependents. Once the member attains the age of 65 coverage will continue for a period of six (6) months as a supplement to Medicare in order to provide time for the member to obtain supplemental coverage on their own. Any eligible dependent of the association member will continue under the City of Hackensack's group insurance plan during this time and enjoy the coverage they have had in the past. Once this six (6) month period has expired, all coverage under the City of Hackensack's group medical and prescription insurance will cease for the association member and any eligible dependents.

The above coverage is not applicable to any HMO coverage. At age 65 or upon Medicare eligibility the City of Hackensack will reimburse the association member ONLY for their Medicare Part B premiums.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 11 - Other Post Retirement Benefits (continued)

Communications Operators Local # 1158 IBEW

Members who retire subsequent to 1/1/02 and their eligible dependents are entitled to medical and prescription insurance under the City of Hackensack's group insurance plan until the demise of the association member, if the retiree, has completed 25 years of service with the City of Hackensack at the time of their retirement and has been accepted by the PFRS and continues to receive retirement benefits under Service, Early, Veteran, Ordinary Disability or Accidental Disability Retirement. The 25 years of service credit is waived for Disability retirements. At age 65 or upon Medicare Eligibility, coverage under the City of Hackensack's group medical insurance plan is supplemental to Medicare ONLY. Inclusion in this benefit is predicated upon enrollment in both Medicare Parts A & B upon eligibility. Proof of Medicare participation in both Medicare Parts A & B are required by the retiree and any dependent eligible for Medicare. A copy of their Medicare card must be supplied to the office of the CFO upon its receipt.

Members who retired prior to 1/1/02 who are accepted by the PFRS for a bona fide retirement are covered under the City of Hackensack's group medical and prescription insurance until such time as the retiree attains the age of 65 regardless of their years of service with the City. This coverage also includes any eligible dependents. Once the member attains the age of 65 coverage will continue for a period of six (6) months as a supplement to Medicare in order to provide time for the member to obtain supplemental coverage on their own. Any eligible dependent of the association member will continue under the City of Hackensack's group insurance plan during this time and enjoy the coverage they have had in the past. Once this six (6) month period has expired, all coverage under the City of Hackensack's group medical and prescription insurance will cease for the association member and any eligible dependents.

The above coverage is not applicable to any HMO coverage. At age 65 or upon Medicare eligibility the City of Hackensack will reimburse the association member ONLY for their Medicare Part B premiums.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 12 - Contingencies

A. Litigation

The City is a party to various legal proceedings which normally occur in the operation of government. These proceedings may have a materially adverse affect on the various funds of the City.

B. Tax Appeals

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2015. Amounts claimed have not yet been determined. The City is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the City does not recognize a liability, if any, until these cases have been adjudicated. The City expects such amounts, if any, to be material. As of December 31, 2015, the City recorded \$0 of reserves in the Current Fund for tax appeals pending in the New Jersey Tax Court. In 2016, \$500,000 has been budgeted within "CAPS" for pending tax appeals. Funding of any ultimate future liability would be provided for in succeeding years' budgets, from fund balance or by issuance of refunding bonds.

C. Federal and State Grants

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed, the City may be required to reimburse the grantor agency. As of December 31, 2015, significant amounts of grant expenditures have not been audited. The City believes that any future disallowed expenditures will not have a material effect on its financial position.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 13 - Fund Balances Appropriated

Fund balances at December 31 2015 and 2014 which were appropriated and included as anticipated revenue in their respective funds for the years ending December 31, 2016 and 2015 were as follows:

	<u>2015</u>		<u>2015</u>
Current Fund	\$ 2,700,000	\$	1,000,000
Public Parking Utility	360,000		480,000

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 14 - Economic Dependency

The City of Hackensack is not economically dependent on any one business or industry as a major source of tax revenue for the City.

**CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 15 - Subsequent Events

As of the date of this report, the following are considered material subsequent events:

A. Subsequent Year Capital Projects

The City's 2016 Capital Budget currently includes the following:

Purpose	Total	CIF, Fund Balance & Other Funded Sources	Bonds & Notes Authorized
Main Street/State Street Conversion	\$ 6,510,000	\$ 3,975,000	\$ 2,535,000
Renovations to M&M Building	8,200,000	410,000	7,790,000
Sports Dome Facility	7,000,000	7,000,000	-
Fire Engine #1 Replacement	577,500	28,875	548,625
Fire House Renovations	120,000	63,150	56,850
Fire Extraction Equipment Replacement	120,000	120,000	-
Main Street Rehabilitation - Phase I & II	468,000	341,800	126,200
2016 Roads - CDBG Funded	500,000	335,029	164,971
2016 Roads - Non-CDBG	732,000	732,000	-
Intersection Signal Project - Prospect & Beech Streets	219,000	10,950	208,050
	<u>\$24,446,500</u>	<u>\$ 13,016,804</u>	<u>\$ 11,429,696</u>

B. Bond Anticipation Notes

On April 21, 2016 the City issued Bond Anticipation Notes in the amount of \$4,937,133 comprised of \$4,937,133 of General Capital notes, and \$0 of Public Parking Utility Capital Notes to temporarily finance expenditures related to various capital projects. The City paid down \$1,928,574 to the maturing notes derived from the 2016 Current Fund budget (\$1,928,574), and the 2016 Public Parking Utility budget (\$0). The City has awarded the sale of said notes to TD Bank, N.A. at a gross interest rate of .85% receiving a premium of \$0. The note will mature on April 20, 2017.

Fund	Balance December 31, 2015	New Money Paydowns	Issued April 21, 2016
General Capital Fund - #14-10	\$ 251,000	\$ -	\$ (251,000)
General Capital Fund - #15-10	2,200,000	-	(1,000,000)
General Capital Fund - #23-11	332,423	-	-
General Capital Fund - #11-13	238,034	-	(72,484)
General Capital Fund - #18-13	275,000	-	-
General Capital Fund - #09-14	231,400	-	(521)
General Capital Fund - #16-14	760,000	-	(492,258)
General Capital Fund - #25-14	617,500	-	-
General Capital Fund - #30-14	411,350	-	-
General Capital Fund - #31-14	513,000	-	-
General Capital Fund - #10-15	1,036,000	-	(112,311)
Public Parking Utility Capital Fund	-	-	-
	<u>\$ 6,865,707</u>	<u>\$ -</u>	<u>\$ (1,928,574)</u>
			<u>\$ 4,937,133</u>

The City has evaluated subsequent events through June 30, 2016, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

**CITY OF HACKENSACK
CURRENT FUND
BALANCE SHEET (REGULATORY BASIS)**

	2015	2014
<u>ASSETS AND OTHER DEBITS</u>		
Cash:		
Current Account #1	\$ 12,019,039	\$ 9,830,263
Current Account #2	-	7,908
Change Funds	450	450
	<u>\$ 12,019,489</u>	<u>\$ 9,838,621</u>
Interfunds Receivable:		
Public Parking Utility Operating Fund	\$ -	\$ 15,537
Taxes Receivable:		
Delinquent Property Taxes Receivable	\$ 171,495	\$ 3,181,888
Property Acquired for Taxes - Assessed Valuation	1,311,800	1,311,800
	<u>\$ 1,483,295</u>	<u>\$ 4,493,688</u>
Intergovernmental Receivable:		
Due From State of New Jersey	\$ -	\$ 11,534
Deferred Charges:		
Special Emergency Authorizations	\$ 950,000	\$ 54,900
Total Assets and Other Debits	<u>\$ 14,452,784</u>	<u>\$ 14,414,280</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Accounts Payable	\$ 75,877	\$ 32,992
Interfunds Payable:		
Grant Fund	\$ 612,918	\$ 493,675
Other Liabilities and Reserves:		
Appropriation Reserves	\$ 4,257,197	\$ 5,086,277
Reserve for Encumbrances	1,179,725	1,912,780
Pre-Paid Taxes	638,707	642,710
Tax Overpayments	13,619	220,687
Outside Tax Title Lien Payable	42,574	15,038
Reserve for Re-Assessment Expenditures	674,900	-
Reserve for Library State Aid Expenditures	-	771
	<u>\$ 6,806,722</u>	<u>\$ 7,878,263</u>
Intergovernmental Payable:		
Local District School Tax Payable	\$ 717,706	\$ -
Due County for Added & Omitted Taxes	2,014	5,197
Due County for Added & Omitted Open Space Taxes	-	66
Due Free Public Library	299	-
Due to State of New Jersey	41,215	28,966
	<u>\$ 761,234</u>	<u>\$ 34,229</u>
Reserve for Receivables and Other Assets	\$ 1,483,295	\$ 4,509,225
Fund Balance	<u>\$ 4,712,738</u>	<u>\$ 1,465,896</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 14,452,784</u>	<u>\$ 14,414,280</u>

**CITY OF HACKENSACK
CURRENT FUND
SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME (REGULATORY BASIS)
YEAR ENDED DECEMBER 31, 2015**

	Budget As Modified	Realized	Excess/ (Deficit)
REVENUES			
Operating Surplus Anticipated	\$ 1,000,000	\$ 1,000,000	\$ -
Miscellaneous Revenues:			
Alcoholic Beverage Licenses	\$ 99,000	\$ 96,130	\$ (2,870)
Other Licenses	94,000	95,861	1,861
Fees and Permits	493,000	565,891	72,891
Municipal Court Fines and Costs	1,600,000	1,799,091	199,091
Interest and Costs on Taxes	615,000	595,669	(19,331)
Utility Operating Surplus of Prior Year	480,000	480,000	-
Consolidated Municipal Property Tax Relief	457,545	389,805	(67,740)
Energy Receipts Tax	3,839,039	3,906,779	67,740
Uniform Construction Code Fees	1,250,000	1,663,654	413,654
Nursing Services for Hackensack BOE	10,422	16,640	6,218
Maywood - Solid Waste Collection	233,400	289,819	56,419
Maywood - Recycling Collection	80,600	68,200	(12,400)
Municipal Alliance on Alcoholism & Drug Abuse	15,279	15,279	-
Alcohol Education & Rehabilitation Fund	295	295	-
Law & Public Safety Grant	4,000	4,000	-
Body Armor Replacement Fund	10,032	10,032	-
Recycling Tonnage Grant	54,952	54,952	-
Justice Assistance Grant (JAG)	12,267	12,267	-
Summer Nutrition Program - USDOA (CH159)	141,185	141,185	-
Clean Communities Program (CH159)	77,839	77,839	-
Body Armor Replacement Program (CH159)	10,266	10,266	-
Uniform Fire Safety Act	190,000	181,848	(8,152)
Reserve for Payment of Debt Service	237,577	237,576	(1)
Verizon FIOS Franchise Fees	212,000	212,758	758
Cablevision Franchise Fees	375,000	375,543	543
Air Rights - HUMC	200,000	200,000	-
Hackensack BOE - School Resource Officer	170,000	184,207	14,207
Sewer User Charges	380,000	365,240	(14,760)
PILOT - Hackensack Housing Authority	125,000	137,480	12,480
Recycling Revenue	95,000	48,949	(46,051)
Administrative Fees - Outside Police Employment	70,000	132,975	62,975
Total Miscellaneous Revenues	\$ 11,632,698	\$ 12,370,230	\$ 737,532
Receipts From Delinquent Taxes	\$ 2,750,000	\$ 3,012,899	\$ 262,899
Amount to be Raised by Taxation - Local	\$ 80,686,739	\$ 78,288,114	\$ (2,398,625)
Amount to be Raised by Taxation - Library	\$ 1,845,832	\$ 1,845,832	\$ -
Total Revenues	\$ 97,915,269	\$ 96,517,075	\$ (1,398,194)
OTHER CREDITS TO INCOME			
Miscellaneous Revenues Not Anticipated	\$ -	\$ 1,624,576	\$ 1,624,576
Unexpended Balances of Appropriation Reserves	-	3,301,740	3,301,740
Interfund Loans Returned	-	15,537	15,537
Unexpended Balances Cancelled	-	107,893	107,893
Cancellations & Non-Cash Adjustments	-	833,206	833,206
Taxes Allocated to School and County:			
Local District School Tax	75,582,908	75,582,908	-
County Tax Levy	12,322,857	12,322,857	-
County Open Space	137,700	137,700	-
Municipal Open Space Preservation	-	-	-
Added County Taxes	-	2,014	-
Added County Open Space	-	-	-
Added Municipal Open Space	-	-	-
Added Library Taxes	-	299	-
Total Other Credits to Income	\$ 88,043,465	\$ 93,928,730	\$ 5,882,952
Total Revenues and Other Credits to Income	\$ 185,958,734	\$ 190,445,805	\$ 4,484,758

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2015

	Appropriated			Expended		Unexpended	
	2015 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS - WITHIN "CAPS"							
<u>General Government Functions</u>							
General Administration:							
Salaries and Wages	\$ 550,000	\$ -	\$ 550,000	\$ 534,487	\$ 15,513	\$ -	\$ -
Other Expenses	101,200	-	124,200	123,162	1,038	-	-
Human Resources:							
Salaries and Wages	205,000	-	205,000	147,912	57,088	-	-
Mayor & City Council:							
Salaries and Wages	54,600	-	56,180	56,180	-	-	-
Other Expenses	-	-	-	-	-	-	-
City Clerk:							
Salaries and Wages	170,000	-	182,258	174,466	7,792	-	-
Other Expenses	99,550	-	77,550	61,722	15,828	-	-
Financial Administration:							
Salaries and Wages	456,000	-	474,515	474,514	1	-	-
Other Expenses	139,544	-	139,544	108,845	30,699	-	-
Audit Services:							
Other Expenses	105,000	-	105,000	100,000	5,000	-	-
Tax Assessment Administration:							
Salaries and Wages	170,000	-	171,920	171,920	-	-	-
Other Expenses	668,500	-	703,500	701,448	2,052	-	-
Revenue Administration (Collection of Taxes):							
Salaries and Wages	217,000	-	225,331	225,331	-	-	-
Other Expenses	48,000	-	48,000	47,595	405	-	-
Legal Services:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	1,075,000	-	1,049,000	1,023,267	25,733	-	-
Codification of Ordinances	8,500	-	8,500	-	8,500	-	-
<u>Utility Expenses and Bulk Purchases</u>							
Electricity	-	-	-	-	-	-	-
Water	105,000	-	105,000	74,933	30,067	-	-
Gasoline	660,000	-	637,000	382,815	254,185	-	-
Gas (Natural)	700,000	-	700,000	671,807	28,193	-	-
Telephone	145,500	-	145,500	142,759	2,741	-	-
Street Lighting	520,000	-	520,000	455,460	64,540	-	-
Public Buildings & Grounds:							
Salaries and Wages	636,000	-	652,452	652,452	-	-	-
Other Expenses	190,500	-	215,500	209,756	5,744	-	-
<u>Land Use Administration</u>							
Planning Board:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	27,750	-	27,750	26,815	935	-	-
Zoning Board of Adjustment:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	92,700	-	74,700	37,036	37,664	-	-
Rent Stabilization Board:							
Salaries and Wages	5,000	-	5,000	4,814	186	-	-
Other Expenses	-	-	-	-	-	-	-
<u>Insurance</u>							
Group Insurance to Employees	14,792,038	-	14,092,038	13,210,783	881,255	-	-
Health Benefit Waiver for Employees	100,000	-	100,000	100,000	-	-	-
Workmen's Compensation Insurance	853,053	-	1,606,053	1,547,467	58,586	-	-
General Insurance & Surety Bonds	2,432,163	-	2,432,163	1,471,423	960,740	-	-

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2015

	Appropriated			Expended		Unexpended	
	2015 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS - WITHIN "CAPS" (Continued)							
<u>Public Safety Functions</u>							
Fire:							
Salaries and Wages	\$ 12,803,000	\$ -	\$ 13,133,754	\$ 13,109,773	\$ 23,981	\$ -	\$ -
Other Expenses	308,500	-	308,500	249,188	59,312	-	-
Fire Hydrant Service	360,000	-	360,000	326,911	33,089	-	-
Emergency Medical Service:							
Salaries and Wages	9,600	-	10,100	9,050	1,050	-	-
Other Expenses	-	-	-	-	-	-	-
Fire Official:							
Salaries and Wages	554,000	-	557,331	557,330	1	-	-
Other Expenses	22,800	-	22,800	15,833	6,967	-	-
Police:							
Salaries and Wages	15,100,000	-	15,592,326	15,299,542	292,784	-	-
Other Expenses	720,500	-	720,500	502,495	218,005	-	-
Police - Traffic Control:							
Salaries and Wages	60,000	-	60,000	57,440	2,560	-	-
Other Expenses	60,500	-	60,500	51,732	8,768	-	-
Communication Center:							
Salaries and Wages	760,000	-	760,000	745,856	14,144	-	-
Other Expenses	-	-	-	-	-	-	-
School Marshals:							
Salaries and Wages	470,000	-	504,477	504,477	-	-	-
Other Expenses	-	-	-	-	-	-	-
First Aid Organization:							
Other Expenses	-	-	-	-	-	-	-
Emergency Management:							
Salaries and Wages	8,500	-	8,500	8,500	-	-	-
Other Expenses	16,850	-	16,850	10,842	6,008	-	-
<u>Building Department</u>							
Inspection & Property Maintenance:							
Salaries and Wages	337,000	-	365,501	365,501	-	-	-
Other Expenses	2,000	-	2,000	75	1,925	-	-
Code Enforcement:							
Other Expenses	13,150	-	14,150	14,072	78	-	-
Community Development:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	275,000	-	260,000	258,638	1,362	-	-
<u>Public Works Functions</u>							
Administration:							
Salaries and Wages	745,000	-	745,000	705,375	39,625	-	-
Other Expenses	72,850	-	62,850	56,916	5,934	-	-
City Garage:							
Salaries and Wages	338,000	-	342,290	342,290	-	-	-
Other Expenses	49,300	-	53,300	51,873	1,427	-	-
Streets & Roads:							
Salaries and Wages	236,000	-	236,000	209,101	26,899	-	-
Other Expenses	127,300	-	119,300	108,872	10,428	-	-
Shade Tree:							
Salaries and Wages	135,500	-	137,720	137,719	1	-	-
Other Expenses	52,500	-	52,500	38,452	14,048	-	-
Snow Removal:							
Salaries and Wages	215,000	-	215,000	137,661	77,339	-	-
Other Expenses	383,250	-	383,250	241,354	141,896	-	-
<u>Sanitation</u>							
Street Cleaning:							
Salaries and Wages	120,000	-	120,000	113,294	6,706	-	-
Other Expenses	36,300	-	52,300	51,016	1,284	-	-
Garbage & Trash Removal:							
Salaries and Wages	1,300,000	-	1,300,000	1,282,067	17,933	-	-
Other Expenses	401,100	-	446,100	443,180	2,920	-	-
Bergen County Sanitary Landfill:							
Other Expenses - Contractual	1,550,000	-	1,497,000	1,237,667	259,333	-	-
Recycling:							
Salaries and Wages	68,000	-	50,000	48,157	1,843	-	-
Other Expenses	68,000	-	77,000	74,762	2,238	-	-
Sewer System:							
Salaries and Wages	115,000	-	115,000	93,165	21,835	-	-
Other Expenses	343,500	-	343,500	321,979	21,521	-	-
Sewer Treatment & Disposal	40,000	-	40,000	37,518	2,482	-	-
PVSC Group - CSO Monitoring	-	-	-	-	-	-	-

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2015

	Appropriated			Expended		Unexpended	
	2015 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS - WITHIN "CAPS" (Continued)							
<u>Health and Human Services</u>							
Department of Health Administration:							
Salaries and Wages	\$ 676,000	\$ -	\$ 676,000	\$ 574,826	\$ 101,174	\$ -	\$ -
Other Expenses	54,500	-	58,500	53,443	5,057	-	-
Department of Health (Clinics):							
Other Expenses	44,150	-	39,150	27,173	11,977	-	-
Animal Control:							
Salaries and Wages	200	-	200	-	200	-	-
Other Expenses	56,300	-	56,300	56,006	294	-	-
Human Services:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	1,000	-	1,000	70	930	-	-
<u>Park and Recreation Functions</u>							
Parks & Playgrounds:							
Salaries and Wages	588,000	-	533,120	498,927	34,193	-	-
Other Expenses	124,100	-	137,100	134,196	2,904	-	-
Recreation:							
Salaries and Wages	389,000	-	409,496	409,495	1	-	-
Other Expenses	79,650	-	79,650	52,673	26,977	-	-
Purchase of Vehicle	-	-	-	-	-	-	-
Cultural Arts Center:							
Salaries and Wages	65,000	-	65,783	65,782	1	-	-
Other Expenses	30,000	-	30,000	20,097	9,903	-	-
Celebration of Public Events:							
Salaries and Wages	40,000	-	40,000	20,743	19,257	-	-
Other Expenses	70,000	-	70,000	56,744	13,256	-	-
<u>Municipal Court</u>							
Municipal Court Administration:							
Salaries and Wages	670,000	-	708,420	708,419	1	-	-
Other Expenses	89,800	-	89,800	64,950	24,850	-	-
Public Defender:							
Other Expenses	55,000	-	55,000	50,550	4,450	-	-
Municipal Prosecutor:							
Other Expenses	67,000	-	67,000	66,975	25	-	-
<u>Code Enforcement & Administration:</u>							
Salaries and Wages	327,000	-	348,996	348,996	-	-	-
Other Expenses	24,950	-	17,950	13,704	4,246	-	-
<u>Unclassified:</u>							
Accumulated Absences	1,500,000	-	464,000	463,283	717	-	-
Update of City Website	48,000	-	48,000	15,096	32,904	-	-
Boys & Girls Club	5,000	-	5,000	5,000	-	-	-
<u>Hazard Act (PEOSHA):</u>							
Other Expenses	178,200	-	178,200	176,633	1,567	-	-
Total Operations - Within "CAPS"	\$ 68,788,448	\$ -	\$ 68,757,718	\$ 64,642,623	\$ 4,115,095	\$ -	\$ -
Contingent	7,500	-	7,500	-	7,500	-	-
Total Operations Including Contingent - Within "CAPS"	\$ 68,795,948	\$ -	\$ 68,765,218	\$ 64,642,623	\$ 4,122,595	\$ -	\$ -
Detail:							
Salaries and Wages	\$ 40,093,400	\$ -	\$ 40,021,670	\$ 39,258,845	\$ 762,825	\$ -	\$ -
Other Expenses	\$ 28,702,548	\$ -	\$ 28,743,548	\$ 25,383,778	\$ 3,359,770	\$ -	\$ -

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2015

	Appropriated			Expended		Unexpended	
	2015 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
DEFERRED CHARGES AND STATUTORY EXPENDITURES - WITHIN "CAPS"							
<u>Deferred Charges</u>							
Prior Year Bills:							
Overexpenditures	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Statutory Expenditures</u>							
Public Employees' Retirement System (PERS)	1,324,188	-	1,324,188	1,297,704	26,484	-	-
Social Security System (O.A.S.I.)	1,250,000	-	1,280,230	1,280,229	1	-	-
Consolidated Police & Firemen's Pension Fund	12,836	-	12,836	12,835	1	-	-
Police and Firemen's Retirement System (PFRS)	5,940,000	-	5,940,000	5,940,000	-	-	-
Reserve for Unemployment Insurance	120,000	-	120,000	116,874	3,126	-	-
DCRP	5,000	-	5,500	5,056	444	-	-
Tax Appeal Refunding	-	592,361	592,361	592,361	-	-	-
	\$ 8,652,024	\$ 592,361	\$ 9,275,115	\$ 9,245,059	\$ 30,056	\$ -	\$ -
Total General Appropriations for Municipal Purposes - Within "C"	\$ 77,447,972	\$ 592,361	\$ 78,040,333	\$ 73,887,682	\$ 4,152,651	\$ -	\$ -

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2015

	Appropriated			Expended		Unexpended	
	2015 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS - EXCLUDED FROM "CAPS"							
NJDEP Remediation	\$ 3,000	\$ -	\$ 3,000	\$ 165	\$ 2,835	\$ -	\$ -
<u>Utility Expenses & Bulk Purchases</u>							
BCUA Share of Costs	6,105,000	-	6,105,000	6,099,392	5,608	-	-
<u>Educational Functions</u>							
Maintenance of Free Public Library	2,770,832	-	2,770,832	2,770,832	-	-	-
<u>Interlocal Municipal Service Agreements:</u>							
Nursing Services - Hackensack BOE	10,422	-	10,422	10,422	-	-	-
911 Program:							
Salaries and Wages	257,000	-	257,000	257,000	-	-	-
Other Expenses	68,000	-	68,000	10,802	57,198	-	-
Borough of Maywood - Solid Waste Collection							
Salaries and Wages	233,400	-	233,400	233,400	-	-	-
Borough of Maywood - Recycling Collection							
Salaries and Wages	80,600	-	80,600	68,200	12,400	-	-
Borough of Bergenfield - Health Officer							
Salaries and Wages	35,000	-	35,000	35,000	-	-	-
Borough of Paramus - Fire Vehicle Repairs							
Other Expenses	27,000	-	27,000	495	26,505	-	-
<u>Public & Private Programs Offset by Revenues:</u>							
Municipal Alliance on Alcoholism & Drug Abuse - State	15,279	-	15,279	15,279	-	-	-
Municipal Alliance on Alcoholism & Drug Abuse - Local	3,820	-	3,820	3,820	-	-	-
Alcohol Education & Rehabilitation Fund	295	-	295	295	-	-	-
Law & Public Safety Grant	4,000	-	4,000	4,000	-	-	-
Body Armor Replacement Fund	10,032	-	10,032	10,032	-	-	-
Recycling Tonnage Grant	54,952	-	54,952	54,952	-	-	-
Justice Assistance Gant (JAG)	12,267	-	12,267	12,267	-	-	-
Summer Nutrition Program - USDOA (CH159)	141,185	-	141,185	141,185	-	-	-
Clean Communities Program (CH159)	77,839	-	77,839	77,839	-	-	-
Body Armor Replacement Program (CH159)	10,266	-	10,266	10,266	-	-	-
Total Operations Excluded from "CAPS"	\$ 9,920,189	\$ -	\$ 9,920,189	\$ 9,815,643	\$ 104,546	\$ -	\$ -
Detail:							
Salaries and Wages	\$ 606,000	\$ -	\$ 606,000	\$ 593,600	\$ 12,400	\$ -	\$ -
Other Expenses	\$ 9,314,189	\$ -	\$ 9,314,189	\$ 9,222,043	\$ 92,146	\$ -	\$ -

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2015

	Appropriated			Expended		Unexpended	
	2015 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"							
Capital Improvement Fund	\$ 400,000	\$ -	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-	-	-	-
Total Capital Improvements - Excluded From "CAPS"	\$ 400,000	\$ -	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ -
DEBT SERVICE - EXCLUDED FROM "CAPS"							
<u>Municipal Debt Service</u>							
Bond Principal	\$ 1,860,000	\$ -	\$ 1,860,000	\$ 1,860,000	\$ -	\$ -	\$ -
Payment of Bond Anticipation Notes	1,821,577	-	1,821,577	1,821,577	-	-	-
Payment of Bond Anticipation Notes - 2014 Tax Appeal Ref.	1,235,715	-	1,235,715	1,235,715	-	-	-
Bond Interest	731,000	-	731,000	730,686	-	314	-
Note Interest - BANS	72,000	-	72,000	68,879	-	3,121	-
Green Trust Loan Principal & Interest	28,276	-	28,276	28,275	-	1	-
Wastewater Treatment Bonds - Principal	379,607	-	370,220	266,237	-	103,983	-
Wastewater Treatment Bonds - Interest	76,833	-	86,220	86,220	-	-	-
Bergen County Improve. Authority Lease - Principal	140,500	-	140,500	140,124	-	376	-
Bergen County Improve. Authority Lease - Interest	11,700	-	11,700	11,602	-	98	-
Total Debt Service - Excluded From "CAPS"	\$ 6,357,208	\$ -	\$ 6,357,208	\$ 6,249,315	\$ -	\$ 107,893	\$ -
DEFERRED CHARGES - EXCLUDED FROM "CAPS"							
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Emergency Authorizations :							
5 Years (N.J.S. 40A:4-53)	54,900	-	54,900	54,900	-	-	-
Deferred Charges Unfunded - Capital Judgments	-	-	-	-	-	-	-
Total General Appropriations for Municipal Purposes - Excluded from "CAPS"	\$ 16,732,297	\$ -	\$ 16,732,297	\$ 16,519,858	\$ 104,546	\$ 107,893	\$ -
Subtotal General Appropriations	\$ 94,180,269	\$ 592,361	\$ 94,772,630	\$ 90,407,540	\$ 4,257,197	\$ 107,893	\$ -
Reserve for Uncollected Taxes	3,735,000	-	3,735,000	3,735,000	-	-	-
Total General Appropriations	\$ 97,915,269	\$ 592,361	\$ 98,507,630	\$ 94,142,540	\$ 4,257,197	\$ 107,893	\$ -
Budget Appropriations - Adopted Budget	\$ 97,685,979	\$ -	\$ 97,685,979				
Budget Appropriations - Added by N.J.S. 40A:4-87	229,290	-	229,290				
Emergency Appropriations	-	592,361	592,361				
	\$ 97,915,269	\$ 592,361	\$ 98,507,630				
Other Charges to Income:							
Interfund Advances Originating in Current Year			\$ -	\$ -			
Refund of Prior Year's Revenue			-	237,916			
Shortfall in Federal & State Grant Fund			-	-			
Taxes Allocated to School and County:							
Local District School Tax			75,582,908	75,582,908			
County Tax Levy			12,322,857	12,322,857			
County Open Space			137,700	137,700			
Municipal Open Space Preservation			-	-			
Added County Taxes			-	2,014			
Added County Open Space			-	-			
Added Municipal Open Space			-	-			
Added Library Taxes			-	299			
			\$ 88,043,465	\$ 88,283,694			

**CITY OF HACKENSACK
GRANT FUND
BALANCE SHEET (REGULATORY BASIS)**

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Cash	\$ -	\$ -
Intergovernmental Receivable: Grants Receivable	\$ 169,056	\$ 265,449
Interfunds Receivable: Current Fund	\$ 612,918	\$ 493,675
Total Assets	<u>\$ 781,974</u>	<u>\$ 759,124</u>
<u>LIABILITIES AND RESERVES</u>		
Other Liabilities and Reserves: Appropriated Reserves	\$ 776,974	\$ 689,181
Reserve for Encumbrances	-	664
Unappropriated Reserves	5,000	69,279
	<u>\$ 781,974</u>	<u>\$ 759,124</u>
Total Liabilities and Reserves	<u>\$ 781,974</u>	<u>\$ 759,124</u>

CITY OF HACKENSACK
GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2015

Program	Balance December 31, 2014	Revenue Realized	Received	Unappropriated Reserve Applied	Adjustments	Balance December 31, 2015
<u>Federal:</u>						
Edward J. Byrne Memorial Justice Assistance Grant	\$ 11,444	\$ 12,267	\$ -	\$ -	\$ -	\$ 23,711
U.S. Dept. of Homeland Security - Passed Thru - New Jersey Department of Law & Public Safety - Emergency Management Grant	5,000	-	5,000	-	-	-
U.S. Dept. of Agriculture - Passed Thru - New Jersey Department of Agriculture - Child Nutrition Summer Program	62,387	141,185	80,972	-	-	122,600
U.S. Dept. of Justice - Bullet Proof Vest Partnership	7,960	-	-	-	-	7,960
	<u>\$ 86,791</u>	<u>\$ 153,452</u>	<u>\$ 85,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,271</u>
<u>State:</u>						
Municipal Alliance on Alcoholism & Drug Abuse	\$ 12,970	\$ 15,279	\$ 13,464	\$ -	\$ -	\$ 14,785
Clean Communities Program - CH159	-	77,839	77,839	-	-	-
Alcohol Education & Rehabilitation Fund	-	295	-	295	-	-
Law & Public Safety Grant	-	4,000	-	4,000	-	-
Body Armor Replacement Fund - 2014	-	10,032	-	10,032	-	-
Body Armor Replacement Fund - 2015 - CH159	-	10,267	10,267	-	-	-
Recycling Tonnage Grant	-	54,952	-	54,952	-	-
Energy Conservation Block Grant	6,804	-	-	-	(6,804)	-
NJEDA State Street Site Remediation	85,512	-	85,512	-	-	-
ADA Curb Ramp Improvement Project	65,900	-	17,638	-	(48,262)	-
Hazardous Discharge Site Remediation Fund	7,472	-	-	-	(7,472)	-
	<u>\$ 178,658</u>	<u>\$ 172,664</u>	<u>\$ 204,720</u>	<u>\$ 69,279</u>	<u>\$ (62,538)</u>	<u>\$ 14,785</u>
<u>Other:</u>						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Grand Total	<u>\$ 265,449</u>	<u>\$ 326,116</u>	<u>\$ 290,692</u>	<u>\$ 69,279</u>	<u>\$ (62,538)</u>	<u>\$ 169,056</u>

CITY OF HACKENSACK
GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
YEAR ENDED DECEMBER 31, 2015

Program	Balance December 31, 2014	Revenue Realized	Expended	Adjustments	Balance December 31, 2015
<u>Federal:</u>					
Edward J. Byrne Memorial Justice Assistance Grant	\$ 11	\$ 12,267	\$ 12,178	\$ -	\$ 100
COPS Fast	51,016	-	-	-	51,016
U.S. Dept. of Homeland Security - Passed Thru - New Jersey Department of Law & Public Safety - Emergency Management Grant	5,000	-	4,116	-	884
U.S. Dept. of Homeland Security - Passed Thru - New Jersey Department of Law & Public Safety - Emergency Operation Center	175,316	-	-	-	175,316
U.S. Dept. of Agriculture - Passed Thru - New Jersey Department of Agriculture - Child Nutrition Summer Program	137,165	141,185	64,750	-	213,600
	<u>\$ 368,508</u>	<u>\$ 153,452</u>	<u>\$ 81,044</u>	<u>\$ -</u>	<u>\$ 440,916</u>
<u>State:</u>					
Clean Communities Program	\$ 30,423	\$ 77,839	\$ 46,890	\$ -	\$ 61,372
Municipal Alliance on Alcoholism & Drug Abuse - State	11,835	15,279	12,957	-	14,157
Municipal Alliance on Alcoholism & Drug Abuse - Local	-	3,820	3,820	-	-
Alcohol Education & Rehabilitation Fund	-	295	-	-	295
Law & Public Safety Grant	-	4,000	2,000	-	2,000
Body Armor Replacement Fund - 2014	-	10,032	-	-	10,032
Body Armor Replacement Fund - 2015	-	10,267	-	-	10,267
Safe & Secure Communities Grant	15,000	-	-	-	15,000
Recycling Tonnage Grant	113,437	54,952	31,996	-	136,393
Body Armor Replacement Program	1,377	-	-	-	1,377
NJEDA State Street Site Remediation	85,512	-	1,347	-	84,165
Energy Conservation Block Grant	6,769	-	-	(6,769)	-
Hazardous Discharge Site Remediation Fund	6,006	-	30	(5,976)	-
Municipal Recycling Assistance Program	12,746	-	-	(12,746)	-
	<u>\$ 283,105</u>	<u>\$ 176,484</u>	<u>\$ 99,040</u>	<u>\$ (25,491)</u>	<u>\$ 335,058</u>
<u>Other:</u>					
Puffin Foundation Grant - Mural	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
County ADA Curb/Ramp Replacement	36,568	-	-	(36,568)	-
	<u>\$ 37,568</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,568)</u>	<u>\$ 1,000</u>
Grand Total	<u>\$ 689,181</u>	<u>\$ 329,936</u>	<u>\$ 180,084</u>	<u>\$ (62,059)</u>	<u>\$ 776,974</u>

CITY OF HACKENSACK
 GRANT FUND
 SCHEDULE OF UNAPPROPRIATED RESERVES
 YEAR ENDED DECEMBER 31, 2015

Program	Balance December 31, 2014	Appropriated in 2015	Received in 2015	Adjustments	Balance December 31, 2015
<u>State:</u>					
Alcohol Education & Rehabilitation	\$ 295	\$ 295	\$ -	\$ -	\$ -
Law & Public Safety Grant	4,000	4,000	5,000	-	5,000
Body Armor Replacement Program	10,032	10,032	-	-	-
Recycling Tonnage Grant	54,952	54,952	-	-	-
	<u>\$ 69,279</u>	<u>\$ 69,279</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 5,000</u>

**CITY OF HACKENSACK
TRUST FUND
BALANCE SHEET (REGULATORY BASIS)**

	2015	2014
<u>ASSETS</u>		
Cash:		
Unemployment Trust Account	\$ 64,020	\$ 19,880
Self-Insurance Trust Accounts	146,884	134,365
Net Payroll Trust Account	8,843	291,486
Payroll Agency Trust Account	141,338	107,830
Animal Control Trust Account	15,990	11,619
Trust & Escrow Deposit Account	1,443,152	1,311,147
Affordable Housing Account	996,605	1,000,512
Other Trust Account	7,523,272	3,773,060
Urban Development Action Grant Fund Account (UDAG)	2,237,837	2,909,599
Equitable Sharing Program Agreement Trust Account	137,390	692,202
Community Development Account	1	1
PATF #1 Trust Account	-	12,596
PATF #2 Trust Account	-	410,581
	<u>\$ 12,715,332</u>	<u>\$ 10,674,878</u>
Other Assets:		
Revenue Accounts Receivable	\$ -	\$ 145
Due From UDAG Account (Other Trust)	-	149,377
	<u>\$ -</u>	<u>\$ 149,522</u>
Total Assets	<u>\$ 12,715,332</u>	<u>\$ 10,824,400</u>
<u>LIABILITIES AND RESERVES</u>		
Interfunds Payable:		
General Capital Fund (UDAG)	\$ -	\$ 400,000
	<u>\$ -</u>	<u>\$ 400,000</u>
Intergovernmental Payable:		
State of N.J.	\$ -	\$ 18
Other Liabilities and Reserves:		
Net Payroll & Deductions Payable	\$ 150,181	\$ 399,316
Tax Sale Premiums	5,572,524	2,368,744
Due To Other Trust Account (UDAG)	-	149,377
Reserve for Animal Control Expenditures	15,990	11,746
Reserve for Unemployment Claims	64,020	19,880
Reserve for Public Defender Expenditures	86,636	24,548
Reserve for POAA Expenditures	34,012	21,839
Reserve for EDA Site Remediation Expenditures	-	2,644
Reserve for Section 312 Program Expenditures	-	486
Reserve for Developers' Escrow Deposits	1,443,152	1,311,147
Reserve for Other Trust Expenditures	1,391,165	1,346,644
Reserve for Accumulated Absence Expenditures	438,935	151,540
Reserve for Affordable Housing Expenditures	996,605	1,000,512
Reserve for Commodity Resale System Expenditures	-	5,991
Reserve for Public Assistance Expenditures	-	423,177
Reserve for Equitable Sharing Program Agreement Expenditures	137,390	692,202
Reserve for Urban Development Action Grant Project Expenditures	2,237,837	2,360,223
Reserve for Community Development Expenditures	1	1
Reserve for General Liability Insurance Claims	27,956	26,986
Reserve for Workmen's Compensation Claims	6,855	6,828
Reserve for Dental Insurance Claims	112,073	100,551
	<u>\$ 12,715,332</u>	<u>\$ 10,424,382</u>
Fund Balance	\$ -	\$ -
Total Liabilities, Reserves and Fund Balance	<u>\$ 12,715,332</u>	<u>\$ 10,824,400</u>

**CITY OF HACKENSACK
GENERAL CAPITAL FUND
BALANCE SHEET (REGULATORY BASIS)**

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash:		
General Capital Account	\$ 6,235,914	\$ 5,562,625
Green Acres Account	-	86,524
	<u>\$ 6,235,914</u>	<u>\$ 5,649,149</u>
Interfund Receivables:		
Trust Fund	\$ -	\$ 400,000
	<u>\$ -</u>	<u>\$ 400,000</u>
Intergovernmental Receivable:		
Grants Receivable:		
Federal	\$ 714,149	\$ 751,460
County/Other	563,351	746,795
	<u>\$ 1,277,500</u>	<u>\$ 1,498,255</u>
Due From - State of New Jersey:		
NJEIT Trust Loan Drawdown Receivable	\$ 487,879	\$ -
NJEIT Fund Loan Drawdown Receivable	643,284	-
	<u>\$ 1,131,163</u>	<u>\$ -</u>
Deferred Charges:		
Funded	\$ 25,245,453	\$ 24,920,697
Unfunded	29,526,344	21,478,408
	<u>\$ 54,771,797</u>	<u>\$ 46,399,105</u>
Total Assets	<u>\$ 63,416,374</u>	<u>\$ 53,946,509</u>
LIABILITIES AND FUND BALANCE		
Accounts/Contracts Payable	\$ 35,331	\$ 41,795
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 467,659	\$ 372,868
Reserve for Payment of Debt Service	1,286,055	725,488
Reserve for Preliminary Plan Expenses - Main & State Street Project	103,616	343,788
Reserve for 911 Program - Computer Hardware	-	25,476
Reserve for Grants Receivable	977,500	1,198,255
	<u>\$ 2,834,830</u>	<u>\$ 2,665,875</u>
Improvement Authorizations:		
Funded	\$ 1,590,951	\$ 1,878,778
Unfunded	8,614,573	8,111,522
	<u>\$ 10,205,524</u>	<u>\$ 9,990,300</u>
Serial Bonds Payable	\$ 20,424,000	\$ 21,999,000
Bond Anticipation Notes Payable	\$ 23,704,992	\$ 14,034,434
Loans Payable:		
NJEIT Wastewater Treatment	\$ 3,902,501	\$ 1,842,561
Green Acres	395,703	415,763
	<u>\$ 4,298,204</u>	<u>\$ 2,258,324</u>
Capital Lease Obligation Payable	\$ 523,249	\$ 663,373
Fund Balance	\$ 1,390,244	\$ 2,293,408
Total Liabilities, Reserves and Fund Balance	<u>\$ 63,416,374</u>	<u>\$ 53,946,509</u>

**CITY OF HACKENSACK
 GENERAL CAPITAL FUND
 SCHEDULE OF INTERFUNDS RECEIVABLE
 YEAR ENDED DECEMBER 31, 2015**

Description	Balance December 31, 2014	Interfunds Advanced	Interfunds Returned	Offset With Payable	Balance December 31, 2015
Due From UDAG Trust	\$ 400,000	\$ -	\$ 400,000	\$ -	\$ -
Due From Parking Capital	-	39,649	39,649	-	-
Due From Current Fund	-	7,051,972	6,155,524	(896,448)	-
	<u>\$ 400,000</u>	<u>\$ 7,091,621</u>	<u>\$ 6,595,173</u>	<u>\$ (896,448)</u>	<u>\$ -</u>

**CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF INTERGOVERNMENTAL RECEIVABLE
YEAR ENDED DECEMBER 31, 2015**

Program	Balance December 31, 2014	Improvement Authorized	Received	Unappropriated Reserve Applied	Reprogram/ Cancelled/ Adjustments	Balance December 31, 2015
<u>Grants Receivable</u>						
<u>Federal:</u>						
U.S. Dept. of Transportation Passed Thru - State of NJ Department of Transportation - Waterfront Bikeway & Pedestrian Park - Phase II - #22-07	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000
U.S. Dept. of Transportation Passed Thru - State of NJ Department of Transportation - Resurfacing of Grand Avenue - #30-14	160,460	-	112,311	-	-	48,149
U.S. Dept. of Environmental Protection Passed Thru - State of NJ Department of Environmental Protection - Water Infrastructure - #31-14	291,000	-	-	-	-	291,000
Federal Emergency Management Agency (FEMA) Passed Thru - State of NJ Department of Law & Public Safety - Hazard Mitigation - Generators	-	75,000	-	-	-	75,000
	<u>\$ 751,460</u>	<u>\$ 75,000</u>	<u>\$ 112,311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 714,149</u>
<u>State:</u>						
None	\$ -	\$ -	\$ -	\$ -	\$ -	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
<u>Other:</u>						
Bergen County Community Development Block Grants - Grant Avenue Road Improvements - #10-15	\$ -	\$ 295,266	\$ -	\$ -	\$ -	\$ 295,266
Bergen County Community Development Block Grants - Road Resurfacing - #16-14	405,575	-	405,575	-	-	-
Bergen County Open Space - Atlantic Street Park - #25-14	268,085	-	-	-	-	268,085
Bergen County Open Space - Columbus Park - #29-14	28,135	-	28,135	-	-	-
Bergen County Open Space - Pulaski Park - #32-14	45,000	-	45,000	-	-	-
	<u>\$ 746,795</u>	<u>\$ 295,266</u>	<u>\$ 478,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 563,351</u>
Total Grants Receivable	<u>\$ 1,498,255</u>	<u>\$ 370,266</u>	<u>\$ 591,021</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,277,500</u>
 <u>Due From State of New Jersey</u>						
<u>State:</u>						
NJEIT Trust Loan Drawdown Receivable	\$ -	\$ 760,000	\$ 272,122	\$ -	\$ 1	\$ 487,879
NJEIT Fund Loan Drawdown Receivable	-	1,459,650	816,366	-	-	643,284
Total Due From State of New Jersey	<u>\$ -</u>	<u>\$ 2,219,650</u>	<u>\$ 1,088,488</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1,131,163</u>

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2015

Improvement	Balance December 31, 2014	Adjustment to Final Amortization Tables	Paid By Budget	Payment Credits	Issued	Refinanced	Balance December 31, 2015	Analysis of Balance		
								Outstanding Bonds	Outstanding Loans	Outstanding Capital Leases
Bonds:										
1/01/08 General Improvement Bonds - #56-2015 Refinanced	\$ 10,115,000	\$ -	\$ (900,000)	\$ -	\$ -	\$ 285,000	\$ 9,500,000	\$ 9,500,000	\$ -	\$ -
4/11/08 Refunding Bonds	2,410,000	-	(585,000)	-	-	-	1,825,000	1,825,000	-	-
5/1/13 General Improvement Bonds - "A"	5,935,000	-	(235,000)	-	-	-	5,700,000	5,700,000	-	-
5/1/13 General Improvement Bonds - "B"	3,539,000	-	(140,000)	-	-	-	3,399,000	3,399,000	-	-
Loans:										
11/1/97 - Series "T" - NJEIT Wastewater Treatment	261,482	58,518	\$ (76,608)	\$ (23,392)	-	-	220,000	-	220,000	-
11/1/97 - Series "L" - NJEIT Wastewater Treatment	29,235	-	(29,235)	-	-	-	-	-	-	-
10/15/00 - Series 2000 - NJEIT Wastewater Treatment	107,692	97,308	(9,460)	(20,540)	-	-	175,000	-	175,000	-
10/15/02 - Series 2002A - NJEIT Wastewater Treatment	135,000	-	(39,634)	(5,366)	-	-	90,000	-	90,000	-
09/30/10 - Series 2010A - NJEIT Wastewater Treatment	429,152	-	(26,821)	-	-	-	402,331	-	402,331	-
12/2/2010 - Series 2010B - NJEIT Wastewater Treatment	880,000	-	(35,000)	-	-	-	845,000	-	845,000	-
5/28/15 - Series 2015A-1 - NJEIT Wastewater Treatment - Trust #39-2014	-	-	-	-	760,000	-	760,000	-	760,000	-
5/28/15 - Series 2015A-1 - NJEIT Wastewater Treatment - Fund #39-2014	-	-	(49,480)	-	1,459,650	-	1,410,170	-	1,410,170	-
12/4/12 - Green Acres Loan - Second Ward Park	415,763	-	(20,060)	-	-	-	395,703	-	395,703	-
Capital Leases:										
6/4/09 - Purchase of Garbage Truck	242,373	-	(46,124)	-	-	-	196,249	-	-	196,249
5/1/12 - County Guaranteed Loan Revenue Refunding Bonds	421,000	-	(94,000)	-	-	-	327,000	-	-	327,000
	\$ 24,920,697	\$ 155,826	\$ (2,286,422)	\$ (49,298)	\$ 2,219,650	\$ 285,000	\$ 25,245,453	\$ 20,424,000	\$ 4,298,204	\$ 523,249

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2015

Improvement	Balance December 31, 2014	Authorized	Reserve for Payment of Debt Applied	Paid By Budget	Serial Bonds Issued	Loans Issued	Cancelled	Balance December 31, 2015	Analysis of Balance		
									Outstanding BANs	B&N Authorized	Capital Cash
#07-00/#41-10 Various Public Improvements (Reappropriated)	\$ 120,653	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,653	\$ -	\$ 120,653	\$ -
#05-04 Various Public Improvements	22,077	-	-	-	-	-	-	22,077	-	22,077	-
#14-10 Refunding Bond - Accrued Sick & Vacation	935,000	-	-	(684,000)	-	-	-	251,000	251,000	-	-
#15-10 Refunding Bond - Tax Appeals	3,100,000	-	-	(900,000)	-	-	-	2,200,000	2,200,000	-	-
#30-10 Resurfacing of Various Roads	27,658	-	-	-	-	-	-	27,658	-	27,658	-
#42-10 Purchase of Sewer Jet Chassis	5,733	-	-	-	-	-	-	5,733	-	5,733	-
#09-11 ADA Park Improvements - 102 State Street	300,272	-	-	-	-	-	-	300,272	-	300,272	-
#23-11 Road Resurfacing - Kaplan/Sutton/Simons	570,000	-	-	(237,577)	-	-	-	332,423	332,423	-	-
#28-12 Various Communication Equipment	475,000	-	-	-	-	-	-	475,000	-	475,000	-
#10-13 Various Road Impts. - Hudson & Main Streets	125,731	-	-	-	-	-	(27,122)	98,609	-	98,609	-
#11-13 Various Road Improvements - CDBG	238,034	-	-	-	-	-	-	238,034	238,034	-	-
#18-13 Various Improvements to Firehouse #2	275,000	-	-	-	-	-	-	275,000	275,000	-	-
#09-14 Acquisition of Ladder Truck	231,400	-	-	-	-	-	-	231,400	231,400	-	-
#16-14 Various Road Improvements	760,000	-	-	-	-	-	-	760,000	760,000	-	-
#24-14 Tax Appeal Refunding (2014)	8,650,000	-	-	(1,235,715)	-	-	-	7,414,285	6,689,285	725,000	-
#25-14 Improvements to Atlantic Street Park	617,500	-	-	-	-	-	-	617,500	617,500	-	-
#30-14 Various Capital Improvements	411,350	-	-	-	-	-	-	411,350	411,350	-	-
#31-14 Water Infrastructure Improvements	513,000	-	-	-	-	-	-	513,000	513,000	-	-
#39-14 CSO Sewer Separation - Phase I	4,100,000	-	-	-	-	(2,219,650)	-	1,880,350	-	1,880,350	-
#10-15 Various Road Improvements	-	1,036,000	-	-	-	-	-	1,036,000	1,036,000	-	-
#26-15 Performing Arts Center & Road Improvements	-	2,166,000	-	-	-	-	-	2,166,000	-	2,166,000	-
#39-15 Tax Appeal Refunding	-	10,150,000	-	-	-	-	-	10,150,000	10,150,000	-	-
	<u>\$ 21,478,408</u>	<u>\$ 13,352,000</u>	<u>\$ -</u>	<u>\$ (3,057,292)</u>	<u>\$ -</u>	<u>\$ (2,219,650)</u>	<u>\$ (27,122)</u>	<u>\$ 29,526,344</u>	<u>\$ 23,704,992</u>	<u>\$ 5,821,352</u>	<u>\$ -</u>

**CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF ACCOUNTS/CONTRACTS PAYABLE
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$	41,795
Increased by:			
Contracts Issued	\$	-	
		\$	-
Decreased by:			
Payments	\$	6,464	
		\$	6,464
Balance, December 31, 2015		\$	<u>35,331</u>

**CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2015**

Description	Balance December 31, 2014	Interfunds Advanced	Interfunds Returned	Offset With Receivable	Balance December 31, 2015
Due To Current Fund	\$ -	\$ 901,589	\$ 5,141	\$ (896,448)	\$ -
Due To Grant Fund	-	17,638	17,638	-	-
	<u>\$ -</u>	<u>\$ 919,227</u>	<u>\$ 22,779</u>	<u>\$ (896,448)</u>	<u>\$ -</u>

**CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2015**

Description	Increases	Decreases	Balance
Balance, December 31, 2014			\$ 372,868
2015 Budget Appropriation	400,000	-	772,868
Appropriated to Finance Improvement Authorizations:			
#10-15 Various Road Improvements	-	(52,000)	720,868
#26-15 Performing Arts Center & Road Improvements	-	(114,000)	606,868
#56-15 Carver Park Updates	-	(250,000)	356,868
Grant Receivable Realized - Financed by CIF	28,135	-	385,003
Grant Receivable Realized - Financed by CIF	45,000	-	430,003
Grant Receivable Realized - Financed by CIF	37,656	-	467,659
Balance, December 31, 2015	<u>\$ 510,791</u>	<u>\$ (416,000)</u>	<u>\$ 467,659</u>

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE
YEAR ENDED DECEMBER 31, 2015

Ordinance	Balance December 31, 2014	Transfer to Current Fund Revenue	Increased by		Mispostings/ Adjustments	Balance December 31, 2015
			Cash Receipts	Cancelled Funded Authorizations		
#12-92/#23/94 Various Capital Improvements	\$ 321	\$ -	\$ -	\$ -	\$ -	\$ 321
#09-93 Various Capital Improvements	745	-	-	-	-	745
#05-96/16-98 Sewer Impt. Anderson and Court Street Pump Station	11,434	-	-	-	-	11,434
#20-96/15-99 Renovations to Former Branch Library	34,425	-	-	-	-	34,425
#28-09 Improvements to 2nd Ward Park	180,227	-	-	-	-	180,227
#18-10 Various Sewer Improvements	260,500	-	-	-	-	260,500
#15-11 Acquisition of Equipment & Vehicles - DPW	260	-	-	-	-	260
#23-11 Road Resurfacing	237,576	237,576	-	-	-	-
#11-13 Various Road Improvements	-	-	-	72,484	-	72,484
#09-14 Acquisition of Ladder Truck	-	-	-	521	-	521
#16-14 Various Road Improvements	-	-	405,575	86,683	-	492,258
#10-15 Prospect Avenue Resurfacing	-	-	112,311	-	-	112,311
#39-15 Tax Appeal Refunding (2015)	-	-	120,569	-	-	120,569
	<u>\$ 725,488</u>	<u>\$ 237,576</u>	<u>\$ 638,455</u>	<u>\$ 159,688</u>	<u>\$ -</u>	<u>\$ 1,286,055</u>

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR PRELIMINARY PLAN EXPENSES
YEAR ENDED DECEMBER 31, 2015

Ordinance	Balance December 31, 2014	From Current Fund Budget	Expended	Balance December 31, 2015
Main and State Street Project	\$ 343,788	\$ -	\$ (240,172)	\$ 103,616
	<u>\$ 343,788</u>	<u>\$ -</u>	<u>\$ (240,172)</u>	<u>\$ 103,616</u>

CITY OF HACKENSACK
 GENERAL CAPITAL FUND
 SCHEDULE OF RESERVE FOR 911 PROGRAM - COMPUTER HARDWARE
 YEAR ENDED DECEMBER 31, 2015

Ordinance	Balance December 31, 2014	From Current Fund Budget	To Current Fund Revenue	Cancelled By Resolution	Balance December 31, 2015
Reserve for 911 Program Computer Hardware	\$ 25,476	\$ -	\$ -	\$ (25,476)	\$ -

**CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2015**

Program	Balance December 31, 2014	Improvement Authorized	Received	Unappropriated Reserve Applied	Reprogram/ Cancelled/ Adjustments	Balance December 31, 2015
<u>Federal:</u>						
U.S. Dept. of Transportation Passed Thru - State of NJ Department of Transportation - Resurfacing of Grand Avenue - #30-14	\$ 160,460	\$ -	\$ 112,311	\$ -	\$ -	\$ 48,149
U.S. Dept. of Environmental Protection Passed Thru - State of NJ Department of Environmental Protection - Water Infrastructure - #31-14	291,000	-	-	-	-	291,000
Federal Emergency Management Agency (FEMA) Passed Thru - State of NJ Department of Law & Public Safety - Hazard Mitigation - Generators	-	75,000	-	-	-	75,000
	<u>\$ 451,460</u>	<u>\$ 75,000</u>	<u>\$ 112,311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 414,149</u>
<u>State:</u>						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other:</u>						
Bergen County Community Development Block Grants - Road Resurfacing - #16-14	\$ 405,575	\$ -	\$ 405,575	\$ -	\$ -	\$ -
Bergen County Community Development Block Grants - Prospect Avenue Resurfacing - #10-15	-	295,266	-	-	-	295,266
Bergen County Open Space - Atlantic Street Park - #25-14	268,085	-	-	-	-	268,085
Bergen County Open Space - Columbus Park - #29-14	28,135	-	28,135	-	-	-
Bergen County Open Space - Pulaski Park - #32-14	45,000	-	45,000	-	-	-
	<u>\$ 746,795</u>	<u>\$ 295,266</u>	<u>\$ 478,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 563,351</u>
Grand Total	<u><u>\$ 1,198,255</u></u>	<u><u>\$ 370,266</u></u>	<u><u>\$ 591,021</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 977,500</u></u>

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2015

Description	Date	Ordinance	Amount	Balance - January 1, 2015		Authorized							Balance - December 31, 2015															
				Funded	Unfunded	Capital Improvement Fund	Capital Surplus	Grants	Bonds & Notes Authorized	Repurpose Ordinance	Expended	Refunds	Cancellations	Adjustments	Funded	Unfunded												
#22-06 Const. Of Police Training Facility	07/11/06	\$	1,000,000	\$	86,164	\$	-	\$	-	\$	-	\$	-	\$	-	\$	86,164	\$	-									
#11-09 Public Training Facility Imp to Various Parks	04/20/09		1,000,000		216,742		-		-		-		29,378		-		187,364		-									
#15-10 Refunding Ordinance Tax Appeals	05/04/10		4,900,000		-		375,441		-		-		-		-		-		375,441									
#28-12 Various Communication Equipment	12/04/12		500,000		-		30,399		-		-		30,399		-		-		-									
#10-13 Various Road Impts. - Hudson & Main Streets	2013		245,000		-		28,528		-		-		1,405		27,123		-		-									
#11-13 Various Road Improvements - CDBG	2013		540,000		-		74,906		-		-		2,422		72,484		-		-									
#18-13 Various Improvements to Firehouse #2	2013		300,000		-		104,827		-		-		35,801		-		-		69,026									
#09-14 Acquisition of Ladder Truck	2014		843,000		611,255		231,400		-		-		842,134		521		-		-									
#16-14 Various Road Improvements	2014		800,000		-		144,721		-		-		58,039		86,682		-		-									
#22-14 Acquisition of Various Communication Equipment	2014		212,000		182,700		-		-		-		182,675		-		-		25									
#24-14 Tax Appeal Refunding (2014)	2014		8,650,000		-		1,568,579		-		-		1,194,383		-		-		374,196									
#25-14 Improvements to Atlantic Street Park	2014		650,000		-		529,071		-		-		504,650		-		-		24,421									
#29-14 Improvements to Columbus Park	2014		65,000		19,627		-		-		-		16,374		3,253		-		-									
#30-14 Various Capital Improvements	2014		433,000		17,836		411,350		-		-		395,886		-		-		33,300									
#31-14 Water Infrastructure Improvements	2014		540,000		26,650		513,000		-		-		255,322		-		-		284,328									
#32-14 Improvements to Pulaski Park	2014		170,000		159,804		-		-		-		148,686		11,118		-		-									
#37-14 Improvements to Firehouse #2	2014		200,000		200,000		-		-		-		139,613		-		-		60,387									
#38-14 Acquisition of DPW Equipment	2014		400,000		358,000		-		-		-		91,851		-		-		266,149									
#39-14 CSO Sewer Separation - Phase I	2014		4,100,000		-		4,099,300		-		-		1,310,167		-		-		2,789,133									
#01-15 Improvements to Atlantic Street Park	2015		120,000		-		-		120,000		-		110,441		-		-		9,559									
#07-15 Carver Park Splash Park	2015		350,000		-		-		350,000		-		27,636		-		-		-									
#10-15 Various Road Improvements	2015		1,088,000		-		-	52,000	-	1,036,000			729,345		-		-		358,655									
#21-15 Various Capital Improvements & Acquisitions	2015		473,000		-		-	-	473,000		-		111,014		-		-		361,986									
#26-15 Performing Arts Center & Road Improvements	2015		2,280,000		-		-	114,000	-	2,166,000			105,517		-		-		8,483									
#32-15 Police Taser Units	2015		40,000		-		-	-	40,000		-		1,530		-		-		38,470									
#39-15 Tax Appeal Refunding	2015		10,150,000		-		-	-	-	10,150,000			8,009,927		-		-		2,140,073									
#56-15 Carver Park Splash Park - Supplemental	2015		572,364		-		-	250,000	-	-			322,364		-		-		572,364									
			\$	1,878,778	\$	8,111,522	\$	416,000	\$	983,000	\$	-	\$	13,352,000	\$	-	\$	14,334,595	\$	-	\$	201,181	\$	-	\$	1,590,951	\$	8,614,573

**CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2015**

<u>Date of Issue - Purpose</u>	<u>Total Amount of Issue</u>	<u>Balance December 31, 2014</u>	<u>Issued/ Refinanced in 2015</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2015</u>
1/01/08 General Improvement Bonds	\$ 11,900,000	\$ 10,115,000	\$ 285,000	\$ 900,000	\$ 9,500,000
4/11/08 Refunding Bonds	5,865,000	2,410,000	-	585,000	1,825,000
5/1/13 General Improvement Bonds - "A"	6,170,000	5,935,000	-	235,000	5,700,000
5/1/13 General Improvement Bonds - "B"	3,679,000	3,539,000	-	140,000	3,399,000
		<u>\$ 21,999,000</u>	<u>\$ 285,000</u>	<u>\$ 1,860,000</u>	<u>\$ 20,424,000</u>

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2015

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2014	Issued	Reserve for Payment of Debt Applied	Serial Bonds Issued	Renewal	Ordinance Cancelled	Budget Paydown	Balance December 31, 2015
BAN - 2014-1													
#14-10 Refunding Bond - Accrued Sick & Vacation	3,420,000	05/07/10	04/28/14	04/28/15	0.54%	\$ 684,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (684,000)	\$ -
#15-10 Refunding Bond - Tax Appeals	4,900,000	05/07/10	04/28/14	04/28/15	0.54%	3,100,000	-	-	-	(2,200,000)	-	(900,000)	-
						<u>\$ 3,784,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,200,000)</u>	<u>\$ -</u>	<u>\$ (1,584,000)</u>	<u>\$ -</u>
BAN - 2014-2													
#14-10 Refunding Bond - Accrued Sick & Vacation	1,255,000	08/10/10	04/28/14	04/28/15	0.27%	\$ 251,000	\$ -	\$ -	\$ -	\$ (251,000)	\$ -	\$ -	\$ -
BAN - 2014-3													
#23-11 Road Resurfacing - Kaplan/Sutton/Simons	570,000	07/11/14	07/11/14	04/28/15	0.54%	\$ 570,000	\$ -	\$ -	\$ -	\$ (332,423)	\$ -	\$ (237,577)	\$ -
#11-13 Various Road Improvements - CDBG	238,034	07/11/14	07/11/14	04/28/15	0.54%	238,034	-	-	-	(238,034)	-	-	-
#18-13 Various Improvements to Firehouse #2	275,000	07/11/14	07/11/14	04/28/15	0.54%	275,000	-	-	-	(275,000)	-	-	-
#09-14 Acquisition of Ladder Truck	231,400	07/11/14	07/11/14	04/28/15	0.54%	231,400	-	-	-	(231,400)	-	-	-
#16-14 Various Road Improvements	760,000	07/11/14	07/11/14	04/28/15	0.54%	760,000	-	-	-	(760,000)	-	-	-
						<u>\$ 2,074,434</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,836,857)</u>	<u>\$ -</u>	<u>\$ (237,577)</u>	<u>\$ -</u>
TARN - 2014-1													
#24-14 Tax Appeal Refunding (2014)	7,925,000	11/13/14	11/13/14	11/12/15	0.50%	\$ 7,925,000	\$ -	\$ -	\$ -	\$ (6,689,285)	\$ -	\$ (1,235,715)	\$ -
BAN - 2015-1													
#15-10 Refunding Bond - Tax Appeals	4,900,000	05/07/10	04/23/15	04/22/16	0.45%	\$ -	\$ 2,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,200,000
#23-11 Road Resurfacing - Kaplan/Sutton/Simons	570,000	07/11/14	04/23/15	04/22/16	0.45%	-	332,423	-	-	-	-	-	332,423
#11-13 Various Road Improvements - CDBG	238,034	07/11/14	04/23/15	04/22/16	0.45%	-	238,034	-	-	-	-	-	238,034
#18-13 Various Improvements to Firehouse #2	275,000	07/11/14	04/23/15	04/22/16	0.45%	-	275,000	-	-	-	-	-	275,000
#09-14 Acquisition of Ladder Truck	231,400	07/11/14	04/23/15	04/22/16	0.45%	-	231,400	-	-	-	-	-	231,400
#16-14 Various Road Improvements	760,000	07/11/14	04/23/15	04/22/16	0.45%	-	760,000	-	-	-	-	-	760,000
						<u>\$ -</u>	<u>\$ 4,036,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,036,857</u>
BAN - 2015-2													
#25-14 Improvements to Atlantic Street Park	617,500	07/16/15	07/16/15	04/22/16	0.55%	\$ -	\$ 617,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 617,500
#30-14 Various Capital Improvements	411,350	07/16/15	07/16/15	04/22/16	0.55%	-	411,350	-	-	-	-	-	411,350
#31-14 Water Infrastructure Improvements	513,000	07/16/15	07/16/15	04/22/16	0.55%	-	513,000	-	-	-	-	-	513,000
#10-15 Various Road Improvements	1,036,000	07/16/15	07/16/15	04/22/16	0.55%	-	1,036,000	-	-	-	-	-	1,036,000
						<u>\$ -</u>	<u>\$ 2,577,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,577,850</u>
TARN - 2015-1													
#24-14 Tax Appeal Refunding (2014)	7,925,000	11/13/14	11/10/15	11/09/16	1.50%	\$ -	\$ 6,689,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,689,285
#39-15 Tax Appeal Refunding (2015)	10,150,000	11/10/15	11/10/15	11/09/16	1.50%	-	10,150,000	-	-	-	-	-	10,150,000
						<u>\$ -</u>	<u>\$ 16,839,285</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,839,285</u>
BAN - 2014-2													
#14-10 Refunding Bond - Accrued Sick & Vacation	1,255,000	08/10/10	04/23/15	04/22/16	0.27%	\$ -	\$ 251,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 251,000
						<u>\$ 14,034,434</u>	<u>\$ 23,704,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,977,142)</u>	<u>\$ -</u>	<u>\$ (3,057,292)</u>	<u>\$ 23,704,992</u>

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2015

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2014	Adjustment to Final Amortization Tables	Issued In 2015	Paid by Budget Appropriation	Payment Credits	Balance December 31, 2015
11/1/97 - Series "T" - NJEIT Wastewater Treatment	\$ 1,445,000	\$ 261,482	\$ 58,518	\$ -	\$ 76,608	\$ 23,392	\$ 220,000
11/1/97 - Series "L" - NJEIT Wastewater Treatment	1,387,492	29,235	-	-	29,235	-	-
10/15/00 - Series 2000 - NJEIT Wastewater Treatment	495,000	107,692	97,308	-	9,460	20,540	175,000
10/15/02 - Series 2002A - NJEIT Wastewater Treatment	490,000	135,000	-	-	39,634	5,366	90,000
09/30/10 - Series 2010A - NJEIT Wastewater Treatment	527,500	429,152	-	-	26,821	-	402,331
12/2/2010 - Series 2010B - NJEIT Wastewater Treatment	980,000	880,000	-	-	35,000	-	845,000
5/28/15 - Series 2015A-1 - NJEIT Wastewater Treatment - Trust	760,000	-	-	760,000	-	-	760,000
5/28/15 - Series 2015A-1 - NJEIT Wastewater Treatment - Fund	1,459,650	-	-	1,459,650	49,480	-	1,410,170
		<u>\$ 1,842,561</u>	<u>\$ 155,826</u>	<u>\$ 2,219,650</u>	<u>\$ 266,238</u>	<u>\$ 49,298</u>	<u>\$ 3,902,501</u>
12/4/12 - Green Acres Trust Loan - Second Ward Park	445,113	\$ 415,763	\$ -	\$ -	\$ 20,060	\$ -	\$ 395,703
		<u>\$ 2,258,324</u>	<u>\$ 155,826</u>	<u>\$ 2,219,650</u>	<u>\$ 286,298</u>	<u>\$ 49,298</u>	<u>\$ 4,298,204</u>

**CITY OF HACKENSACK
 GENERAL CAPITAL FUND
 SCHEDULE OF CAPITAL LEASE OBLIGATION PAYABLE
 YEAR ENDED DECEMBER 31, 2015**

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2014	Issued In 2015	Paid by Budget Appropriation	Balance December 31, 2015
6/4/09 - Bergen County Improvement Authority - Garbage Truck	\$ 456,750	\$ 242,373	\$ -	\$ 46,124	\$ 196,249
5/1/12 - Bergen County Improvement Authority - Pension Refunding	520,000	421,000	-	94,000	327,000
		<u>\$ 663,373</u>	<u>\$ -</u>	<u>\$ 140,124</u>	<u>\$ 523,249</u>

**CITY OF HACKENSACK
 GENERAL CAPITAL FUND
 SCHEDULE OF FUND BALANCE
 YEAR ENDED DECEMBER 31, 2015**

Description	Balance December 31, 2014	Increased by			Decreased by			Balance December 31, 2015
		Bond/BAN Premiums	Cancelled Funded Imp. Authorizations	Other Receipts	Fund Balance Anticipated	Funded Ordinances	Other Adjustments	
Fund Balance	\$ 2,293,408	\$ -	\$ 39,847	\$ 40,000	\$ -	\$ (983,000)	\$ (11)	\$ 1,390,244

**CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2015**

Improvement Description	Balance December 31, 2014	Authorized	BANs Issued	Loans Issued	Bonds Issued	Cancelled Improvement Authorizations	Balance December 31, 2015
#05-04 Various Capital Improvements	\$ 22,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,077
#30-10 Resurfacing of Various Roads	27,658	-	-	-	-	-	27,658
#41-10 Reappropriation of Various Old Ordinances	120,653	-	-	-	-	-	120,653
#42-10 Purchase of Sewer Jet Chassis	5,733	-	-	-	-	-	5,733
#09-11 ADA Park Improvements - 102 State Street	300,272	-	-	-	-	-	300,272
#28-12 Various Communication Equipment	475,000	-	-	-	-	-	475,000
#10-13 Various Road Impts. - Hudson & Main Streets	125,731	-	-	-	-	(27,122)	98,609
#24-14 Tax Appeal Refunding (2014)	725,000	-	-	-	-	-	725,000
#25-14 Improvements to Atlantic Street Park	617,500	-	617,500	-	-	-	-
#30-14 Various Capital Improvements	411,350	-	411,350	-	-	-	-
#31-14 Water Infrastructure Improvements	513,000	-	513,000	-	-	-	-
#39-14 CSO Sewer Separation - Phase I	4,100,000	-	-	2,219,650	-	-	1,880,350
#10-15 Various Road Improvements	-	1,036,000	1,036,000	-	-	-	-
#26-15 Performing Arts Center & Road Improvements	-	2,166,000	-	-	-	-	2,166,000
#39-15 Tax Appeal Refunding	-	10,150,000	10,150,000	-	-	-	-
	\$ 7,443,974	\$ 13,352,000	\$ 12,727,850	\$ 2,219,650	\$ -	\$ (27,122)	\$ 5,821,352

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
BALANCE SHEET (REGULATORY BASIS)**

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Cash:		
Public Parking Utility Operating Account	\$ 844,601	\$ 1,087,726
Change Funds	130	130
	<u>\$ 844,731</u>	<u>\$ 1,087,856</u>
Investments	<u>\$ 251,000</u>	<u>\$ 251,000</u>
Total Assets	<u>\$ 1,095,731</u>	<u>\$ 1,338,856</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Interfunds Payable:		
Current Fund	<u>\$ -</u>	<u>\$ 15,537</u>
Reserve for Encumbrances	<u>\$ 66,193</u>	<u>\$ 3,431</u>
Other Liabilities and Reserves:		
Accrued Interest on Bonds	\$ 6,125	\$ 8,093
Appropriation Reserves	189,358	328,755
	<u>\$ 195,483</u>	<u>\$ 336,848</u>
Fund Balance	<u>\$ 834,055</u>	<u>\$ 983,040</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 1,095,731</u>	<u>\$ 1,338,856</u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME (REGULATORY BASIS)
YEAR ENDED DECEMBER 31, 2015**

	Anticipated Budget	Realized	Excess/ (Deficit)
Operating Surplus Anticipated	\$ 480,000	\$ 480,000	\$ -
Off Street Parking	720,000	691,513	(28,487)
On Street Parking	430,000	399,912	(30,088)
	<u>1,150,000</u>	<u>1,091,425</u>	<u>(58,575)</u>
Non-Budget Revenue:			
Interest Earned (Operating Account)	-	721	721
Interest Earned (Capital Account)	-	360	360
	<u>-</u>	<u>1,081</u>	<u>1,081</u>
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	-	326,541	326,541
Unexpended Balances Cancelled	-	60,000	60,000
Cancellations & Adjustments	-	1,968	1,968
	<u>-</u>	<u>388,509</u>	<u>388,509</u>
Total Revenues and Credits to Income	<u>\$ 1,630,000</u>	<u>\$ 1,961,015</u>	<u>\$ 331,015</u>

CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
YEAR ENDED DECEMBER 31, 2015

	Appropriations			Expended		Unexpended	
	Adopted Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpenditure
Operating:							
Salaries and Wages	\$ 265,500	\$ -	\$ 265,500	\$ 212,030	\$ 53,470	\$ -	\$ -
Other Expenses	679,069	-	679,069	498,425	120,644	60,000	-
	<u>944,569</u>	<u>-</u>	<u>944,569</u>	<u>710,455</u>	<u>174,114</u>	<u>60,000</u>	<u>-</u>
Capital Improvements:							
Capital Improvement Fund	-	-	-	-	-	-	-
Capital Outlay	5,394	-	5,394	-	5,394	-	-
	<u>5,394</u>	<u>-</u>	<u>5,394</u>	<u>-</u>	<u>5,394</u>	<u>-</u>	<u>-</u>
Debt Service:							
Payment of Bonds	150,000	-	150,000	150,000	-	-	-
Payment of BAN's & Capital Notes	-	-	-	-	-	-	-
Interest on Bonds	24,537	-	24,537	24,537	-	-	-
Interest on Notes	-	-	-	-	-	-	-
	<u>174,537</u>	<u>-</u>	<u>174,537</u>	<u>174,537</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Charges:							
Prior Year Bills	-	-	-	-	-	-	-
Overexpenditures	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Statutory Expenditures:							
Public Employee Retirement System	500	-	500	-	500	-	-
Social Security System	25,000	-	25,000	15,650	9,350	-	-
	<u>25,500</u>	<u>-</u>	<u>25,500</u>	<u>15,650</u>	<u>9,850</u>	<u>-</u>	<u>-</u>
Deficit in Operations in Prior Years							
	-	-	-	-	-	-	-
Surplus (General Budget)							
	480,000	-	480,000	480,000	-	-	-
Total Appropriations							
	<u>\$ 1,630,000</u>	<u>\$ -</u>	<u>\$ 1,630,000</u>	<u>\$ 1,380,642</u>	<u>\$ 189,358</u>	<u>\$ 60,000</u>	<u>\$ -</u>
Analysis of Paid or Charged							
Cash Disbursements				1,139,912			
Refunds				-			
Journal				174,537			
Encumbered				66,193			
				<u>1,380,642</u>			
				-			
Other Charges to Income:							
Refund of Prior Year's Revenue				\$ -			

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF CASH**

Balance, December 31, 2014		\$	1,087,856
Receipts:			
Off Street Parking	\$	691,513	
On Street Parking		399,912	
Non-Budget Revenue		1,081	
Budget Refunds		-	
Current Fund		1,223,388	
		<u>1,223,388</u>	
	\$		2,315,894
Disbursements:			
Budget Appropriations	\$	1,139,912	
Accrued Interest on Bonds		24,537	
Appropriation Reserves		5,645	
Current Fund		1,388,925	
		<u>1,388,925</u>	
	\$		2,559,019
Balance, December 31, 2015			<u><u>\$ 844,731</u></u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF INVESTMENTS**

Balance, December 31, 2014		\$	251,000
Increased by:			
Purchases	\$	-	
		\$	-
Decreased by:			
Redemptions	\$	-	
		\$	-
Balance, December 31, 2015		\$	<u>251,000</u>
<i><u>Analysis of Investments:</u></i>			
City of Hackensack BAN		\$	<u>251,000</u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS RECEIVABLE**

Balance, December 31, 2014		\$	-
Increased by:			
Public Parking Utility Capital Fund - Interest Earned	\$	360	
Current Fund - Interfund Loan		1,200,000	
Current Fund - Debt Service Paid on Behalf		188,925	
		<u>188,925</u>	
	\$		1,389,285
Decreased by:			
Public Parking Utility Capital Fund - Cash Receipts	\$	360	
Current Fund - Interfund Returned		1,223,388	
Current Fund - Offset With Interfund Payable		165,537	
		<u>165,537</u>	
	\$		1,389,285
Balance, December 31, 2015		<u>\$</u>	<u>-</u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE**

Balance, December 31, 2014		\$	-
Increased by:			
	\$	-	
	<hr/>	\$	-
Decreased by:			
	\$	-	
	<hr/>	\$	-
Balance, December 31, 2015		<hr/>	<hr/>
		\$	-

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS PAYABLE**

Balance, December 31, 2014		\$	15,537
Increased by:			
Current Fund - Debt Service Paid on Behalf	\$	<u>150,000</u>	
		\$	150,000
Decreased by:			
Current Fund - Offset With Interfund Receivable	\$	<u>165,537</u>	
		\$	165,537
Balance, December 31, 2015		<u>\$</u>	<u>-</u>
<i><u>Analysis of Balance:</u></i>			
Current Fund		<u>\$</u>	<u>-</u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES**

Balance, December 31, 2014		\$	3,431
Increased by:			
Current Year Budget Encumbrances	\$	<u>66,193</u>	
		\$	66,193
Decreased by:			
Cash Disbursements	\$	-	
Unexpended Balances Cancelled		<u>3,431</u>	
		\$	3,431
Balance, December 31, 2015		<u>\$</u>	<u>66,193</u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS**

Balance, December 31, 2014		\$	8,093
Increased by:			
Current Year Budget Encumbrances	\$	<u>24,537</u>	
		\$	24,537
Decreased by:			
Cash Disbursements	\$	24,537	
Adjust to Audit Balance		<u>1,968</u>	
		\$	26,505
Balance, December 31, 2015		<u>\$</u>	<u>6,125</u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014
YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 103,838	\$ 103,838	\$ -	\$ 103,838
Other Expenses	212,254	212,254	5,645	206,609
	<u>316,092</u>	<u>316,092</u>	<u>5,645</u>	<u>310,447</u>
Capital Improvements:				
Capital Improvement Fund	-	-	-	-
Capital Outlay	1,163	1,163	-	1,163
	<u>1,163</u>	<u>1,163</u>	<u>-</u>	<u>1,163</u>
Debt Service:				
Payment of Bonds	-	-	-	-
Payment of BAN's & Capital Notes	-	-	-	-
Interest on Bonds	-	-	-	-
Interest on Notes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Charges:				
Prior Year Bills	-	-	-	-
Overexpenditures	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Statutory Expenditures:				
Public Employee Retirement System	500	500	-	500
Social Security System	11,000	11,000	-	11,000
	<u>11,500</u>	<u>11,500</u>	<u>-</u>	<u>11,500</u>
Deficit in Operations in Prior Years	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Surplus (General Budget)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Appropriations	<u>\$ 328,755</u>	<u>\$ 328,755</u>	<u>\$ 5,645</u>	<u>\$ 323,110</u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
BALANCE SHEET (REGULATORY BASIS)**

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Cash:		
Parking Utility Capital Account	\$ 225,851	\$ 265,499
Fixed Capital Authorized & Uncompleted	\$ 434,000	\$ 434,000
Fixed Capital	\$ 8,035,084	\$ 8,035,084
Total Assets	<u>\$ 8,694,935</u>	<u>\$ 8,734,583</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 141,000	\$ 141,000
Reserve for Amortization	7,585,084	7,435,084
	<u>\$ 7,726,084</u>	<u>\$ 7,576,084</u>
Improvement Authorizations:		
Funded	\$ -	\$ -
Unfunded	394,352	434,000
	<u>\$ 394,352</u>	<u>\$ 434,000</u>
Serial Bonds Payable	\$ 450,000	\$ 600,000
Fund Balance	\$ 124,499	\$ 124,499
Total Liabilities, Reserves and Fund Balance	<u>\$ 8,694,935</u>	<u>\$ 8,734,583</u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
SCHEDULE OF CASH**

Balance, December 31, 2014		\$	265,499
Receipts:			
Due to - Public Parking Utility Operating Fund - Interest	\$	<u>360</u>	
		\$	360
Disbursements:			
Due to - Public Parking Utility Operating Fund - Interest	\$	360	
Improvement Authorizations		<u>39,648</u>	
			40,008
Balance, December 31, 2015		<u>\$</u>	<u>225,851</u>

CITY OF HACKENSACK
 PUBLIC PARKING UTILITY CAPITAL FUND
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
 YEAR ENDED DECEMBER 31, 2015

Improvement	Balance December 31, 2014	Authorized	Receipts Applied	BANs Paid By Budget	Serial Bonds Issued	Cancellations	Balance December 31, 2015	Analysis of Balance		
								Outstanding BANs	B&N Authorized	Deferred Amortization
#28-14 Various Parking Improvements	\$ 434,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 434,000	\$ -	\$ 434,000	\$ -

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2015**

G-4

Description	Balance December 31, 2014	Transferred From Fixed Capital Authorized & Uncompleted	Transferred From Parking Utility Operating Fund Capital Outlay	Cancellations	Balance December 31, 2015
#13-88/17-88 Construction of Parking Garage	\$ 8,035,084	\$ -	\$ -	\$ -	\$ 8,035,084

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS PAYABLE**

Balance, December 31, 2014		\$	-
Increased by:			
	\$	-	
		-	
		-	
		<hr/>	
		\$	-
Decreased by:			
	\$	-	
		-	
		-	
		<hr/>	
			-
Balance, December 31, 2015		<hr/> <hr/>	<hr/> <hr/>
		\$	-

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2014		\$	141,000
Increased by:			
Improvement Authorizations Cancelled	\$	-	
Budget Refunds		-	
Current Fund Appropriation		-	
		\$	-
Decreased by:			
Disbursed to Fund Improvement Authorizations	\$	-	
			-
Balance, December 31, 2015		\$	<u>141,000</u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2015**

G-7

Description	Balance December 31, 2014	Transferred From Parking Utility Operating Fund Capital Outlay	Serial Bond/BAN Principal Payments	Cancellations	Balance December 31, 2015
Unallocated	\$ 7,435,084	\$ -	\$ 150,000	\$ -	\$ 7,585,084

CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2015

G-8

Description	Balance - January 1, 2015		Bonds & Notes Authorized	Expended	Adjustments	Cancellations	Adjustments	Balance - December 31, 2015	
	Funded	Unfunded						Funded	Unfunded
#28-14 Various Parking Improvements	\$ -	\$ 434,000	\$ -	\$ 39,648	\$ -	\$ -	\$ -	\$ -	\$ 394,352
	\$ -	\$ 434,000	\$ -	\$ 39,648	\$ -	\$ -	\$ -	\$ -	\$ 394,352

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2015**

<u>Date of Issue - Purpose</u>	<u>Total Amount of Issue</u>	<u>Balance December 31, 2014</u>	<u>Issued In 2015</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2015</u>
4/11/08 Construction of Parking Garage	\$ 1,500,000	\$ 600,000	\$ -	\$ 150,000	\$ 450,000

CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2015

G-11

Improvement Description	Balance December 31, 2014	Authorized	BANs Issued	Bonds Issued	Cancellations	Balance December 31, 2015
#28-14 Various Parking Improvements	\$ 434,000	\$ -	\$ -	\$ -	\$ -	\$ 434,000
	<u>\$ 434,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 434,000</u>

**CITY OF HACKENSACK
GENERAL FIXED ASSET ACCOUNT GROUP
BALANCE SHEET (REGULATORY BASIS)**

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Land	\$ 9,539,800	\$ 9,539,800
Buildings	19,913,247	19,913,247
Improvements & Infrastructure	7,576,900	7,576,900
Machinery, Vehicles & Equipment	14,532,958	14,532,958
	<u>\$ 51,562,905</u>	<u>\$ 51,562,905</u>
<u>FUND BALANCE</u>		
Reserve for Investment in General Fixed Assets	<u>\$ 51,562,905</u>	<u>\$ 51,562,905</u>

**CITY OF HACKENSACK
GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF CHANGES IN RESERVE FOR GENERAL FIXED ASSETS**

	Balance December 31, 2014	Additions	Retirements	Adjustments	Balance December 31, 2015
Land	\$ 9,539,800	\$ -	\$ -	\$ -	\$ 9,539,800
Buildings	19,913,247	-	-	-	19,913,247
Improvements & Infrastructure	7,576,900	-	-	-	7,576,900
Machinery, Vehicles & Equipment	14,532,958	-	-	-	14,532,958
	<u>\$ 51,562,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,562,905</u>

CITY OF HACKENSACK

NJ Comprehensive Annual Financial Report

Annual Financial Information and Operating Data Section

**CITY OF HACKENSACK
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
ADOPTED BUDGETS
(UNAUDITED)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007
CURRENT FUND									
REVENUES									
Operating Surplus Anticipated	\$ 1,000,000	\$ 1,000,000	\$ 3,350,000	\$ 2,725,000	\$ 2,725,000	\$ 5,960,000	\$ 4,000,000	\$ 7,000,000	\$ 5,000,000
Miscellaneous Revenues	11,403,408	11,645,146	9,805,833	9,920,892	10,366,827	10,985,575	12,170,079	9,823,510	11,303,944
Receipts From Delinquent Taxes	2,750,000	2,750,000	2,750,000	2,500,000	2,602,000	2,535,000	2,400,000	2,000,000	1,590,000
Amount to be Raised by Taxation - Local	80,686,739	77,610,636	74,174,863	72,235,316	70,765,881	65,641,005	60,758,874	60,761,043	58,290,255
Amount to be Raised by Taxation - Library	1,845,832	1,758,254	1,867,718	2,000,208	1,976,806	-	-	-	-
Total Revenues	\$97,685,979	\$94,764,036	\$91,948,414	\$89,381,416	\$88,436,514	\$85,121,580	\$79,328,953	\$79,584,553	\$76,184,199
APPROPRIATIONS									
Within "CAPS":									
Operations:									
Salaries and Wages	\$ 40,093,400	\$ 39,515,400	\$ 39,359,800	\$ 37,927,150	\$ 37,292,379	\$ 38,172,170	\$ 37,765,273	\$ 37,005,813	\$ 35,572,869
Other Expenses	28,702,548	27,614,340	25,291,970	24,152,846	21,890,262	20,431,450	18,833,780	17,450,826	17,340,136
Deferred Charges	-	-	39,495	83,252	174,738	1,562,051	100,073	575,822	-
Statutory Expenditures	8,652,024	8,234,753	8,672,503	8,534,915	8,944,119	4,549,547	4,408,854	1,215,095	1,154,556
Contingent	-	-	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Excluded From "CAPS":									
Operations:									
Salaries and Wages	571,000	549,000	596,300	486,873	558,508	302,663	302,350	291,075	240,610
Other Expenses	9,119,899	9,388,664	9,151,330	9,269,480	10,802,230	12,184,192	8,158,342	13,229,594	12,175,321
Capital Improvements & Outlay	400,000	614,000	200,000	200,000	163,878	-	395,000	395,000	395,000
Municipal Debt Service	6,357,208	4,848,611	4,504,647	4,872,000	4,813,000	3,352,007	3,357,781	3,413,828	3,208,468
Deferred Charges	54,900	239,268	389,869	112,400	54,900	825,000	200,000	200,000	200,000
Judgments	-	25,000	-	-	-	-	-	-	10,000
Reserve for Uncollected Taxes	3,735,000	3,735,000	3,735,000	3,735,000	3,735,000	3,735,000	5,800,000	5,800,000	5,879,739
Total Appropriations	\$ 97,685,979	\$ 94,764,036	\$ 91,948,414	\$ 89,381,416	\$ 88,436,514	\$ 85,121,580	\$ 79,328,953	\$ 79,584,553	\$ 76,184,199
PUBLIC PARKING UTILITY FUND									
REVENUES									
Operating Surplus Anticipated	\$ 480,000	\$ 600,000	\$ 150,000	\$ -	\$ 208,000	\$ 271,000	\$ 275,730	\$ 180,500	\$ 405,500
Off Street Parking	720,000	775,000	700,000	900,000	910,000	910,000	900,000	900,000	750,000
On Street Parking	430,000	425,000	420,000	370,500	287,500	287,500	287,500	325,000	250,000
Total Revenues	1,630,000	1,800,000	1,270,000	1,270,500	\$ 1,405,500	\$ 1,468,500	\$ 1,463,230	\$ 1,405,500	\$ 1,405,500
APPROPRIATIONS									
Operations:									
Salaries and Wages	\$ 265,500	\$ 315,000	\$ 315,000	\$ 315,000	\$ 315,000	\$ 315,000	\$ 315,000	\$ 300,000	\$ 300,000
Other Expenses	679,069	500,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Capital Improvements & Outlay	5,394	180,344	139,500	140,000	140,000	140,000	140,000	140,000	140,000
Municipal Debt Service	174,537	179,156	190,000	190,000	325,000	388,000	382,730	340,000	340,000
Deferred Charges & Statutory Expenditures	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500
Surplus (General Budget)	480,000	600,000	-	-	-	-	-	-	-
Total Appropriations	\$ 1,630,000	\$ 1,800,000	\$ 1,270,000	\$ 1,270,500	\$ 1,405,500	\$ 1,468,500	\$ 1,463,230	\$ 1,405,500	\$ 1,405,500

**CITY OF HACKENSACK
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
FUND BALANCE SUMMARY
(UNAUDITED)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>CURRENT FUND</u>									
Fund Balance, Beginning	\$1,465,896	\$2,032,231	\$4,103,440	\$3,657,191	\$3,072,548	\$7,894,909	\$6,656,985	\$10,085,941	\$ 7,412,887
Generated Current Year	4,246,842	433,665	1,278,791	3,171,249	3,309,643	1,137,639	5,237,924	3,571,044	7,673,054
Utilized Current Year	(1,000,000)	(1,000,000)	(3,350,000)	(2,725,000)	(2,725,000)	(5,960,000)	(4,000,000)	(7,000,000)	(5,000,000)
Fund Balance, Ending	<u>\$4,712,738</u>	<u>\$1,465,896</u>	<u>\$2,032,231</u>	<u>\$4,103,440</u>	<u>\$3,657,191</u>	<u>\$3,072,548</u>	<u>\$7,894,909</u>	<u>\$ 6,656,985</u>	<u>\$10,085,941</u>

<u>PUBLIC PARKING UTILITY FUND</u>									
Fund Balance, Beginning	\$ 983,040	\$ 895,797	\$ 851,366	\$ 869,588	\$ 868,204	\$ 865,682	\$1,005,142	\$ 1,283,793	\$ 1,558,774
Generated Current Year	331,015	687,243	770,931	558,278	785,884	850,022	636,270	401,849	630,519
Utilized Current Year - Utility Fund	(480,000)	(600,000)	(150,000)	-	(208,000)	(271,000)	(275,730)	(180,500)	(405,500)
Utilized Current Year - Current Fund	-	-	(576,500)	(576,500)	(576,500)	(576,500)	(500,000)	(500,000)	(500,000)
Fund Balance, Ending	<u>\$ 834,055</u>	<u>\$ 983,040</u>	<u>\$ 895,797</u>	<u>\$ 851,366</u>	<u>\$ 869,588</u>	<u>\$ 868,204</u>	<u>\$ 865,682</u>	<u>\$ 1,005,142</u>	<u>\$ 1,283,793</u>

**CITY OF HACKENSACK
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
TAX LEVY AND COLLECTION DATA
(UNAUDITED)**

	2015***	2014	2013	2012	2011	2010	2009	2008	2007
<u>CURRENT YEAR % COLLECTION RATES</u>									
Current Tax Levy	\$ 164,798,187	\$ 161,063,344	\$ 156,915,929	\$ 155,216,881	\$ 149,728,425	\$ 140,328,258	\$ 135,359,822	\$ 130,698,612	\$ 125,611,481
Current Collections	\$ 164,805,319	\$ 158,247,518	\$ 153,965,693	\$ 152,032,026	\$ 145,535,156	\$ 135,206,720	\$ 131,769,464	\$ 127,473,140	\$ 122,477,194
Percentage of Collections	100.00%	98.25%	98.12%	97.95%	97.20%	96.35%	97.35%	97.53%	97.50%
<u>DELINQUENT TAX %</u>									
Delinquent Taxes	\$ 171,495	\$ 3,181,888	\$ 3,363,414	\$ 3,560,005	\$ 3,113,812	\$ 3,307,479	\$ 3,272,990	\$ 3,243,768	\$ 2,950,281
Tax Title Liens	-	-	-	-	-	-	-	-	-
Total Delinquent	\$ 171,495	\$ 3,181,888	\$ 3,363,414	\$ 3,560,005	\$ 3,113,812	\$ 3,307,479	\$ 3,272,990	\$ 3,243,768	\$ 2,950,281
Tax Levy	\$ 164,798,187	\$ 161,063,344	\$ 156,915,929	\$ 155,216,881	\$ 149,728,425	\$ 140,328,258	\$ 135,359,822	\$ 130,698,612	\$ 125,611,481
Percentage of Tax Levy	0.10%	1.98%	2.14%	2.29%	2.08%	2.36%	2.42%	2.48%	2.35%
*** Accelerated Tax Sale Implemented.									
<u>PROPERTY ACQUIRED BY MUNICIPALITY FOR NON-PAYMENT OF TAXES</u>									
Recorded at - Assessed Valuation	\$ 1,311,800	\$ 1,311,800	\$ 1,311,800	\$ 1,311,800	\$ 1,311,800	\$ 1,184,600	\$ 1,184,600	\$ 1,184,600	\$ 1,184,600

CITY OF HACKENSACK
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
ASSESSED AND COUNTY EQUALIZED VALUATION DATA
(UNAUDITED)

Description	2015		2014		2013		2012		2011		2010		2009		2008		2007		2006	
	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value
NET VALUATIONS TAXABLE																				
Vacant Land	263	\$ 48,420,800	260	\$ 47,055,600	260	\$ 48,369,100	243	\$ 47,731,400	242	\$ 39,988,200	238	\$ 57,531,800	226	\$ 53,414,800	231	\$ 57,457,000	226	\$ 52,587,500	285	\$ 24,413,900
Residential	8209	1,964,113,450	8216	1,974,545,090	8218	1,995,196,200	8221	1,998,662,800	8227	2,000,415,500	8240	2,704,803,000	8241	2,720,209,500	8248	2,728,447,600	8202	2,749,255,400	8121	954,256,400
Farm (Regular)	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-
Commercial	1009	1,721,451,400	1010	1,752,931,970	1008	1,718,956,070	1018	1,740,230,570	1021	1,794,497,900	1008	1,929,082,100	1012	1,964,528,500	1016	1,987,365,400	1020	2,007,826,000	1003	766,726,700
Industrial	226	277,317,000	226	283,867,900	227	288,435,400	230	295,561,200	230	296,636,900	236	323,600,400	236	335,371,000	236	337,615,700	236	342,569,200	238	140,085,800
Apartments	209	862,744,900	210	882,157,400	209	879,727,000	208	891,042,000	208	913,359,200	207	969,174,000	208	998,181,600	206	1,079,890,500	207	1,121,889,200	208	374,163,800
Sub-Total	<u>9916</u>	<u>4,874,047,550</u>	<u>9922</u>	<u>4,940,557,960</u>	<u>9922</u>	<u>4,930,683,770</u>	<u>9920</u>	<u>4,973,227,970</u>	<u>9928</u>	<u>5,044,897,700</u>	<u>9929</u>	<u>5,984,191,300</u>	<u>9923</u>	<u>6,071,705,400</u>	<u>9937</u>	<u>6,190,776,200</u>	<u>9891</u>	<u>6,274,127,300</u>	<u>9855</u>	<u>2,259,646,600</u>
Personal Property		-		-		21,534,684		21,534,684		26,094,565		28,273,057		24,540,672		26,667,333		24,503,789		11,063,274
Net Valuations Taxable		<u>4,874,047,550</u>		<u>4,940,557,960</u>		<u>4,952,218,454</u>		<u>4,994,762,654</u>		<u>5,070,992,265</u>		<u>6,012,464,357</u>		<u>6,096,246,072</u>		<u>6,217,443,533</u>		<u>6,298,631,089</u>		<u>2,270,709,874</u>
Bergen County Equalization Adjustment		633,962,625		372,206,779		654,979,666		751,979,131		446,420,327		118,023,236		437,169,117		(273,533,481)		(409,838,531)		2,743,277,681
Bergen County Equalized Valuations		<u>\$ 5,508,010,175</u>		<u>\$ 5,312,764,739</u>		<u>\$ 5,607,198,120</u>		<u>\$ 5,746,741,785</u>		<u>\$ 5,517,412,592</u>		<u>\$ 6,130,487,593</u>		<u>\$ 6,533,415,189</u>		<u>\$ 5,943,910,052</u>		<u>\$ 5,888,792,558</u>		<u>\$ 5,013,987,555</u>
Bergen County Equalization Ratio		<u>89.22%</u>		<u>93.86%</u>		<u>89.10%</u>		<u>87.65%</u>		<u>92.90%</u>		<u>99.16%</u>		<u>94.20%</u>		<u>105.79%</u>		<u>108.12%</u>		<u>45.70%</u>
Average Improved Residential Assessment		<u>\$ 239,263</u>		<u>\$ 240,329</u>		<u>\$ 242,784</u>		<u>\$ 243,117</u>		<u>\$ 243,152</u>		<u>\$ 328,253</u>		<u>\$ 330,082</u>		<u>\$ 330,801</u>		<u>\$ 335,193</u>		<u>\$ 117,505</u>
Residential Load %		58.00%		57.82%		58.05%		57.85%		57.46%		61.11%		60.99%		61.25%		61.46%		58.50%
Non-Residential Load %		42.00%		42.18%		41.95%		42.15%		42.54%		38.89%		39.01%		38.75%		38.54%		41.50%
		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>

**CITY OF HACKENSACK
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
TAX REQUIREMENT AND RATE DATA
(UNAUDITED)**

	2015	2014	2013	2012**	2011	2010	2009	2008	2007
TAX REQUIREMENTS									
County	\$ 12,322,857	\$ 11,593,571	\$ 12,598,923	\$ 12,102,241	\$ 10,815,562	\$ 11,739,996	\$ 11,693,293	\$ 10,286,001	\$ 9,887,410
County Open Space	137,700	132,819	140,180	143,669	137,935	153,262	653,342	594,391	588,879
District School	75,582,908	73,009,438	70,482,192	68,099,979	65,943,131	62,433,400	61,883,694	58,652,691	56,010,195
Municipal Open Space	-	-	-	-	-	-	-	-	-
Municipal - Local	80,686,739	77,610,636	74,174,863	72,235,316	70,765,881	65,641,005	60,758,874	60,761,043	58,290,255
Municipal - Library	1,845,832	1,758,254	1,867,718	2,000,208	1,976,806	-	-	-	-
Total Tax Requirements	<u>\$ 170,576,036</u>	<u>\$ 164,104,718</u>	<u>\$ 159,263,876</u>	<u>\$ 154,581,413</u>	<u>\$ 149,639,315</u>	<u>\$ 139,967,663</u>	<u>\$ 134,989,203</u>	<u>\$ 130,294,126</u>	<u>\$ 124,776,739</u>
TAX RATES									
County	0.253	0.235	0.255	0.243	0.214	0.196	0.192	0.166	0.157
County Open Space	0.003	0.003	0.003	0.003	0.003	0.003	0.011	0.010	0.010
District School	1.551	1.478	1.424	1.363	1.300	1.038	1.015	0.943	0.889
Municipal Open Space	-	-	-	-	-	-	-	-	-
Municipal - Local	1.655	1.571	1.498	1.446	1.395	1.091	0.997	0.978	0.934
Municipal - Library	0.038	0.035	0.037	0.040	0.039	-	-	-	-
Total Tax Rates	<u>3.500</u>	<u>3.322</u>	<u>3.217</u>	<u>3.095</u>	<u>2.951</u>	<u>2.328</u>	<u>2.215</u>	<u>2.097</u>	<u>1.990</u>

**Reassessment Year

Source: County of Bergen, Board of Taxation

**CITY OF HACKENSACK
 ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
 RATIO OF GROSS AND NET DEBT TO COUNTY EQUALIZED VALUE AND DEBT PER CAPITA
 (UNAUDITED)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007
Population (Est. as of 7/1)	44,834	44,609	43,791	43,566	43,383	43,082	42,839	42,637	42,634
County Equalized Valuation	\$ 5,508,010,175	\$ 5,312,764,739	\$ 5,607,198,120	\$ 5,746,741,785	\$ 5,517,412,592	\$ 6,130,487,593	\$ 6,533,415,189	\$ 5,943,910,052	\$ 5,888,792,558
Gross Debt	\$ 57,946,057	\$ 50,063,619	\$ 41,653,620	\$ 46,109,076	\$ 51,405,688	\$ 55,856,739	\$ 41,991,600	\$ 41,882,709	\$ 41,750,611
Gross Debt Per Capita	\$ 1,292	\$ 1,122	\$ 951	\$ 1,058	\$ 1,185	\$ 1,297	\$ 980	\$ 982	\$ 979
Ratio of Gross Debt to County Equalized Valuations	1.05%	0.94%	0.74%	0.80%	0.93%	0.91%	0.64%	0.70%	0.71%
Net Debt	\$ 48,816,002	\$ 39,249,131	\$ 28,090,798	\$ 40,131,889	\$ 43,523,004	\$ 41,551,839	\$ 25,075,774	\$ 24,511,358	\$ 30,104,449
Ratio of Net Debt to County Equalized Valuations	0.89%	0.74%	0.50%	0.70%	0.79%	0.68%	0.38%	0.41%	0.51%
Net Debt per Capita	\$ 1,089	\$ 880	\$ 641	\$ 921	\$ 1,003	\$ 964	\$ 585	\$ 575	\$ 706

**CITY OF HACKENSACK
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
LEGAL DEBT MARGIN
(UNAUDITED)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007
Equalized Valuation Basis (State)	\$ 5,576,541,129	\$ 5,457,452,617	\$ 5,530,195,914	\$ 5,746,502,303	\$ 5,999,942,193	\$ 6,199,080,142	\$ 6,208,608,875	\$ 6,090,011,322	\$ 5,549,797,748
Municipal Borrowing Power:									
3 1/2% of Equalized Valuation Basis	\$ 195,178,940	\$ 191,010,842	\$ 193,556,857	\$ 201,127,581	\$ 209,997,977	\$ 216,967,805	\$ 217,301,311	\$ 213,150,396	\$ 194,242,921
Net Debt	48,816,002	39,249,131	28,090,798	40,131,889	43,523,004	41,551,839	25,075,774	24,511,358	30,104,449
Remaining Borrowing Power	\$ 146,362,938	\$ 151,761,711	\$ 165,466,059	\$ 160,995,692	\$ 166,474,973	\$ 175,415,966	\$ 192,225,537	\$ 188,639,038	\$ 164,138,472
School Borrowing Power:									
4% of Equalized Valuation Basis	\$ 223,061,645	\$ 218,298,105	\$ 221,207,837	\$ 229,860,092	\$ 239,997,688	\$ 247,963,206	\$ 248,344,355	\$ 243,600,453	\$ 221,991,910
School Debt	2,935,000	3,545,000	4,160,000	4,780,000	5,690,634	6,320,634	6,898,634	7,483,634	7,915,328
School Borrowing Margin Available	\$ 220,126,645	\$ 214,753,105	\$ 217,047,837	\$ 225,080,092	\$ 234,307,054	\$ 241,642,572	\$ 241,445,721	\$ 236,116,819	\$ 214,076,582

**CITY OF HACKENSACK
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
DIRECT AND OVERLAPPING DEBT
(UNAUDITED)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007
GROSS DIRECT DEBT									
Municipal Debt	\$ 55,011,057	\$ 46,518,619	\$ 37,493,620	\$ 41,329,076	\$ 45,715,054	\$ 49,536,739	\$ 35,092,966	\$ 34,399,075	\$ 33,835,283
Local School Debt	2,935,000	3,545,000	4,160,000	4,780,000	5,690,634	6,320,000	6,898,634	7,483,634	7,915,328
	<u>\$ 57,946,057</u>	<u>\$ 50,063,619</u>	<u>\$ 41,653,620</u>	<u>\$ 46,109,076</u>	<u>\$ 51,405,688</u>	<u>\$ 55,856,739</u>	<u>\$ 41,991,600</u>	<u>\$ 41,882,709</u>	<u>\$ 41,750,611</u>

OVERLAPPING DEBT									
County of Bergen (1)	\$ 52,880,840	\$ 48,127,750	\$ 45,688,783	\$ 43,539,934	\$ 38,469,440	\$ 41,692,335	\$ 39,619,989	\$ 35,833,641	\$ 37,092,523
Bergen County Utilities Authority (2)	1,867,845	1,961,799	1,921,630	1,769,162	1,843,885	24,022,194	27,258,148	27,634,422	30,859,914
	<u>\$ 54,748,685</u>	<u>\$ 50,089,549</u>	<u>\$ 47,610,413</u>	<u>\$ 45,309,096</u>	<u>\$ 40,313,325</u>	<u>\$ 65,714,529</u>	<u>\$ 66,878,137</u>	<u>\$ 63,468,063</u>	<u>\$ 67,952,437</u>

(1) County Debt:

Municipal Equalized Valuations	\$ 5,508,010,175	\$ 5,312,764,739	\$ 5,607,198,120	\$ 5,746,741,785	\$ 5,517,412,592	\$ 6,130,487,593	\$ 6,533,415,189	\$ 5,943,910,052	\$ 5,888,792,558
Total County Equalized Valuations	\$ 164,459,857,393	\$ 162,301,130,131	\$ 165,008,934,260	\$ 168,748,014,772	\$ 173,258,537,441	\$ 183,412,099,706	\$ 187,580,071,463	\$ 182,767,512,263	\$ 172,863,500,734
	3.35%	3.27%	3.40%	3.41%	3.18%	3.34%	3.48%	3.25%	3.41%
County's Outstanding Debt	1,578,532,537	1,471,796,641	1,343,787,738	1,276,830,919	1,209,730,830	1,248,273,490	1,138,505,430	1,102,573,565	1,087,757,268
	<u>\$ 52,880,840</u>	<u>\$ 48,127,750</u>	<u>\$ 45,688,783</u>	<u>\$ 43,539,934</u>	<u>\$ 38,469,440</u>	<u>\$ 41,692,335</u>	<u>\$ 39,619,989</u>	<u>\$ 35,833,641</u>	<u>\$ 37,092,523</u>

(2) Bergen County Utilities Authority Debt:

Hackensack CITY User Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,244,703	\$ 5,452,302	\$ 5,066,105	\$ 4,603,483
Total User Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,635,759	\$ 55,599,600	\$ 52,885,837	\$ 48,210,978
						8.94%	9.81%	9.58%	9.55%
BCUA's Outstanding Debt	-	-	-	-	-	268,704,631	277,860,831	288,459,524	323,140,462
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,022,194</u>	<u>\$ 27,258,148</u>	<u>\$ 27,634,422</u>	<u>\$ 30,859,914</u>
BCUA Allocated Share of Debt - LFN 2011-36	\$ 1,867,845	\$ 1,961,799	\$ 1,921,630	\$ 1,769,162	\$ 1,843,885	\$ -	\$ -	\$ -	\$ -

Source: County of Bergen; Bergen County Utilities Authority

**CITY OF HACKENSACK
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
RATIO OF ANNUAL DEBT SERVICE APPROPRIATIONS TO TOTAL ADOPTED CURRENT FUND APPROPRIATIONS
(UNAUDITED)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007
Serial Bonds:									
Principal	\$ 1,860,000	\$ 1,815,000	\$ 1,506,000	\$ 2,165,000	\$ 2,080,000	\$ 1,900,000	\$ 1,793,000	\$ 1,640,000	\$ 1,600,000
Interest	731,000	800,000	800,000	695,000	776,000	881,000	918,450	818,220	638,072
Notes:									
Principal	3,057,292	1,635,000	1,535,000	1,285,000	1,185,000	-	-	-	175,000
Interest	72,000	73,835	133,200	165,000	265,000	-	-	279,000	121,294
Loans:									
Principal	407,883	292,664	280,186	275,000	245,000	240,435	250,424	259,611	255,180
Interest	76,833	86,112	98,261	110,000	86,000	50,703	59,557	85,000	90,587
Capital Lease Obligations:									
Principal	140,500	132,500	123,000	135,000	126,000	226,596	283,750	269,732	256,979
Interest	11,700	13,500	29,000	42,000	50,000	53,273	52,600	62,265	71,356
	<u>\$ 6,357,208</u>	<u>\$ 4,848,611</u>	<u>\$ 4,504,647</u>	<u>\$ 4,872,000</u>	<u>\$ 4,813,000</u>	<u>\$ 3,352,007</u>	<u>\$ 3,357,781</u>	<u>\$ 3,413,828</u>	<u>\$ 3,208,468</u>
Total Current Fund Budget Appropriations	\$ 97,685,979	\$ 94,764,036	\$ 91,948,414	\$ 89,381,416	\$ 88,436,514	\$ 85,121,580	\$ 79,328,953	\$ 79,584,553	\$ 76,184,199
Ratio of Debt Service to Current Fund Budget Appropriations	<u>6.51%</u>	<u>5.12%</u>	<u>4.90%</u>	<u>5.45%</u>	<u>5.44%</u>	<u>3.94%</u>	<u>4.23%</u>	<u>4.29%</u>	<u>4.21%</u>

**CITY OF HACKENSACK
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
DEMOGRAPHIC STATISTICS
(UNAUDITED)**

	2015*	2014	2013	2012	2011	2010	2009	2008	2007	2006
Average Labor Force Estimates by Municipality:										
Labor Force	24,451	24,177	24,100	24,336	24,216	24,329	24,501	24,252	24,049	24,285
Employment	23,108	22,626	22,119	22,037	21,906	21,935	22,114	22,815	22,948	22,977
Unemployment	1,343	1,551	1,981	2,299	2,310	2,394	2,387	1,437	1,101	1,308
Unemployment Rate	5.5%	6.4%	8.2%	9.4%	9.5%	9.8%	9.7%	5.9%	4.6%	5.4%
Per Capital Personal Income - Bergen County	\$ 73,536	\$ 73,536	\$ 70,498	\$ 71,380	\$ 68,244	\$ 65,275	\$ 64,571	\$ 68,548	\$ 68,147	\$ 63,814

Estimates as of July 1,

Subcounty Population Estimates:										
Hackensack CITY	44,834	44,609	43,791	43,566	43,383	43,082	42,839	42,637	42,634	42,788
County of Bergen	938,506	932,836	926,284	920,006	914,018	906,895	895,250	889,915	885,664	884,581

* Latest Information Available

**CITY OF HACKENSACK
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
TEN LARGEST TAXPAYERS BY ASSESSMENT
(UNAUDITED)**

Taxpayer (Block/Lot)	2015 Assessed Valuation	As a Percent of Total 2015 Net Valuations \$ 4,874,047,550
1 Riverside Square LTD, C/O Simon Properties	\$ 156,048,800	3.20%
2 Hackensack Hospital Assn	126,774,000	2.60%
3 Hackensack University Medical Center (3 Properties)	75,180,400	1.54%
4 GSG Residential Prospect Towers, LLC (2 Properties)	66,691,800	1.37%
5 Hackensack VF, LLC C/O Vornado Realty	66,000,000	1.35%
6 Court Plaza Associates (2 Properties)	48,000,000	0.98%
7 Stellar Capital %MSNW Contin'l Asc	46,911,800	0.96%
8 Equity One JV SU Riverfront Plz, LLC	40,050,300	0.82%
9 Pierre Towers, LLC	37,000,000	0.76%
10 Bloomingdale's Inc.	35,917,300	0.74%
	<u>\$ 698,574,400</u>	14.33%

Source: City of Hackensack, Office of Tax Assessor

**CITY OF HACKENSACK
 ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
 VALUE OF NEW CONSTRUCTION, IMPROVEMENTS, ALTERATIONS AND DEMOLITIONS
 (UNAUDITED)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
# of New Permits Issued	1,586	1,444	1,608	1,525	1,542	1,488	1,401	1,528	1,708	1,657
# of Permit Updates	238	202	188	195	172	148	154	145	137	154
Value of Construction	\$ 81,378,170	\$ 103,693,750	\$ 51,696,343	\$ 43,579,063	\$ 57,928,669	\$ 42,703,868	\$ 37,442,094	\$ 95,420,876	\$ 63,192,015	\$ 60,391,248

Source: City of Hackensack, Office of Construction Official

CITY OF HACKENSACK
NJ Comprehensive Annual Financial Report
Single Audit Section

Di Maria & Di Maria LLP
Accountants and Consultants

245 Union Street
Lodi, New Jersey 07644
Voice 973.779.6890
Facsimile 973.779.6891

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Hackensack, County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds and account group of the City of Hackensack, in the County of Bergen (the "City") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2016, which was adverse due to the financial statements being prepared in conformity with the New Jersey regulatory basis of accounting as prescribed by the Division which is a basis of accounting other than accounting principles generally accepted in the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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, as defined above. However, material weaknesses may exist that have not been identified.

Di Maria & Di Maria LLP

Independent Auditors' Report (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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*.

We also noted certain matters that are not required to be reported under *Government Auditing Standards* that we reported to management of the City of Hackensack in the section of this report of audit entitled; "General Comments and Recommendations Section".

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 result of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank Di Maria

Frank Di Maria
Registered Municipal Accountant
RMA No. CR00463

June 30, 2016

CITY OF HACKENSACK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

Schedule A

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	Award Amount	Grant Period		Balance December 31, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor at
			From	To							December 31, 2015	December 31, 2015	December 31, 2015
General Capital Fund													
<i>U.S. Dept. of Transportation Passed Thru - State of NJ Department of Transportation:</i>													
Waterfront Bikeway & Pedestrian Park - Phase II	20.205	\$ 262,500	01/01/12	12/31/12	\$ (300,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (300,000)	\$ -	\$ -
Resurfacing of Grand Avenue	20.205	160,460	01/01/14	12/31/14	(160,460)	-	112,311	-	-	-	(48,149)	-	-
<i>U.S. Dept. of Environmental Protection Passed Thru - State of NJ Department of Environmental Protection:</i>													
Water Infrastructure		291,000	01/01/14	12/31/14	(291,000)	-	-	-	-	-	(291,000)	-	-
<i>Federal Emergency Management Agency (FEMA) Passed Thru - State of NJ Department of Law & Public Safety - Hazard Mitigation - Generators</i>													
		75,000	01/01/15	12/31/15	-	-	-	(75,000)	-	-	(75,000)	-	-
					<u>\$ (751,460)</u>	<u>\$ -</u>	<u>\$ 112,311</u>	<u>\$ (75,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (714,149)</u>	<u>\$ -</u>	<u>\$ -</u>
Grant Fund													
Edward J. Byrne Memorial Justice Assistance Grant	N/A	12,267	01/01/15	12/31/15	\$ -	\$ -	\$ -	(12,167)	\$ -	\$ -	(12,267)	\$ 100	\$ -
Edward J. Byrne Memorial Justice Assistance Grant	N/A	25,159	01/01/13	12/31/13	(11,444)	-	-	-	-	-	(11,444)	-	-
Edward J. Byrne Memorial Justice Assistance Grant	N/A	25,159	01/01/13	12/31/13	11	-	-	(11)	-	-	-	-	-
COPS Fast	16.710	200,000	01/01/12	12/31/12	51,016	-	-	-	-	-	-	51,016	-
<i>U.S. Dept. of Homeland Security - Passed Thru - NJ Department of Law & Public Safety:</i>													
Emergency Management Grant	97.042	5,000	01/01/13	12/31/13	(5,000)	-	5,000	-	-	-	-	-	-
Emergency Management Grant	97.042	5,000	01/01/13	12/31/13	5,000	-	-	(4,116)	-	-	-	884	-
Emergency Operation Center	97.044	300,000	01/01/08	12/31/08	175,316	-	-	-	-	-	-	175,316	-
<i>U.S. Dept. of Agriculture - Passed Thru - NJ Department of Agriculture:</i>													
Child Nutrition Summer Program	10.559	141,185	01/01/15	12/31/15	-	-	18,585	-	-	-	(122,600)	141,185	-
Child Nutrition Summer Program	10.559	151,828	01/01/14	12/31/14	(62,387)	-	62,387	-	-	-	-	-	-
Child Nutrition Summer Program	10.559	151,828	01/01/14	12/31/14	137,165	-	-	(64,750)	-	-	-	72,415	-
U.S. Dept. of Justice - Bullet Proof Vest Partnership	16.710	7,960	01/01/13	12/31/13	(7,960)	-	-	-	-	-	(7,960)	-	-
					<u>\$ 281,717</u>	<u>\$ -</u>	<u>\$ 85,972</u>	<u>\$ (81,044)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (154,271)</u>	<u>\$ 440,916</u>	<u>\$ -</u>
Total Federal Financial Assistance					<u>\$ (469,743)</u>	<u>\$ -</u>	<u>\$ 198,283</u>	<u>\$ (156,044)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (868,420)</u>	<u>\$ 440,916</u>	<u>\$ -</u>

CITY OF HACKENSACK
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2015

Schedule B

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance December 31, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) December 31, 2015	Deferred Revenue December 31, 2015	Due to Grantor at December 31, 2015
			From	To									
Grant Fund													
<i>State of N.J., Department of Environmental Protection --</i>													
Clean Communities Program	042-4900-765-004	\$ 77,839	01/01/15	12/31/15	\$ -	\$ -	\$ 77,839	\$ (16,467)	\$ -	\$ -	\$ -	\$ 61,372	\$ -
Clean Communities Program	042-4900-765-004	64,020	01/01/14	12/31/14	30,423	-	-	(30,423)	-	-	-	-	-
Recycling Tonnage Grant	042-4900-752-001	54,952	01/01/15	12/31/15	-	-	54,952	-	-	-	-	54,952	-
Recycling Tonnage Grant	042-4900-752-001	75,356	01/01/12	12/31/12	56,993	-	-	-	-	-	-	56,993	-
Recycling Tonnage Grant	042-4900-752-001	56,444	01/01/13	12/31/13	56,444	-	-	(31,996)	-	-	-	24,448	-
Energy Conservation Grant	N/A	201,700	01/01/10	12/31/10	(6,804)	-	-	-	6,804	-	-	-	-
Energy Conservation Grant	N/A	201,700	01/01/10	12/31/10	6,769	-	-	-	(6,769)	-	-	-	-
Hazardous Site Remediation Fund	N/A	85,512	01/01/14	12/31/14	(85,512)	-	85,512	-	-	-	-	-	-
Hazardous Site Remediation Fund	N/A	85,512	01/01/14	12/31/14	85,512	-	-	(1,347)	-	-	-	84,165	-
Hazardous Site Remediation Fund	N/A	82,192	01/01/09	12/31/09	(7,472)	-	-	-	7,472	-	-	-	-
Hazardous Site Remediation Fund	N/A	82,192	01/01/09	12/31/09	6,006	-	-	(30)	(5,976)	-	-	-	-
Municipal Recycling Assistance Program	N/A	12,746	01/01/07	12/31/07	12,746	-	-	-	(12,746)	-	-	-	-
<i>State of N.J., Department of Law and Public Safety --</i>													
Body Armor Replacement Program	1020-718-001	10,267	01/01/15	12/31/15	-	-	10,267	-	-	-	-	10,267	-
Body Armor Replacement Program	1020-718-001	10,032	01/01/14	12/31/14	-	-	10,032	-	-	-	-	10,032	-
Body Armor Replacement Program	1020-718-001	13,286	01/01/13	12/31/13	1,377	-	-	-	-	-	-	1,377	-
Safe & Secure Communities Grant	1020-100-232	60,000	01/01/13	12/31/13	15,000	-	-	-	-	-	-	15,000	-
Law & Public Safety Grant	N/A	4,000	01/01/15	12/31/15	-	-	4,000	(2,000)	-	-	-	2,000	-
ADA Curb Ramp Improvement Project	N/A	126,400	01/01/13	12/31/13	(65,900)	-	17,638	-	48,262	-	-	-	-
<i>State of N.J., Department of Health & Human Services --</i>													
Municipal Alliance on Alcoholism & Drug Abuse - State	N/A	13,464	01/01/15	12/31/15	-	-	494	(1,122)	-	-	(14,785)	14,157	-
Municipal Alliance on Alcoholism & Drug Abuse - Local	N/A	3,820	01/01/15	12/31/15	-	-	3,820	(3,820)	-	-	-	-	-
Municipal Alliance on Alcoholism & Drug Abuse - State	N/A	15,279	01/01/14	12/31/14	(12,970)	-	12,970	-	-	-	-	-	-
Municipal Alliance on Alcoholism & Drug Abuse - State	N/A	15,279	01/01/14	12/31/14	11,835	-	-	(11,835)	-	-	-	-	-
Alcohol Education & Rehabilitation Fund	046-760-4240	295	01/01/15	12/31/15	-	-	295	-	-	-	-	295	-
Total State Financial Assistance					\$ 104,447	\$ -	\$ 277,819	\$ (99,040)	\$ 37,047	\$ -	\$ (14,785)	\$ 335,058	\$ -

**CITY OF HACKENSACK
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2015**

Note 1 - General

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the City of Hackensack, County of Bergen, State of New Jersey. The City of Hackensack is defined in Note 1 to the basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2 - Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the regulatory basis of accounting which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is further described in Note 2 to the basic financial statements. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3 - Relationship to General-Purpose Financial Statements

Organization

The City of Hackensack, New Jersey is the prime sponsor and recipient of various federal and state grant funds. The City has delegated the general administration of grant programs and the reporting function to the City Treasurer. Substantially all grant and program cash funds are commingled with the City's other funds, although each grant is accounted for separately within the City's financial records. The City Treasurer's office performs accounting functions for all grants.

Basis of Accounting

The City's grants are presented on the modified accrual basis of accounting utilizing the following methods:

Current Fund Grants -

In accordance with a directive from the State Department of Community Affairs, Division of Local Government Services, all grant revenues and expenditures are fully realized within the current fund budget and corresponding receivables and spending reserves are recorded to account for grant activity.

Trust Fund and Capital Fund Grants -

In accordance with accounting principles prescribed by the State of New Jersey, grant receivables are offset with grant spending reserves.

Local Contributions

Local matching contributions are raised in the current fund budget. The percentage of matching contributions varies with each program. Local and state shares of grants are reflected separately on the Schedule of State Financial Assistance.

**CITY OF HACKENSACK
 NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
 STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2015**

Note 3 - Relationship to General-Purpose Financial Statements (continued)

Expenditures

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect actual cash disbursements charged directly to a grant program and, in certain instances, do not include allocated expenses or accrued expenses. Differences between budget and actual cash disbursements, as well as differences between budget revenues and actual cash receipts, are transferred to current fund balance when the grant is closed out.

Expenditures per Financial Reports

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect the sum of all expenditures including allocated expenses and accrued expenses reported to the grant funding agency from January 1, 2015 to December 31, 2015.

Note 4 - Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the City's fiscal year and grant program years.

Note 5 - Federal and State Loans Outstanding

The City had the following federal and state loans outstanding at December 31, 2015:

<u>General Capital Fund (Paid by the Current Fund):</u>	
NJEIT Wastewater Treatment	\$ 3,902,501
Green Acres	395,703
	<u>\$ 4,298,204</u>

Note 6 - Contingencies

Each of the grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy, efficiency and program results.

**CITY OF HACKENSACK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015**

Section I -- Summary of Auditors' Results

Financial Statements

- A) Type of auditors' report issued: Adverse - GAAP; Qualified - Regulatory
- B) Internal control over financial reporting:
1. Material weakness(es) identified? X yes no
 2. Significant deficiency(ies) identified not considered to be material weakness(es)? yes X no
- C) Noncompliance material to general-purpose financial statements noted? yes X no

**CITY OF HACKENSACK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015**

Section I -- Summary of Auditors' Results (Continued)

Federal Awards

****NOT APPLICABLE - EXPENDITURES UNDER \$750,000****

A) Internal control over compliance:

1. Material weakness(es) identified? _____ yes _____ no

2. Significant deficiency(ies) identified not considered to be material weakness(es)? _____ yes _____ no

B) Type of auditors' report issued on compliance for major programs: N/A

C) Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) section .510(a)? _____ yes _____ no

D) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>

E) Dollar threshold used to distinguish between type A and type B programs:

F) Auditee qualified as low-risk auditee? _____ yes _____ no

**CITY OF HACKENSACK
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED DECEMBER 31, 2015**

Section I -- Summary of Auditors' Results (Continued)

State Awards

****NOT APPLICABLE - EXPENDITURES UNDER \$750,000****

A) Internal control over major programs:

- 1. Material weakness(es) identified? _____ yes _____ no
- 2. Significant deficiency(ies) identified not considered to be material weakness(es)? _____ yes _____ no

B) Type of auditors' report issued on compliance for major programs: N/A

C) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08? _____ yes _____ no

D) Identification of major programs:

<u>Program GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>

E) Dollar threshold used to distinguish between type A and type B programs:

F) Auditee qualified as low-risk auditee? _____ yes _____ no

**CITY OF HACKENSACK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015**

Section II -- Financial Statement Findings

None

**CITY OF HACKENSACK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015**

Section III -- Federal and State Award Findings and Questioned Costs

Current Year

Federal Awards:

None

State Awards:

None

**CITY OF HACKENSACK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2015**

Not Applicable - None in 2014

REQUIRED SUPPLEMENTAL INFORMATION - GASB 68

SECTION "L" - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
PENSIONS (GASB 68)

**CITY OF HACKENSACK
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PERS
 LAST 10 FISCAL YEARS***

	June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
City's proportion of the net pension liability	0.1369942341%	0.1533713150%	0.1502984338%							
City's proportionate share of the net pension liability	\$ 30,752,460	\$ 28,715,305	\$ 28,725,017							
City's covered employee payroll (Calendar Year)	\$ 10,031,363	\$ 9,749,629	\$ 10,378,542							
City's proportionate share of the net pension liability as a percentage of its calendar year covered employee payroll	306.56%	294.53%	276.77%							
Plan fiduciary net position as a percentage of the total pension liability (Local)	47.93%	52.08%	48.72%							

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, Cities should present information for those years for which information is available.

**CITY OF HACKENSACK
SCHEDULE OF BOROUGH CONTRIBUTIONS - PERS
LAST 10 FISCAL YEARS***

	June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 1,297,704	\$ 1,156,339	\$ 1,183,939							
Contributions in relation to the contractually required contribution	(1,297,704)	(1,156,339)	(1,183,939)							
Contribution deficiency (excess)	\$ -	\$ -	\$ -							
City's covered employee payroll (Calendar Year)	\$ 10,031,363	\$ 9,749,629	\$ 10,378,542							
Contributions as a percentage of covered employee payroll	12.94%	11.86%	11.41%							

*Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, Cities should present information for those years for which information is available.

**CITY OF HACKENSACK
SCHEDULE OF THE BOROUGH'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PFRS
LAST 10 FISCAL YEARS***

	2015	2014	2013	2012	2011	June 30, 2010	2009	2008	2007	2006
City's proportion of the net pension liability	0.7456653388%	0.7247900272%	0.7246054350%							
City's proportionate share of the net pension liability	\$ 124,201,853	\$ 91,171,863	\$ 96,329,754							
City's covered employee payroll (Calendar Year)	\$ 24,936,476	\$ 23,742,104	\$ 22,873,911							
City's proportionate share of the net pension liability as a percentage of its calendar year covered employee payroll	498.07%	384.01%	421.13%							
Plan fiduciary net position as a percentage of the total pension liability (Local)	56.31%	62.41%	58.70%							

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, Cities should present information for those years for which information is available.

**CITY OF HACKENSACK
SCHEDULE OF BOROUGH CONTRIBUTIONS - PFRS
LAST 10 FISCAL YEARS***

	June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 5,940,000	\$ 5,652,383	\$ 6,058,969							
Contributions in relation to the contractually required contribution	<u>(5,940,000)</u>	<u>(5,652,383)</u>	<u>(6,058,969)</u>							
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>							
City's covered employee payroll (Calendar Year)	\$ 24,936,476	\$ 23,742,104	\$ 22,873,911							
Contributions as a percentage of covered employee payroll	23.82%	23.81%	26.49%							

*Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, Cities should present information for those years for which information is available.

**CITY OF HACKENSACK
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2015**

Note 1. **Police and Firemen's Retirement System (PFRS)**

Changes of benefit terms

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A. All benefits vest after ten years of service, except for disability benefits that vest after four years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek early retirement after achieving 25 years of service credit, 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.

Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members contributions providing no survivor death benefits are payable.

Changes of assumptions

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Public Employees' Retirement System (PERS)

Changes of benefit terms

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS. Retirement benefits for age and service are available at ages 60, 62 or 65 and are generally determined to be 1/55 or 1/60 of the final average salary for each year of service credit, as defined depending on the employees membership tier. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit 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 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.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for earnings on their contributions at 2% per annum. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Changes of assumptions

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Deviation from Assumptions

It is likely that future experience will not exactly conform to any of these assumptions. To the extent that actual experience deviates from these assumptions, the emerging PERS and PFRS liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

CITY OF HACKENSACK

NJ Comprehensive Annual Financial Report

General Comments and Recommendations Section

CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2015

Cash Cycle

Ref.

None

**CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2015**

Revenues/Receipts Cycle

Ref.

General

Municipal Court

A \$58 difference existed in the Municipal Court General account at December 31, 2015.

1.

Construction Official

None

Recreation

Funds collected were not deposited or remitted to a central cashier within 48 hours of receipt in accordance with N.J.S.A. 40A:5-15.

3.

Tax Collector

None

Sanitation

Funds collected were not deposited or remitted to a central cashier within 48 hours of receipt in accordance with N.J.S.A. 40A:5-15.

3.

**CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2015**

Expenditures/Disbursements Cycle

Ref.

There were instances of employee expense reimbursements, whereby the City should have contracted directly with the vendor; i.e. seminars, tolls. N/A

Due to the amounts involved, this matter did not rise to the level of a reportable condition, however, efforts should be made to correct this going forward.

**CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2015**

Payroll Cycle

Ref.

Controls regarding electronic disbursement for payroll purposes were not implemented in accordance with N.J.A.C. 5:30-17. 5.

**CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2015**

Fixed Assets

Ref.

A complete fixed asset accounting system was not maintained in accordance with N.J.A.C. 5:30-5.6.

6.

**CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2015**

Long-Term Debt

Ref.

There is a very significant and material tax appeal situation in the City. The potential refunds, if successful, are extraordinary and could seriously impact the City's overall financial condition. The CFO has subsequently developed a three year financing plan which commenced in 2014 incorporating refunding bonds to be issued and use of surplus funds. Years one and two have been successfully executed.

N/A

CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2015

Public Parking Utility

Ref.

None

**CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2015**

Other Significant Matters

Ref.

- | | |
|---|----|
| There are significant aged trust balances which have not been reviewed and cleared of record. | 7. |
| Disclosures for Post-Retirement Benefits were not prepared in accordance with State requirements. | 8. |
| Outside police employment fees were not set by ordinance. | 4. |
| Contra-accounting is being utilized for outside police employment payment processing. | 2. |

**CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2015**

Recommendations

1. That the difference in the Municipal Court General account be reviewed, identified and cleared of record.*
2. That outside police employment payments be processed in accordance with all applicable requirements.*
3. That all fund collected be remitted to central cashier or deposited within 48 hours as required by N.J.S.A. 40A:5-15.*
4. That all fees charged by the City be outlined in a fee ordinance.*
5. That controls be implemented in accordance with N.J.A.C. 5:30-17 regarding electronic disbursement controls for payroll purposes.*
6. That a complete fixed asset accounting system be maintained in accordance with N.J.A.C. 5:30-5.6.*
7. That a review of aged developer's escrow balances be made, and proper disposition be made of dormant accounts.*
8. That required disclosures pertaining to post-employment benefits be prepared.*

**CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2015**

Status of Prior Years' Recommendations

A review was made of all prior year's recommendations, and corrective action was taken on all with the exception of those denoted with an asterisk (*).

The synopsis of this report, together with the recommendations must be published as required by statute. We wish to express our appreciation of the assistance and courtesies extended by the municipal officials during the course of the audit.

**DI MARIA & DI MARIA LLP
Accountants and Consultants**

Frank Di Maria

**Registered Municipal Accountant
RMA No. CR00463**

June 30, 2016