

**CITY OF HACKENSACK
County of Bergen, New Jersey**

**NJ Comprehensive Annual Financial Report
Year Ended December 31, 2017
(With Independent Auditors' Reports Thereon)**

CITY OF HACKENSACK
NJ COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2017
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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	06/30/21
Kathleen Canestrino.....	Councilwoman	06/30/21
David Sims.....	Councilman	06/30/21
Leonardo Battaglia.....	Councilman	06/30/21
Stephanie Von Rudenburg.....	Councilwoman	06/30/21
Ted Ehrenburg.....	City Manager	
Deborah Karlsson, RMC.....	City Clerk	
James A. Mangin.....	Chief Financial Officer	
	Treasurer	
	Qualified Purchasing Agent	
Elisa Coccia.....	Tax Collector	
	Tax Search Officer	
Art Carlson, Jr.....	Tax Assessor	
Simeon Cumberbatch.....	Personnel Director	
Lisamarie Schieli.....	Recycling Coordinator	
Gerard Marinelli.....	Police Director	
Captain Franciso Aquila.....	Police Officer In Charge	
Louis J. Dinice, Esq.....	Municipal Court Judge	12/31/18
Richard Takvorian, Esq.....	Temporary Municipal Court Judge	06/27/19
Elizabeth Pezzillo, CMCA.....	Municipal Court Administrator	
Ernest J. Sisco.....	Construction Code Official	
Kevin McCue.....	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	
Maria Tartaglione.....	Registrar of Vital Statistics	
Joseph Inghima.....	Public Works Superintendent	
Rose Frontignano.....	Recreation Superintendent (Acting)	
Steven W. Kleinman, Esq.....	City Attorney	
DiMaria & DiMaria, LLP.....	City Auditor	
Boswell Engineering.....	City Engineer	
Otterstedt Agency.....	Risk Management Consultants	
Elsbeth Crusius.....	City Prosecutor	
O'Donnell McCord, PC.....	Tax Appeal Attorney	
Wilentz, Goldman & Spitzer.....	Bond Counsel	

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 combined comparative 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, 2017 and 2016, the related combined statement of operations and change in fund balance (*regulatory basis*) for the years then ended, and the related statement of operations and change in fund balance (regulatory basis) - budget and actual of the various funds for the year ended December 31, 2017, 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, 2017 and 2016, 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, 2017 and 2016, and the results of operations and change 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, 2017 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 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 and the statistical information have 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 them.

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, 2018 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, 2018

CITY OF HACKENSACK
 COMBINED COMPARATIVE BALANCE SHEET (REGULATORY BASIS)
 DECEMBER 31, 2017

	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)	
								2017	2016
ASSETS AND OTHER DEBITS									
Cash	\$ 21,324,869	\$ -	\$ 10,907,651	\$ 4,993,022	\$ 1,060,130	\$ 176,186	\$ -	\$ 38,461,858	\$ 33,153,595
Interfunds Receivable	-	605,599	-	-	-	-	-	605,599	575,273
Taxes Receivable	1,493,863	-	-	-	-	-	-	1,493,863	1,433,489
Intergovernmental Receivable	-	149,311	-	3,502,900	-	-	-	3,652,211	3,622,390
Deferred Charges	570,000	-	-	77,558,113	-	-	-	78,128,113	83,363,533
Fixed Capital Authorized & Uncompleted	-	-	-	-	-	434,000	-	434,000	434,000
Fixed Capital	-	-	-	-	-	8,035,084	-	8,035,084	8,035,084
Fixed Assets	-	-	-	-	-	-	36,753,740	36,753,740	51,562,905
Total Assets and Other Debits	\$ 23,388,732	\$ 754,910	\$ 10,907,651	\$ 86,054,035	\$ 1,060,130	\$ 8,645,270	\$ 36,753,740	\$ 167,564,468	\$ 182,180,269
LIABILITIES, RESERVES AND FUND BALANCE									
Interfunds Payable	\$ 605,599	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 605,599	\$ 575,273
Accounts Payable	734,144	-	-	29,310	-	-	-	763,454	215,300
Intergovernmental Payable	40,368	-	-	-	-	-	-	40,368	56,261
Bond Anticipation Notes Payable	-	-	-	33,430,644	-	-	-	33,430,644	32,155,703
Serial Bonds Payable	-	-	-	15,924,000	-	150,000	-	16,074,000	18,444,000
Loans Payable	-	-	-	3,549,784	-	-	-	3,549,784	3,931,701
Capital Lease Obligations Payable	-	-	-	218,533	-	-	-	218,533	374,978
Other Reserves	10,210,849	754,910	10,907,651	32,705,739	327,381	8,370,771	-	63,277,301	65,120,848
Reserve for Receivables & Other Assets	1,493,863	-	-	-	-	-	-	1,493,863	1,433,489
Reserve for Investment in Fixed Assets	-	-	-	-	-	-	36,753,740	36,753,740	51,562,905
Fund Balance	10,303,909	-	-	196,025	732,749	124,499	-	11,357,182	8,309,811
Total Liabilities, Reserves and Fund Balance	\$ 23,388,732	\$ 754,910	\$ 10,907,651	\$ 86,054,035	\$ 1,060,130	\$ 8,645,270	\$ 36,753,740	\$ 167,564,468	\$ 182,180,269

CITY OF HACKENSACK
 COMBINED STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2017

	Current Fund	Public Parking Utility Fund	Total
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Revenues:			
Operating Surplus Anticipated	\$ 3,000,000	\$ 360,000	\$ 3,360,000
Miscellaneous	17,321,804	-	17,321,804
Receipts from Delinquent Taxes	27,298	-	27,298
Amount to be Raised by Taxation - Local	84,420,442	-	84,420,442
Amount to be Raised by Taxation - Library	1,862,066	-	1,862,066
Off Street Parking	-	805,674	805,674
On Street Parking	-	395,164	395,164
Interest on Investments & Deposits	-	5,281	5,281
Total Revenues	106,631,610	1,566,119	108,197,729
Other Credits to Income	98,635,855	275,903	98,911,758
Total Revenues and Other Credits to Income	\$ 205,267,465	\$ 1,842,022	\$ 207,109,487
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>			
Expenditures:			
Within "CAPS":			
Operations:			
Salaries and Wages	\$ 41,307,775	\$ -	\$ 41,307,775
Other Expenses	30,268,966	-	30,268,966
Statutory Expenditures	9,496,064	-	9,496,064
Excluded From "CAPS":			
Operations:			
Salaries and Wages	10,422	300,000	310,422
Other Expenses	9,816,153	603,800	10,419,953
Capital Improvements	1,742,400	388	1,742,788
Debt Service	10,838,828	160,312	10,999,140
Deferred Charges and Statutory Expenditures	190,000	20,500	210,500
Surplus (General Budget)	-	360,000	360,000
Reserve for Uncollected Taxes	1,500,000	-	1,500,000
Total Expenditures	105,170,608	1,445,000	106,615,608
Other Charges to Income	93,636,508	-	93,636,508
Total Expenditures and Charges to Income	\$ 198,807,116	\$ 1,445,000	\$ 200,252,116
Statutory Excess to Fund Balance	6,460,349	397,022	6,857,371
Fund Balance, January 1	6,843,560	695,727	7,539,287
	13,303,909	1,092,749	14,396,658
Decreased by:			
Utilization as Anticipated Revenue	3,000,000	360,000	3,360,000
Fund Balance, December 31	\$ 10,303,909	\$ 732,749	\$ 11,036,658

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, 2017

	Budget as Modified	Actual	Variance
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Anticipated Revenues:			
Operating Surplus Anticipated	\$ 3,000,000	\$ 3,000,000	\$ -
Miscellaneous Revenues	16,118,501	17,321,804	1,203,303
Receipts from Delinquent Taxes	-	27,298	27,298
Amount to be Raised by Taxation - Local	84,190,041	84,420,442	230,401
Amount to be Raised by Taxation - Library	1,862,066	1,862,066	-
Total Revenues	<u>105,170,608</u>	<u>106,631,610</u>	<u>1,461,002</u>
Other Credits to Income	93,570,066	98,635,855	5,065,789
Total Revenues and Other Credits to Income	<u>\$ 198,740,674</u>	<u>\$ 205,267,465</u>	<u>\$ 6,526,791</u>

EXPENDITURES AND OTHER CHARGES TO INCOME

Expenditures:			
Within "CAPS":			
Operations:			
Salaries and Wages	\$ 41,307,775	\$ 41,307,775	\$ -
Other Expenses	30,268,966	30,268,966	-
Deferred Charges	-	-	-
Statutory Expenditures	9,496,064	9,496,064	-
Excluded From "CAPS":			
Operations:			
Salaries and Wages	10,422	10,422	-
Other Expenses	9,816,153	9,816,153	-
Capital Improvements	1,742,400	1,742,400	-
Municipal Debt Service	10,838,828	10,838,828	-
Deferred Charges	190,000	190,000	-
Reserve for Uncollected Taxes	1,500,000	1,500,000	-
Total Expenditures	<u>105,170,608</u>	<u>105,170,608</u>	<u>-</u>
Other Charges to Income	93,570,066	93,636,508	66,442
Total Expenditures and Charges to Income	<u>\$ 198,740,674</u>	<u>\$ 198,807,116</u>	<u>\$ 66,442</u>

Statutory Excess to Current Fund Balance

6,460,349

Fund Balance, January 1

6,843,560

\$ 13,303,909

Decreased by:

Utilization as Anticipated Revenue

3,000,000

Fund Balance, December 31

\$ 10,303,909

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, 2017

	<u>Budget as Modified</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Anticipated Revenues:			
Operating Surplus Anticipated	\$ 360,000	\$ 360,000	\$ -
Off Street Parking	690,000	805,674	115,674
On Street Parking	395,000	395,164	164
Total Anticipated Revenues	<u>1,445,000</u>	<u>1,560,838</u>	<u>115,838</u>
Non-Budget Revenue	-	5,281	5,281
Other Credits to Income	-	275,903	275,903
Total Anticipated Revenues and Other Credits to Income	<u>\$ 1,445,000</u>	<u>\$ 1,842,022</u>	<u>\$ 397,022</u>
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>			
Budgetary Expenditures:			
Operations:			
Salaries and Wages	\$ 300,000	\$ 300,000	\$ -
Other Expenses	603,800	603,800	-
Capital Improvements	388	388	-
Debt Service	160,312	160,312	-
Deferred Charges & Statutory Expenditures	20,500	20,500	-
Deficit in Operations in Prior Years	-	-	-
Surplus (General Budget)	360,000	360,000	-
Total Budgetary Expenditures	<u>1,445,000</u>	<u>1,445,000</u>	<u>-</u>
Other Charges to Income	-	-	-
Total Expenditures and Charges to Income	<u>\$ 1,445,000</u>	<u>\$ 1,445,000</u>	<u>\$ -</u>
Statutory Excess to Current Fund Balance		<u>397,022</u>	
Deferred Charges to Budget of Succeeding Year		-	
Fund Balance, January 1		<u>695,727</u>	
		<u>1,092,749</u>	
Decreased by:			
Utilization as Anticipated Revenue		360,000	
Fund Balance, December 31		<u>\$ 732,749</u>	

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

CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

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 less than 15 City Managers. The City 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

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.

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.

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

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.

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. Fixed Assets acquired by the Public Parking Utility Fund are capitalized as Fixed Capital and not depreciated.

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.

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.

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.

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)

GASB No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.

GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

Note 2 - Summary of Significant Accounting Policies (Continued)
New Reporting Standard(s) (Continued)

GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.

GASB No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pension, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

CITY OF HACKENSACK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2017

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 City'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 City 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 City's deposits are summarized as follows:

	<u>Year</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash	2017	\$ 38,442,034	\$ 38,461,858
Investments	2017	\$ -	\$ -

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, 2017.

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, 2017, 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, 2017 totaled \$0.

CITY OF HACKENSACK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2017

Note 5 - Fixed Assets

The following is a summary of general fixed asset additions, deletions and adjustments as of December 31, 2017:

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Land	\$ 9,539,800	\$ -	\$ -	\$ -	\$ 9,539,800
Land Improvements	-	-	-	5,078,488	5,078,488
Buildings	19,913,247	-	-	(17,459)	19,895,788
Machinery & Equip	14,532,958	-	-	(14,323,840)	209,118
Infrastructure	7,576,900	-	-	(5,546,354)	2,030,546
	<u>\$ 51,562,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,809,165)</u>	<u>\$ 36,753,740</u>

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, 2016:

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, 2016 is \$8,550,000.

\$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, 2016 is \$1,245,000.

\$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, 2016 is \$5,230,000.

\$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, 2016 is \$3,119,000.

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, 2016 is \$375,241.

Note 6 - Municipal Debt (Continued)

A. Types of Municipal Debt (Continued)

NJEIT Wastewater Treatment Loans

\$1,445,000 - Series 1997"T" 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, 2016 is \$115,000.

\$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, 2016 is \$145,000.

\$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, 2016 is \$45,000.

\$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, 2016 is \$375,509.

\$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, 2016 is \$805,000.

\$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, 2016 is \$735,000.

CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

\$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, 2016 is \$1,335,951.

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, 2016 is \$148,978.

\$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, 2016 is \$226,000.

The City's long term debt paid by the Public Parking Utility Fund consisted of the following at December 31, 2016:

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, 2016 is \$300,000.

CITY OF HACKENSACK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2017

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>2016</u>
Issued:	
School Bonds and Notes	\$ 2,340,000
General Bonds	18,144,000
Public Parking Utility Bonds	300,000
Infrastructure & Green Trust Loans	3,931,700
Bond Anticipation Notes - General	32,155,703
Bond Anticipation Notes - Public Parking Utility	-
	<u>\$ 56,871,403</u>
Authorized but not Issued:	
General Bonds and Notes	\$ 27,997,151
Public Parking Utility	434,000
	<u>\$ 28,431,151</u>
Gross Debt	<u>\$ 85,302,554</u>
Deductions	<u>\$ 30,579,363</u>
Net Debt	<u><u>\$ 54,723,191</u></u>
Equalized Valuation Basis	\$ 5,687,530,992
Statutory Net Debt Percentage	0.962%
3-1/2% of Equalized Valuation Basis	\$ 199,063,585
Remaining Borrowing Power	\$ 144,340,394

CITY OF HACKENSACK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2017

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, 2016 are as follows:

General Bonds

Calendar Year	1/1/2008		4/11/2008	
	General Improvement Bonds		Pension Refunding Bonds	
	Principal	Interest	Principal	Interest
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	-	-
	<u>\$ 8,550,000</u>	<u>\$ 405,728</u>	<u>\$ 1,245,000</u>	<u>\$ 56,475</u>

Calendar Year	5/1/2013		5/1/2013	
	General Improvement Bonds "A"		General Improvement Bonds "B"	
	Principal	Interest	Principal	Interest
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
	<u>\$ 5,230,000</u>	<u>\$ 818,540</u>	<u>\$ 3,119,000</u>	<u>\$ 610,196</u>

Calendar Year	Total	
	Principal	Interest
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
	<u>\$ 18,144,000</u>	<u>\$ 1,890,940</u>

CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

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 NJFIT Wastewater Treatment "T"	
	Principal	Interest	Principal	Interest
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>\$ 375,240</u>	<u>\$ 63,021</u>	<u>\$ 115,000</u>	<u>\$ 5,750</u>

Calendar Year	10/15/2000 NJFIT Wastewater Treatment		10/15/2002 NJFIT Wastewater Treatment "A"	
	Principal	Interest	Principal	Interest
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>\$ 145,000</u>	<u>\$ 19,425</u>	<u>\$ 45,000</u>	<u>\$ 2,250</u>

Calendar Year	9/30/2010 NJFIT Wastewater Treatment "A"		12/2/2010 NJFIT Wastewater Treatment "B"	
	Principal	Interest	Principal	Interest
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

CITY OF HACKENSACK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2017

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>\$ 375,509</u>	<u>\$ -</u>	<u>\$ 805,000</u>	<u>\$ 332,500</u>

Calendar Year	5/28/2015		5/28/2015	
	NJEIT Wastewater Treatment "Trust"		NJEIT Wastewater Treatment "Fund"	
	Principal	Interest	Principal	Interest
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>\$ 735,000</u>	<u>\$ 333,250</u>	<u>\$ 1,335,951</u>	<u>\$ -</u>

CITY OF HACKENSACK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2017

Note 6 - Municipal Debt (Continued)

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

Loans (Continued)

Calendar Year	Total	
	Principal	Interest
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>\$ 3,931,700</u>	<u>\$ 756,196</u>

CITY OF HACKENSACK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2017

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
2017	48,446	3,382	108,000	3,371
2018	49,649	2,178	118,000	1,244
2019	50,883	946	-	-
	<u>\$ 148,978</u>	<u>\$ 6,506</u>	<u>\$ 226,000</u>	<u>\$ 4,615</u>

Calendar Year	Total	
	Principal	Interest
2017	156,446	6,753
2018	167,649	3,422
2019	50,883	946
	<u>\$ 374,978</u>	<u>\$ 11,121</u>

Public Parking Utility Bonds

Calendar Year	4/11/2009	
	General Improvement Bonds	
	Principal	Interest
2017	150,000	10,313
2018	150,000	3,375
	<u>\$ 300,000</u>	<u>\$ 13,688</u>

CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

Note 6 - Municipal Debt (Continued)

D. Summary of Changes in Municipal Debt

Loans and General Bonds

	Beginning Balance	Issued/ Refinanced	Adjustments/ Retired/Cash Rec'd	Ending Balance
Short-Term Debt:				
Tax Anticipation Notes	\$ -	\$ -	\$ -	\$ -
Bond Anticipation Notes	23,704,992	32,155,703	(23,704,992)	32,155,703
Emergency Notes	-	-	-	-
	<u>\$ 23,704,992</u>	<u>\$ 32,155,703</u>	<u>\$ (23,704,992)</u>	<u>\$ 32,155,703</u>
Long-Term Debt:				
Serial Bonds	\$ 20,424,000	\$ -	\$ (2,280,000)	\$ 18,144,000
Loans/Notes Payable	4,298,204	-	(366,503)	3,931,701
Capital Lease Obligations	523,249	-	(148,271)	374,978
Authorized but not Issued	5,821,352	35,364,070	(13,188,271)	27,997,151
	<u>\$ 31,066,805</u>	<u>\$ 35,364,070</u>	<u>\$ (15,983,045)</u>	<u>\$ 50,447,830</u>
	<u>\$ 54,771,797</u>	<u>\$ 67,519,773</u>	<u>\$ (39,688,037)</u>	<u>\$ 82,603,533</u>

	Ending Balance	Amounts Due within One Year	Long-term Portion
Short-Term Debt:			
Tax Anticipation Notes	\$ -	\$ -	-
Bond Anticipation Notes	32,155,703	32,155,703	-
Emergency Notes	-	-	-
	<u>\$ 32,155,703</u>	<u>\$ 32,155,703</u>	<u>\$ -</u>
Long-Term Debt:			
Serial Bonds	\$ 18,144,000	\$ 2,220,000	\$ 15,924,000
Loan Payable	3,931,701	381,915	3,549,786
Capital Lease Obligations	374,978	156,446	218,532
Authorized but not Issued	27,997,151	-	27,997,151
	<u>\$ 50,447,830</u>	<u>\$ 2,758,361</u>	<u>\$ 47,689,469</u>
	<u>\$ 82,603,533</u>	<u>\$ 34,914,064</u>	<u>\$ 47,689,469</u>

CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

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	\$ 450,000	\$ -	\$ (150,000)	\$ 300,000
Loan Payable	-	-	-	-
Authorized but not Issued	434,000	-	-	434,000
	<u>\$ 884,000</u>	<u>\$ -</u>	<u>\$ (150,000)</u>	<u>\$ 734,000</u>
	<u>\$ 884,000</u>	<u>\$ -</u>	<u>\$ (150,000)</u>	<u>\$ 734,000</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	\$ 300,000	\$ 150,000	\$ 150,000
Loan Payable	-	-	-
Authorized but not Issued	434,000	-	434,000
	<u>\$ 734,000</u>	<u>\$ 150,000</u>	<u>\$ 584,000</u>
	<u>\$ 734,000</u>	<u>\$ 150,000</u>	<u>\$ 584,000</u>

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, 2107. 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:

2016 \$64,390
2015 \$27,956
2014 \$26,986

Reserve for Dental Insurance Claims:

2016 \$ 8,318
2015 \$112,073
2014 \$100,551

Reserve for Workmen's Compensation Claims:

2016 \$12,546
2015 \$ 6,855
2014 \$ 6,828

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:

CY2016 - \$104,341
CY2015 - \$116,874
CY2014 - \$ 0

CITY OF HACKENSACK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2017

Note 8 - Interfunds

As of December 31, 2017, interfund balances on the City's various balance sheets were as follows:

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ -	\$ 605,599
Grant Fund	605,599	-
Trust Fund	-	-
General Capital Fund	-	-
Public Parking Utility Operating Fund	-	-
Public Parking Utility Capital Fund	-	-
	<u>\$ 605,599</u>	<u>\$ 605,599</u>

Interfund balances are comprised of the following:

Current Fund owes the Grant Fund \$605,599 for cash loaned for expenditures which occur before drawdown. 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, 2017

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, 2017 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) - Reassessment	\$ 570,000	\$ 190,000	\$ 380,000
Emergency Authorization	-	-	-
	<u>\$ 570,000</u>	<u>\$ 190,000</u>	<u>\$ 380,000</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, 2015, the most recent actuarial valuation date, which was rolled forward to June 30, 2016, the aggregate funded ratio for the local PERS system is 40.14% and \$29.6 billion, respectively and the aggregate funded ratio and unfunded accrued liability for the local PFRS is 52.0% and \$20.7 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, 2015 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) 7.65% for investment rate of return and (b) changes to projected salary increases of 1.65% to 5.15% based on age for PERS and 2.10% to 9.98% based on age for PFRS.

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, 2016, the City's liability of for its proportionate share of the net pension liability was \$43,420,400 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, 2016, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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, 2016 and 2015. At June 30, 2016, the City's proportion was 0.14661%, which was an increase of 0.00962% from its proportion measured as of June 30, 2014 which was rolled forward to June 30, 2015.

For the year ended December 31, 2016, the City recognized PERS related pension expense of \$1,168,807 representing the required annual contribution. At June 30, 2016, 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	\$ 807,488	\$ -
Changes of assumptions	8,994,388	-
Net difference between projected and actual earnings on pension plan investments	1,655,659	-
Changes in proportion and differences between City contributions and proportionate share of contributions	1,880,052	2,050,260
Total	<u>\$ 13,337,587</u>	<u>\$ 2,050,260</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:

	<u>Year Ended 6/30:</u>
2017	\$ (2,540,777)
2018	(2,540,777)
2019	(2,943,735)
2020	(2,473,053)
2021	(788,985)
	<u>\$ (11,287,327)</u>

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

Collective balances are as follows:

	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources (Local Group)	\$ 8,685,338,380	\$ 3,578,755,666	\$ 952,194,675
Collective deferred inflows of resources (Local Group)	\$ 870,133,595	\$ 993,410,555	\$ 1,479,224,662
Collective net pension liability (Non State - Local Group)	\$ 29,617,131,759	\$ 22,447,996,119	\$ 18,722,735,003
City's Portion of net pension liability	\$ 43,420,400	\$ 30,752,460	\$ 28,715,305
City's Proportion	0.1466056887%	0.1369942325%	0.1533713157%

Actuarial Assumptions

The total pension liability in the July 1, 2015 actuarial valuation, which was rolled forward to June 30, 2016, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.08%
Salary Increases:	
Thru 2026	1.65% - 4.15% based on age
Thereafter	2.65% - 5.15% based on age
Investment Rate of Return	7.65%

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 and a 1 year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. The RP-2000 Disabled Mortality Tables (setback 3 years for males and set forward 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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 (7.65% at June 30, 2016) 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, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

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

Discount rate

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, 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 contribution rate in the most recent fiscal year.

State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, 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 June 30, 2016 proportionate share of the net pension liability calculated using the discount rate of 3.98%, 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 (2.98%) or 1-percentage-point higher (4.98%) than the current rate. A sensitivity analysis specific to the City's net pension liability was not provided by the pension system.

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Borough's proportionate share of the \$ net pension liability	53,207,358	\$ 43,420,400	\$ 35,339,864

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 and requires contributions by active members and contributing employers. State legislation has modified that amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount. PERS provides for employee contributions of 7.20% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate for PERS. The current PERS rate is 12.91% of covered payroll.

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 June 30, 2016, the City's liability of for its proportionate share of the net pension liability was \$148,988,129 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, 2016, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, rolled forward to June 30, 2016. 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, 2016 and 2015. At June 30, 2016, the City's proportion was 0.7799%, which was an increase of 0.0342% from its proportion measured as of June 30, 2014 rolled forward to June 30, 2015.

For the year ended December 31, 2016, the City recognized PFRS related pension expense of \$6,435,365 representing the required annual contribution. At June 30, 2016, 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	\$ -	\$ 976,639
Changes of assumptions	20,636,080	-
Net difference between projected and actual earnings on pension plan investments	10,439,298	-
Changes in proportion and differences between City contributions and proportionate share of contributions	5,739,429	-
Total	<u>\$ 36,814,807</u>	<u>\$ 976,639</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:

	<u>Year Ended 6/30:</u>
2017	\$ (8,579,657)
2018	(8,579,657)
2019	(11,557,809)
2020	(6,834,339)
2021	(286,706)
	<u>\$ (35,838,168)</u>

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

Collective balances are as follows:

	6/30/2016	6/30/2015	6/30/2014
Collective deferred outflows of resources (Non Special Funding)	\$ 4,547,316,543	\$ 3,512,729,953	\$ 750,532,959
Collective deferred inflows of resources (Non Special Funding)	\$ 688,197,590	\$ 871,083,367	\$ 1,561,923,934
Collective net pension liability (Non Special Funding)	\$ 19,102,557,969	\$ 16,656,514,197	\$ 12,579,072,492
City's Portion of net pension liability	\$ 148,988,129	\$ 124,201,853	91,171,863
City's Proportion	0.7799381069%	0.7456653387%	0.7247900277%

Actuarial Assumptions

The total pension liability in the July 1, 2015 actuarial valuation, which was rolled forward to June 30, 2016, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.08%
Salary Increases:	
Through 2026	2.10% - 8.98% based on age
Thereafter	3.10% - 9.98% based on age
Investment Rate of Return	7.65%

Mortality rates for male service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected 13 years using Projection Scale BB and then 2 years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2015 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 (7.65% at June 30, 2016) 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, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

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

Discount rate

The discount rate used to measure the total pension liability was 5.55% and 5.79% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, 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 contribution rate in the most recent fiscal year.

The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, 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 June 30, 2016 proportionate share of the net pension liability measured as of June 30, 2016, calculated using the discount rate of 5.55%, 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 (4.55%) or 1-percentage-point higher (6.55%) than the current rate:

	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
Borough's proportionate share of the net pension liability \$	192,105,294	\$ 148,988,129	\$ 113,826,931

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. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on the actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount. 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 25.51% of covered payroll.

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, 2017, the accumulated value of unused sick and vacation was approximately \$18,500,000. 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. In addition, the City provides post-employment dental benefits on a self-funded basis administered by Delta Dental Plan of New Jersey.

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, 2016 (latest available), and the related information for the plan are as follows:

CITY OF HACKENSACK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2017

Note 11 - Other Post Retirement Benefits (continued)

Projected Unfunded Accrued Liability as of 12/31/16:

(1) Unfunded Accrued Liability (UAL) as of 1/1/16	\$279,027,130
(2) Service Cost at Year End	6,842,671
(3) Projected Pay-As-You-Go Benefits for 1/1/16 to 12/31/16	(6,569,466)
(4) Interest on Unfunded Accrued Liability	<u>11,029,696</u>
(5) Unfunded Accrued Liability (UAL) as of 12/31/16	<u>\$290,330,031</u>

Annual OPEB Cost as of 12/31/16:

(1) Service Cost at Year End	\$ 6,842,671
(2) Amortization of Initial UAL w/Interest	9,672,940
(3) Interest on Net OPEB Obligation as of 1/1/16	1,249,257
(4) Adjustment to ARC	<u>6,402,931</u>
(5) Total Annual OPEB Cost - 1/1/16 to 12/31/16	\$24,167,799
(6) Projected Pay-As-You-Go Benefits for 1/1/16 to 12/31/16	<u>(6,569,466)</u>
(7) Net OPEB Expense Cost as of 12/31/16	\$ 17,598,333
(8) Net OPEB Obligation as of 12/31/15	<u>31,231,430</u>
(9) Net OPEB Obligation as of 12/31/16	<u>\$ 48,829,763</u>

The Present Value of Future Benefits (PVFB) is the total present value of all expected future benefits, net of expected retiree contributions, based on certain actuarial assumptions. The Present Value of future benefits is a measure of total liability or obligation. Essentially, the Present Value of future 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 January 1, 2016) was \$363,981,315 assuming no prefunding obligations. The majority of this liability is for current active employees (future retirees).

The Actuarial Accrued Liability (AL) is the past service liability or present value obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. GASB 45 requires the benefits to be earned ratably from date of hire to date of full eligibility for benefits. For retirees and actives that are immediately eligible to retire and receive full benefits, the AL equals the PVFB. For actives not yet eligible to retire, it equals a pro-rata portion of the PVFB based on past services to total service for that employee. The Plan's Actuarial Accrued Liability (at January 1, 2016) is \$279,027,130 assuming no prefunding obligations. The majority of this liability is for retirees.

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.

Note 11 - Other Post Retirement Benefits (continued)

Demographic Assumptions

Data was provided by the City of Hackensack as of December 31, 2016. Some highlights of census demographic information as of the January 1, 2016 valuation date are as follows:

(1) Valuation based on 613 employees, 422 active and 191 retired. Of the retired, 188 are retirees and 3 are surviving spouses.

(2) For retirees, the overall average age is 62.4 years, which reflects an average age of 55.9 for pre-65 retirees and 69.5 for post-65 retirees.

(3) For actives, the average age is 45.0 years and average years of service of 12.7.

(4) Of the active population, 12.1% of the population (51 employees) is eligible for retiree benefits.

(5) 20.4% actives and 12.6% 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, 2018 and decrease 1/2 of 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%.

Mortality Assumptions

RP 2014 Healthy Male and Female Tables are based on the Combined Healthy Table for both pre and post-retirement projected with mortality improvements using Projection Scale AA for one (1) year, (i.e. from date of table to valuation date), plus seven (7) years generational improvement.

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.

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.

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.

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.

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.

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.

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.

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.

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. One notable case pertains to a claim made by the former Chief of Police; the outcome of which would have a significant financial impact on the City.

B. Tax Appeals

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2017. 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. The City will fund of any ultimate future liability 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, 2017, 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, 2017

Note 13 - Fund Balances Appropriated

Fund balances at December 31 2016 and 2015 which were appropriated and included as anticipated revenue in their respective funds for the years ending December 31, 2017 and 2016 were as follows:

	<u>2017</u>		<u>2016</u>
Current Fund	\$ 3,000,000	\$	2,700,000
Public Parking Utility	360,000		360,000

CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

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.

Note 15 - Subsequent Events

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

A. Serial Bonds Issued

In April, 2018 the City issued general improvement serial bonds and refunding serial bonds in the amounts of \$21,820,000, and \$16,025,000, respectfully. The Bonds refunded outstanding bond anticipation notes of \$2,733,848 and \$8,201,799. Initial financing of \$11,748,000 general improvements was included in the issue.

CITY OF HACKENSACK
 CURRENT FUND
 BALANCE SHEET (REGULATORY BASIS)

	2017	2016
<u>ASSETS AND OTHER DEBITS</u>		
Cash:		
Current Account	\$ 21,324,419	\$ 17,195,608
Change Funds	450	450
	<u>21,324,869</u>	<u>17,196,058</u>
Taxes Receivable:		
Delinquent Property Taxes Receivable	182,063	121,689
Property Acquired for Taxes - Assessed Valuation	1,311,800	1,311,800
	<u>1,493,863</u>	<u>1,433,489</u>
Deferred Charges:		
Special Emergency Authorizations	570,000	760,000
	<u>570,000</u>	<u>760,000</u>
Total Assets and Other Debits	<u>\$ 23,388,732</u>	<u>\$ 19,389,547</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Interfunds Payable:		
Grant Fund	\$ 605,599	\$ 575,273
	<u>605,599</u>	<u>575,273</u>
Accounts Payable	<u>734,144</u>	<u>215,300</u>
Intergovernmental Payable:		
Due County for Added & Omitted Taxes	13,869	7,151
Due Free Public Library	-	299
Due to State of New Jersey	26,499	48,811
	<u>40,368</u>	<u>56,261</u>
Other Reserves:		
Appropriation Reserves	4,592,900	6,045,426
Reserve for Encumbrances	2,125,492	1,289,309
Pre-Paid Taxes	3,186,573	943,303
Tax Overpayments	101,263	399,875
Outside Tax Title Lien Redemptions	-	81,351
Reserve for Re-Assessment Expenditures	143,566	313,800
Reserve for Back Pay Refund Emergency	-	1,137,900
Reserve for Tax Appeals	61,055	54,700
	<u>10,210,849</u>	<u>10,265,664</u>
Reserve for Receivables and Other Assets	<u>1,493,863</u>	<u>1,433,489</u>
Fund Balance	<u>10,303,909</u>	<u>6,843,560</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 23,388,732</u>	<u>\$ 19,389,547</u>

CITY OF HACKENSACK
CURRENT FUND
SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME (REGULATORY BASIS)
YEAR ENDED DECEMBER 31, 2017

	Budget As Modified	Realized	Excess/ (Deficit)
REVENUES			
Operating Surplus Anticipated	\$ 3,000,000	\$ 3,000,000	\$ -
Miscellaneous Revenues:			
Alcoholic Beverage Licenses	\$ 96,000	\$ 96,390	\$ 390
Other Licenses	94,000	93,505	(495)
Fees and Permits	720,000	731,605	11,605
Municipal Court Fines and Costs	1,750,000	2,003,312	253,312
Interest and Costs on Taxes	240,000	253,964	13,964
Utility Operating Surplus of Prior Year	360,000	360,000	-
Consolidated Municipal Property Tax Relief	367,472	367,472	-
Energy Receipts Tax	3,929,112	3,929,112	-
Uniform Construction Code Fees	2,200,000	3,079,328	879,328
Nursing Services for Hackensack BOE	10,422	11,417	995
PSAP Services (9-1-1) North Arlington & Moonachie Boroughs	10,200	-	(10,200)
Municipal Alliance on Alcoholism & Drug Abuse	15,279	15,279	-
Recycling Tonnage Grant	57,773	57,773	-
Summer Nutrition Program - USDOA	128,485	128,485	-
Clean Communities Program	75,587	75,587	-
Body Armor Replacement Program	9,499	9,499	-
Law & Public Safety Grant	10,400	10,400	-
Body Worn Camera Grant	15,000	15,000	-
Bergen County Open Space Grant	35,571	35,571	-
Drunk Driving Enforcement Fund	37,151	37,151	-
Uniform Fire Safety Act	200,000	208,171	8,171
Reserve for Payment of Debt Service	2,086,792	2,086,792	-
Verizon FIOS Franchise Fees	238,568	238,568	-
Cablevision Franchise Fees	340,790	340,790	-
Air Rights - HUMC	200,000	200,000	-
Hackensack BOE - School Resource Officer	170,000	180,239	10,239
Sewer User Charges	365,000	372,978	7,978
PILOT - Hackensack Housing Authority	140,000	177,771	37,771
Recycling Revenue	9,000	31,769	22,769
Administrative Fees - Outside Police Employment	100,000	67,476	(32,524)
PILOT - 100 State Street (94 State Street) - 2016	266,400	266,400	-
HUMC Emergency Operations Center	140,000	140,000	-
General Capital Fund Balance	200,000	200,000	-
HUMC Global Settlement	1,500,000	1,500,000	-
Total Miscellaneous Revenues	\$ 16,118,501	\$ 17,321,804	\$ 1,203,303
Receipts From Delinquent Taxes	\$ -	\$ 27,298	\$ 27,298
Amount to be Raised by Taxation - Local	\$ 84,190,041	\$ 84,420,442	\$ 230,401
Amount to be Raised by Taxation - Library	\$ 1,862,066	\$ 1,862,066	\$ -
Total Revenues	\$ 105,170,608	\$ 106,631,610	\$ 1,461,002

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2017

	Budget As Modified	Realized	Excess/ (Deficit)
<u>OTHER CREDITS TO INCOME</u>			
Miscellaneous Revenues Not Anticipated	\$ -	\$ 817,697	\$ 817,697
Unexpended Balances of Appropriation Reserves	-	3,908,950	3,908,950
Interfund Loans Returned	-	-	-
Unexpended Balances Cancelled	-	168,564	168,564
Cancellations & Non-Cash Adjustments	-	170,578	170,578
Taxes Allocated to School and County:			
Local District School Tax	80,840,020	80,840,020	-
County Tax Levy	12,171,909	12,171,909	-
County Open Space	544,268	544,268	-
Added County Taxes	13,869	13,869	-
Added County Open Space	-	-	-
Added Library Taxes	-	-	-
Total Other Credits to Income	<u>\$ 93,570,066</u>	<u>\$ 98,635,855</u>	<u>\$ 5,065,789</u>
Total Revenues and Other Credits to Income	<u>\$ 198,740,674</u>	<u>\$ 205,267,465</u>	<u>\$ 6,526,791</u>

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
<u>OPERATIONS - WITHIN "CAPS"</u>						
<u>General Government Functions</u>						
General Administration:						
Salaries and Wages	550,000	-	561,600	561,289	311	-
Other Expenses	91,800	-	91,800	88,278	3,522	-
Human Resources:						
Salaries and Wages	230,000	-	230,000	223,784	6,216	-
Mayor & City Council:						
Salaries and Wages	54,600	-	54,600	54,600	-	-
Other Expenses	-	-	-	-	-	-
City Clerk:						
Salaries and Wages	210,000	-	210,000	207,929	2,071	-
Other Expenses	124,500	-	166,500	163,012	3,488	-
Financial Administration:						
Salaries and Wages	505,500	-	507,500	507,481	19	-
Other Expenses	142,100	-	142,100	126,687	15,413	-
Audit Services:						
Other Expenses	105,000	-	105,000	100,520	4,480	-
Tax Assessment Administration:						
Salaries and Wages	180,000	-	182,000	181,289	711	-
Other Expenses	604,500	-	604,500	571,837	32,663	-
Revenue Administration (Collection of Taxes):						
Salaries and Wages	235,000	-	241,000	240,911	89	-
Other Expenses	54,300	-	54,300	47,842	6,458	-
Legal Services:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	804,000	-	804,000	721,477	82,523	-
Codification of Ordinances	8,500	-	8,500	8,500	-	-
Public Buildings & Grounds:						
Salaries and Wages	613,000	-	613,000	593,190	19,810	-
Other Expenses	245,200	-	290,200	250,166	40,034	-
<u>Utility Expenses and Bulk Purchases</u>						
Electricity	600,000	-	570,000	564,694	5,306	-
Water	105,000	-	140,000	121,550	18,450	-

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2017

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved		
Gasoline	400,000	-	360,000	317,727	42,273	-	-
Gas (Natural)	-	-	-	-	-	-	-
Telephone	165,000	-	168,000	165,885	2,115	-	-
Street Lighting	-	-	-	-	-	-	-
<u>Land Use Administration</u>							
Planning Board:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	29,350	-	29,350	27,440	1,910	-	-
Zoning Board of Adjustment:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	59,600	-	63,600	62,659	941	-	-
Rent Stabilization Board:							
Salaries and Wages	5,000	-	5,000	4,926	74	-	-
Other Expenses	-	-	-	-	-	-	-
<u>Insurance</u>							
Group Insurance to Employees	15,045,000	-	15,045,000	14,616,642	428,358	-	-
Health Benefit Waiver for Employees	145,000	-	145,000	145,000	-	-	-
Workmen's Compensation Insurance	1,263,500	-	1,263,500	1,223,258	40,242	-	-
General Liability Insurance & Surety Bond	2,351,500	-	2,091,500	1,542,164	549,336	-	-

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
OPERATIONS - WITHIN "CAPS" (Continued)						
<u>Public Safety Functions</u>						
Fire:						
Salaries and Wages	12,970,000	-	12,970,000	12,750,950	219,050	-
Other Expenses	327,800	-	327,800	273,016	54,784	-
Fire Hydrant Service	360,000	-	360,000	334,872	25,128	-
Emergency Medical Service:						
Salaries and Wages	9,600	-	9,600	9,600	-	-
Other Expenses	40,000	-	40,000	1,668	38,332	-
Fire Official:						
Salaries and Wages	587,000	-	664,000	647,423	16,577	-
Other Expenses	22,800	-	22,800	16,228	6,572	-
Police:						
Salaries and Wages	16,120,000	-	16,120,000	15,094,765	1,025,235	-
Other Expenses	743,000	-	743,000	647,128	95,872	-
Police - Traffic Control:						
Salaries and Wages	52,000	-	67,000	63,378	3,622	-
Other Expenses	62,500	-	62,500	20,130	42,370	-
Communication Center:						
Salaries and Wages	1,090,000	-	1,068,000	1,020,019	47,981	-
Other Expenses	9,000	-	9,000	7,200	1,800	-
School Crossing Guards:						
Salaries and Wages	462,000	-	477,000	476,952	48	-
Other Expenses	-	-	-	-	-	-
Emergency Management:						
Salaries and Wages	8,500	-	8,500	-	8,500	-
Other Expenses	15,850	-	15,850	11,357	4,493	-
<u>Building Department</u>						
Inspection & Property Maintenance:						
Salaries and Wages	422,000	-	422,000	399,267	22,733	-
Other Expenses	300	-	300	148	152	-
Community Development:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	286,000	-	346,000	319,056	26,944	-

CITY OF HACKENSACK
CURRENT FUND
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
YEAR ENDED DECEMBER 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
<u>Public Works Functions</u>						
Administration:						
Salaries and Wages	728,000	-	728,000	694,770	33,230	-
Other Expenses	72,850	-	72,850	56,612	16,238	-
City Garage:						
Salaries and Wages	492,000	-	505,500	505,242	258	-
Other Expenses	45,900	-	45,900	41,789	4,111	-
Streets & Roads:						
Salaries and Wages	250,500	-	225,500	222,086	3,414	-
Other Expenses	115,700	-	115,700	67,501	48,199	-
Shade Tree:						
Salaries and Wages	141,300	-	141,300	122,421	18,879	-
Other Expenses	58,700	-	58,700	37,701	20,999	-
Snow Removal:						
Salaries and Wages	200,000	-	200,000	94,011	105,989	-
Other Expenses	381,500	-	381,500	253,465	128,035	-
Street Lighting - Other Expenses	500,000	-	500,000	409,331	90,669	-
<u>Sanitation</u>						
Street Cleaning:						
Salaries and Wages	122,000	-	122,000	120,508	1,492	-
Other Expenses	45,300	-	45,300	38,854	6,446	-
Garbage & Trash Removal:						
Salaries and Wages	1,540,000	-	1,540,000	1,455,640	84,360	-
Other Expenses	468,500	-	438,500	396,880	41,620	-
Bergen County Sanitary Landfill:						
Other Expenses - Contractual	1,400,000	-	1,360,000	1,279,124	80,876	-
Recycling:						
Salaries and Wages	32,500	-	32,500	31,567	933	-
Other Expenses	33,000	-	33,000	21,436	11,564	-
Sewer System:						
Salaries and Wages	150,675	-	130,675	115,290	15,385	-
Other Expenses	320,000	-	320,000	288,133	31,867	-
Sewer Treatment & Disposal	41,000	-	43,400	43,343	57	-

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
PVSC Group - CSO Monitoring	313,066	-	313,066	231,894	81,172	-

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
OPERATIONS - WITHIN "CAPS" (Continued)						
<u>Health and Human Services</u>						
Department of Health Administration:						
Salaries and Wages	598,500	-	610,500	608,483	2,017	-
Other Expenses	52,800	-	52,800	29,102	23,698	-
Department of Health (Clinics):						
Other Expenses	37,650	-	37,650	27,686	9,964	-
Animal Control:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	52,700	-	52,700	52,568	132	-
Human Services:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	1,000	-	1,000	178	822	-
<u>Park and Recreation Functions</u>						
Parks & Playgrounds:						
Salaries and Wages	442,000	-	442,000	426,353	15,647	-
Other Expenses	138,200	-	145,700	143,092	2,608	-
Recreation:						
Salaries and Wages	420,000	-	435,000	430,176	4,824	-
Other Expenses	71,650	-	71,650	56,263	15,387	-
Cultural Arts Center:						
Salaries and Wages	143,000	-	103,000	102,235	765	-
Other Expenses	107,550	-	112,550	112,036	514	-
Celebration of Public Events:						
Salaries and Wages	40,000	-	40,000	31,943	8,057	-
Other Expenses	70,000	-	50,000	32,869	17,131	-
<u>Municipal Court</u>						
Municipal Court Administration:						
Salaries and Wages	660,000	-	669,000	666,226	2,774	-
Other Expenses	70,250	-	70,250	60,221	10,029	-

CITY OF HACKENSACK
CURRENT FUND
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
YEAR ENDED DECEMBER 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
Public Defender:						
Other Expenses	23,000	-	23,000	22,450	550	-
Municipal Prosecutor:						
Other Expenses	71,000	-	71,000	69,250	1,750	-
<u>Code Enforcement & Administration:</u>						
Salaries and Wages	415,000	-	385,000	363,683	21,317	-
Other Expenses	240,950	-	240,950	220,684	20,266	-
<u>Unclassified:</u>						
Accumulated Absences:						
Salary & Wages	1,200,000	-	1,200,000	730,458	469,542	-
Municipal Alliance Local Match	2,000	-	2,000	2,000	-	-
City Website / Information Technology						
Other Expenses	48,000	-	48,000	43,269	4,731	-
Boys & Girls Club	5,000	-	5,000	5,000	-	-
Reserve for Tax Appeals	500,000	-	500,000	500,000	-	-
Out of Court Settlements	-	-	200,000	200,000	-	-
<u>Hazard Act (PEOSHA):</u>						
Other Expenses	166,200	-	166,200	120,143	46,057	-
Total Operations - Within "CAPS"	71,544,241	-	71,569,241	67,117,860	4,451,381	-
Contingent	7,500	-	7,500	-	7,500	-
Total Operations Including Contingent - W	71,551,741	-	71,576,741	67,117,860	4,458,881	-
Detail:						
Salaries and Wages	41,266,675	-	41,307,775	39,165,655	2,142,120	-
Other Expenses	30,285,066	-	30,268,966	27,952,205	2,316,761	-

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2017

Adopted Budget	Appropriated Emergency Appropriation	Budget After Modification	Expended		Unexpended Balance Canceled	Overexpended
			Paid or Charged	Reserved		

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
DEFERRED CHARGES AND STATUTORY EXPENDITURES - WITHIN "CAPS"						
<u>Deferred Charges</u>						
Prior Year Bills:						
Overexpenditures	-	-	-	-	-	-
	-	-	-	-	-	-
<u>Statutory Expenditures</u>						
Public Employees Retirement System (PERS)	1,371,083	-	1,346,083	1,331,049	15,034	-
Social Security System (O.A.S.I.)	1,339,000	-	1,339,000	1,242,671	96,329	-
Police and Firemen's Retirement System (PFRS)	6,738,981	-	6,738,981	6,738,980	1	-
Reserve for Unemployment Insurance	60,000	-	60,000	48,413	11,587	-
Defined Contribution Retirement Program	12,000	-	12,000	11,283	717	-
	9,521,064	-	9,496,064	9,372,396	123,668	-
Total General Appropriations for Municipal	81,072,805	-	81,072,805	76,490,256	4,582,549	-

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2017

Adopted Budget	Appropriated Emergency Appropriation	Budget After Modification	Expended		Unexpended Balance Canceled	Overexpended
			Paid or Charged	Reserved		

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
OPERATIONS - EXCLUDED FROM "CAPS"						
NJDEP Remediation	1,000	-	1,000	705	295	-
<u>Utility Expenses & Bulk Purchases</u>						
BCUA Share of Costs	6,500,400	-	6,500,400	6,500,344	56	-
<u>Educational Functions</u>						
Maintenance of Free Public Library	2,882,772	-	2,882,772	2,882,772	-	-
Employee Group Health Insurance	-	-	-	-	-	-
<u>Interlocal Municipal Service Agreements:</u>						
Nursing Services - Hackensack BOE						
Salaries and Wages	10,422	-	10,422	10,422	-	-
Borough of Maywood - Recycling Collection						
Salaries and Wages	-	-	-	-	-	-
Borough of Bergenfield - Health Officer						
Salaries and Wages	-	-	-	-	-	-
Borough of Paramus - Fire Vehicle Repairs						
Other Expenses	10,000	-	10,000	-	10,000	-
<u>Public & Private Programs Offset by Revenues:</u>						
Municipal Alliance on Alcoholism & Drug	15,279	-	15,279	15,279	-	-
Recycling Tonnage Grant	57,773	-	57,773	57,773	-	-
2016 Summer Nutrition Program - USDH	128,485	-	128,485	128,485	-	-
Clean Communities Program	75,587	-	75,587	75,587	-	-
Body Armor Replacement Program	9,499	-	9,499	9,499	-	-
Law & Public Safety Grant	10,400	-	10,400	10,400	-	-
Body Worn Cameras Grant - JAG	15,000	-	15,000	15,000	-	-
Foschini Park Open Space Grant	35,571	-	35,571	35,571	-	-
Drunk Driving Enforcement Fund	37,151	-	37,151	37,151	-	-
Foschini Park Open Space Grant Match	33,417	-	33,417	33,417	-	-
Municipal Alliance on Alcoholism & Drug	3,819	-	3,819	3,819	-	-

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
Total Operations Excluded from "CAPS"	9,826,575	-	9,826,575	9,816,224	10,351	-
Detail:						
Salaries and Wages	10,422	-	10,422	10,422	-	-
Other Expenses	9,816,153	-	9,816,153	9,805,802	10,351	-

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	1,742,400	-	1,742,400	1,742,400	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Total Capital Improvements - Excluded From	1,742,400	-	1,742,400	1,742,400	-	-
DEBT SERVICE - EXCLUDED FROM "CAPS"						
<u>Municipal Debt Service</u>						
Bond Principal	2,220,000	-	2,220,000	2,220,000	-	-
Payment of Bond Anticipation Notes	2,803,286	-	2,803,286	2,701,714	-	101,572
Payment of Bond Anticipation Notes - 201	1,235,715	-	1,235,715	1,235,715	-	-
Payment of Bond Anticipation Notes - 201	1,450,000	-	1,450,000	1,450,000	-	-
Payment of Bond Anticipation Notes - 201	1,521,429	-	1,521,429	1,521,429	-	-
Bond Interest	397,430	-	397,430	397,430	-	-
Note Interest - BANs	569,838	-	569,838	556,415	-	13,423
Green Trust Loan - Principal	20,874	-	20,874	20,874	-	-
Green Trust Loan - Interest	7,401	-	7,401	7,401	-	-
Wastewater Treatment Bonds - Principal	361,042	-	361,042	357,316	-	3,726
Wastewater Treatment Bonds - Interest	88,613	-	88,613	38,770	-	49,843
Bergen County Improve. Authority Lease -	156,446	-	156,446	156,446	-	-
Bergen County Improve. Authority Lease -	6,754	-	6,754	6,754	-	-
Total Debt Service - Excluded From "CAP"	10,838,828	-	10,838,828	10,670,264	-	168,564
DEFERRED CHARGES - EXCLUDED FROM "CAPS"						
Emergency Authorizations	-	-	-	-	-	-
Special Emergency Authorizations :						
5 Years (N.J.S. 40A:4-53)	190,000	-	190,000	190,000	-	-
Deferred Charges Unfunded - Capital	-	-	-	-	-	-
Judgments	-	-	-	-	-	-
Total General Appropriations for Municipal Purposes - Excluded from	22,597,803	-	22,597,803	22,418,888	10,351	168,564

CITY OF HACKENSACK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended	
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged			Reserved
Subtotal General Appropriations	103,670,608	-	103,670,608	98,909,144	4,592,900	168,564	-
Reserve for Uncollected Taxes	1,500,000	-	1,500,000	1,500,000	-	-	-
Total General Appropriations	105,170,608	-	105,170,608	100,409,144	4,592,900	168,564	-
Budget Appropriations - Adopted Budget	104,884,315	-	104,884,315				
Budget Appropriations - Added by N.J.C. 10A:4-87	286,293	-	286,293				
Emergency Appropriations	-	-	-				
	105,170,608	-	105,170,608				
Other Charges to Income:							
Interfund Advances Originating in Current Year				-			-
Refund of Prior Year's Revenue				-	66,442		
Taxes Allocated to School and County:							
Local District School Tax			80,840,020	80,840,020			
County Tax Levy			12,171,909	12,171,909			
County Open Space			544,268	544,268			
Added County Taxes			13,869	13,869			
Added County Open Space			-	-			
Added Library Taxes			-	-			
			93,570,066	93,636,508			

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

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash	\$ -	\$ -
Interfunds Receivable:		
Current Fund	<u>605,599</u>	<u>575,273</u>
Intergovernmental Receivable:		
Grants Receivable	<u>149,311</u>	<u>18,390</u>
Total Assets	<u>\$ 754,910</u>	<u>\$ 593,663</u>
<u>LIABILITIES AND RESERVES</u>		
Other Liabilities and Reserves:		
Appropriated Reserves	\$ 675,925	\$ 583,262
Unappropriated Reserves	<u>78,985</u>	<u>10,401</u>
	<u>754,910</u>	<u>593,663</u>
Total Liabilities and Reserves	<u>\$ 754,910</u>	<u>\$ 593,663</u>

CITY OF HACKENSACK
 GRANT FUND
 SCHEDULE OF GRANTS RECEIVABLE
 YEAR ENDED DECEMBER 31, 2017

Program	Balance December 31, 2016	Revenue Realized	Cash Received	Unappropriated Reserve Applied	Adjustments	Balance December 31, 2017
<u>Federal:</u>						
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Child Nutrition Summer Program	-	128,485	47,445	-	-	81,040
	-	128,485	47,445	-	-	81,040
<u>State:</u>						
NJ Municipal Alliance on Alcoholism & Drug Abuse	17,995	15,279	15,574	-	-	17,700
NJ Clean Communities Program	-	75,587	75,587	-	-	-
NJ Drunk Driving Enforcement Fund	-	37,151	37,151	-	-	-
NJ Law & Public Safety Grant	-	10,400	-	10,400	-	-
NJ Body Armor Replacement Program	-	9,499	9,499	-	-	-
NJ Recycling Tonnage Grant	-	57,773	-	57,770	-	3
NJ Body Worn Cameras Grant	-	15,000	-	-	-	15,000
	17,995	220,689	137,811	68,170	-	32,703
<u>Other:</u>						
Bergen County Open Space Grant	-	35,571	-	-	-	35,571
Bergen County War Monument Grant	395	-	395	-	-	-
	395	35,571	395	-	-	35,571
Grand Total	\$ 18,390	\$ 384,745	\$ 185,651	\$ 68,170	\$ -	\$ 149,314

CITY OF HACKENSACK
 GRANT FUND
 SCHEDULE OF APPROPRIATED RESERVES
 YEAR ENDED DECEMBER 31, 2017

Program	Balance December 31, 2016	Revenue Realized	Expended	Adjustments	Balance December 31, 2017
<u>Federal:</u>					
Edward J. Byrne Memorial Justice Assistance Grant	-	-	-	-	-
COPS Fast	51,016	-	-	-	51,016
Assistance to Fire Grant (AFG) - FEMA	-	-	-	-	-
Assistance to Fire Grant (AFG) - FEMA - Local	-	-	-	-	-
Emergency Management Grant	5,884	-	5,884	-	-
Emergency Operation Center	175,316	-	21,200	-	154,116
Child Nutrition Summer Program	50,000	128,485	37,687	-	140,798
	<u>282,216</u>	<u>128,485</u>	<u>64,771</u>	<u>-</u>	<u>345,930</u>
<u>State:</u>					
NJ Clean Communities Program	70,152	75,587	85,113	-	60,626
NJ Municipal Alliance on Alcoholism & Drug Abuse	14,228	21,098	20,112	-	15,214
NJ Alcohol Education & Rehabilitation Fund	295	-	-	-	295
NJ Law & Public Safety Grant	6,000	10,400	-	-	16,400
NJ Body Worn Cameras Grant	-	15,000	-	-	15,000
NJ Safe & Secure Communities Grant	15,000	-	-	-	15,000
NJ Recycling Tonnage Grant	146,283	57,773	124,645	-	79,411
NJ Body Armor Replacement Program	-	9,499	-	-	9,499
NJ Drunk Driving Enforcement Fund	-	37,151	-	-	37,151
NJEDA State Street Site Remediation	36,680	-	36,677	-	3
NJDEP Recycling Assistance Grant	11,408	-	-	-	11,408
	<u>300,046</u>	<u>226,508</u>	<u>266,547</u>	<u>-</u>	<u>260,007</u>
<u>Other:</u>					
Puffin Foundation Grant - Mural	1,000	-	-	-	1,000
Bergen County Open Space Grant	-	68,988	-	-	68,988
	<u>1,000</u>	<u>68,988</u>	<u>-</u>	<u>-</u>	<u>69,988</u>
 Grand Total	 <u>583,262</u>	 <u>423,981</u>	 <u>331,318</u>	 <u>-</u>	 <u>675,925</u>

CITY OF HACKENSACK
 GRANT FUND
 SCHEDULE OF UNAPPROPRIATED RESERVES
 YEAR ENDED DECEMBER 31, 2017

Program	Balance December 31, 2016	Appropriated in 2017	Received in 2017	Adjustments	Balance December 31, 2017
<u>State:</u>					
Child Nutrition Summer Program	-	-	1,140	-	1,140
NJ Law & Public Safety Grant	10,400	10,400	14,800	-	14,800
Body Armor Replacement Program	-	-	-	-	-
Emergency Management Assistance	-	-	7,000	-	7,000
NJ Recycling Tonnage Grant	1	57,773	113,817	-	56,045
	<u>10,401</u>	<u>68,173</u>	<u>136,757</u>	<u>-</u>	<u>78,985</u>

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

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash:		
Animal Control Trust Account	\$ 22,633	\$ 23,590
Unemployment Trust Account	153,775	108,990
Self-Insurance - Liability	61,402	85,254
Self-Insurance - Worker's Compensation	18,431	-
Self-Insurance - Dental	192,939	-
Net Payroll Trust Account	-	1,465
Payroll Agency Trust Account	-	712,047
Developer's Escrow Accounts	2,118,563	1,823,407
Affordable Housing Account	981,068	986,287
Other Trust Account	7,272,293	7,913,854
Equitable Sharing Program Agreement Trust Account	86,546	72,704
Community Development Account	1	1
	<u>10,907,651</u>	<u>11,727,599</u>
Total Assets	<u>\$ 10,907,651</u>	<u>\$ 11,727,599</u>
<u>LIABILITIES AND RESERVES</u>		
Other Liabilities and Reserves:		
Net Payroll & Deductions Payable	-	712,047
Reserve for Animal Control Expenditures	22,633	23,590
Reserve for Unemployment Claims	153,775	108,990
Reserve for Public Defender Expenditures	70,337	66,791
Reserve for POAA Expenditures	64,407	51,566
Reserve for Developers' Escrow Deposits	2,118,563	1,823,407
Reserve for Other Trust Expenditures	6,222,524	7,358,027
Reserve for Accumulated Absence Expenditures	915,025	438,935
Reserve for Affordable Housing Expenditures	981,068	986,287
Reserve for Equitable Sharing Program Agreement Expenditures	86,546	72,704
Reserve for Community Development Expenditures	1	1
Reserve for Self Insurance Claims	61,402	64,390
Reserve for Workmen's Compensation Claims	18,431	12,546
Reserve for Dental Insurance Claims	192,939	8,318
	<u>10,907,651</u>	<u>11,727,599</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 10,907,651</u>	<u>\$ 11,727,599</u>

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

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash - General Capital Account	4,993,022.36	3,022,404.05
Intergovernmental Receivable:		
Grants Receivable	3,502,899.54	3,603,999.68
Deferred Charges:		
Funded	19,692,317.17	22,450,678.10
Unfunded	57,865,796.07	60,152,854.07
	<u>77,558,113.24</u>	<u>82,603,532.17</u>
Total Assets	<u>86,054,035.14</u>	<u>89,229,935.90</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Accounts/Contracts Payable	29,309.69	29,309.69
Other Liabilities and Reserves:		
Capital Improvement Fund	1,079,928.55	12,728.55
Reserve for Payment of Notes/Debt Service	1,093,442.53	2,086,792.67
Reserve for Grants Receivable	3,202,899.54	2,172,836.54
Reserve for Preliminary Plan Expenses	30,000.00	-
Improvement Authorizations:		
Funded	1,481,590.66	3,162,693.91
Unfunded	25,817,877.51	26,513,167.95
	<u>32,705,738.79</u>	<u>33,948,219.62</u>
Bond Anticipation Notes Payable	33,430,644.00	32,155,703.00
Serial Bonds Payable	15,924,000.00	18,144,000.00
Loans Payable	3,549,784.46	3,931,699.94
Capital Lease Obligation Payable	218,532.71	374,978.16
Fund Balance	196,025.49	646,025.49
Total Liabilities, Reserves and Fund Balance	<u>86,054,035.14</u>	<u>89,229,935.90</u>

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

<u>Description</u>	<u>Balance December 31, 2016</u>	<u>Interfunds Advanced</u>	<u>Interfunds Returned</u>	<u>Balance December 31, 2017</u>
None				

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF INTERGOVERNMENTAL RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

Program	Balance December 31, 2016	Improvement Authorized	Received	Unappropriated Reserve Applied	Reprogram/ Cancelled/ Adjustments	Balance December 31, 2017
<u>Grants Receivable</u>						
<u>Federal:</u>						
U.S. DOT Passed Thru - State of NJ Department of Transportation - Waterfront	300,000.00	-	-	-	-	300,000.00
U.S. DOT Passed Thru - State of NJ Department of Transportation - Main	195,129.25	-	-	-	-	195,129.25
U.S. EPA Passed Thru - State of NJ Department of Environmental Protection -	35,678.29	-	-	-	-	35,678.29
Federal Emergency Management Agency (FEMA) Passed Thru - State of NJ	75,000.00	-	-	-	-	75,000.00
CDBG - Road Improvements - #04-17	-	330,063.00	-	-	-	330,063.00
CDBG - Road Improvements - #12-16	292,029.00	-	-	-	-	292,029.00
	<u>897,836.54</u>	<u>330,063.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,227,899.54</u>
<u>State of New Jersey</u>						
NJEIT Trust Loan Drawdown Receivable	487,879.14	-	487,879.14	-	-	-
NJEIT Fund Loan Drawdown Receivable	643,284.00	-	643,284.00	-	-	-
#40-17 Green Acres Grant	-	600,000.00	-	-	-	600,000.00
	<u>1,131,163.14</u>	<u>600,000.00</u>	<u>1,131,163.14</u>	<u>-</u>	<u>-</u>	<u>600,000.00</u>
<u>Other:</u>						
Bergen County Open Space - #40-17	-	100,000.00	-	-	-	100,000.00
Bergen County Adaptive Signal Grant	1,575,000.00	-	-	-	-	1,575,000.00
	<u>1,575,000.00</u>	<u>100,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,675,000.00</u>
	<u>3,603,999.68</u>	<u>1,030,063.00</u>	<u>1,131,163.14</u>	<u>-</u>	<u>-</u>	<u>3,502,899.54</u>

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2017

Improvement	Balance December 31, 2016	Issued	Paid By Budget	Payment Credits	Adjustment to Final Amortization	Refinanced	Balance December 31, 2017	Analysis of Balance		
								Outstanding Bonds	Outstanding Loans	Outstanding Capital Leases
Bonds										
1/01/08 General Improvement Bonds - #56-2015 Refinanced	8,550,000.00	-	1,045,000.00	-	-	-	7,505,000.00	7,505,000.00	-	-
4/11/08 Refunding Bonds	1,245,000.00	-	630,000.00	-	-	-	615,000.00	615,000.00	-	-
5/1/13 General Improvement Bonds - "A"	5,230,000.00	-	345,000.00	-	-	-	4,885,000.00	4,885,000.00	-	-
5/1/13 General Improvement Bonds - "B"	3,119,000.00	-	200,000.00	-	-	-	2,919,000.00	2,919,000.00	-	-
Loans										
11/1/97 - Series "T" - NJEIT Wastewater Treatment	115,000.00	-	115,000.00	-	-	-	-	-	-	-
10/15/00 - Series 2000 - NJEIT Wastewater Treatment	145,000.00	-	35,000.00	-	-	-	110,000.00	-	110,000.00	-
10/15/02 - Series 2002A - NJEIT Wastewater Treatment	45,000.00	-	45,000.00	-	-	-	-	-	-	-
09/30/10 - Series 2010A - NJEIT Wastewater Treatment	375,508.55	-	26,822.02	-	-	-	348,686.53	-	348,686.53	-
12/2/2010 - Series 2010B - NJEIT Wastewater Treatment	805,000.00	-	40,000.00	-	-	-	765,000.00	-	765,000.00	-
5/28/15 - Series 2015A-1 - NJEIT Wastewater Treatment - Trust #39-2014	735,000.00	-	25,000.00	-	-	-	710,000.00	-	710,000.00	-
5/28/15 - Series 2015A-1 - NJEIT Wastewater Treatment - Fund #39-2014	1,335,950.85	-	74,219.49	-	-	-	1,261,731.36	-	1,261,731.36	-
12/4/12 - Green Acres Loan - Second Ward Park	375,240.54	-	20,873.97	-	-	-	354,366.57	-	354,366.57	-
Capital Leases										
6/4/09 - Purchase of Garbage Truck	148,978.16	-	48,445.45	-	-	-	100,532.71	-	-	100,532.71
5/1/12 - County Guaranteed Loan Revenue Refunding Bonds	226,000.00	-	108,000.00	-	-	-	118,000.00	-	-	118,000.00
	<u>22,450,678.10</u>	<u>-</u>	<u>2,758,360.93</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,692,317.17</u>	<u>15,924,000.00</u>	<u>3,549,784.46</u>	<u>218,532.71</u>

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2017

Improvement	Balance	Debt	Notes Paid	Cash	Serial	Cancelled/	Balance	Analysis of Balance		
	December 31, 2016						Authorized	by Budget Appropriation	Received	Bonds Issued
#07-00/#41-10 Various Public Improvements (Reappropriated)	120,653.00	-	-	-	-	-	120,653.00	-	120,653.00	-
#05-04 Various Public Improvements	22,076.87	-	-	-	-	-	22,076.87	-	22,076.87	-
#15-10 Tax Appeal Refunding (2010)	1,200,000.00	-	1,200,000.00	-	-	-	-	-	-	-
#30-10 Resurfacing of Various Roads	27,658.37	-	-	-	-	-	27,658.37	-	27,658.37	-
#42-10 Purchase of Sewer Jet Chassis	5,732.75	-	-	-	-	-	5,732.75	-	5,732.75	-
#09-11 ADA Park Improvements - 102 State Street	300,271.76	-	-	-	-	-	300,271.76	-	300,271.76	-
#23-11 Road Resurfacing - Kaplan/Sutton/Simons	332,423.00	-	30,000.00	-	-	-	302,423.00	302,423.00	-	-
#28-12 Various Communication Equipment	475,000.00	-	-	-	-	-	475,000.00	-	475,000.00	-
#10-13 Various Road Impts. - Hudson & Main Streets	98,609.07	-	-	-	-	-	98,609.07	-	98,609.07	-
#11-13 Various Road Improvements - CDBG	165,550.00	-	12,529.00	-	-	-	153,021.00	153,021.00	-	-
#18-13 Various Improvements to Firehouse #2	275,000.00	-	14,474.00	-	-	-	260,526.00	260,526.00	-	-
#09-14 Acquisition of Ladder Truck	230,879.00	-	12,179.00	-	-	-	218,700.00	218,700.00	-	-
#16-14 Various Road Improvements	267,742.00	-	40,000.00	-	-	-	227,742.00	227,742.00	-	-
#24-14 Tax Appeal Refunding (2014)	6,178,570.00	-	1,235,715.00	-	-	-	4,942,855.00	4,217,855.00	725,000.00	-
#25-14 Improvements to Atlantic Street Park	617,500.00	-	268,085.00	-	-	-	349,415.00	349,415.00	-	-
#30-14 Various Capital Improvements	411,350.00	-	75,803.00	-	-	-	335,547.00	335,547.00	-	-
#31-14 Water Infrastructure Improvements	513,000.00	-	255,322.00	-	-	-	257,678.00	257,678.00	-	-
#39-14 CSO Sewer Separation - Phase I	1,880,350.00	-	-	-	-	-	1,880,350.00	-	1,880,350.00	-
#10-15 Various Road Improvements	923,689.00	-	294,893.00	-	-	-	628,796.00	628,796.00	-	-
#26-15 Performing Arts Center & Road Improvements	2,166,000.00	-	-	-	-	-	2,166,000.00	2,166,000.00	-	-
#39-15 Tax Appeal Refunding	8,700,000.00	-	1,450,000.00	-	-	-	7,250,000.00	7,250,000.00	-	-
#12-16 Various Road Improvements	986,729.25	-	-	-	-	-	986,729.25	986,729.00	0.25	-
#13-16 Main & State Streets Two Way Conversion	3,800,000.00	-	-	-	-	-	3,800,000.00	3,800,000.00	-	-
#14-16 Sports Facility - Johnson Park	6,650,000.00	-	-	-	-	-	6,650,000.00	-	6,650,000.00	-
#15-16 M&M Recreation Building Revocations	7,800,000.00	-	-	-	-	-	7,800,000.00	-	7,800,000.00	-
#22-16 Acquisition of Riparian Rights	1,570,000.00	-	-	-	-	-	1,570,000.00	-	1,570,000.00	-
#29-16 Acquisition of Fire Pumper	933,320.00	-	-	120,000.00	-	-	813,320.00	813,320.00	-	-
#31-16 Performing Arts Center - Supplemental	435,750.00	-	-	-	-	-	435,750.00	435,750.00	-	-
#33-16 Tax Appeal Refunding (2016)	10,065,000.00	-	1,437,858.00	-	-	-	8,627,142.00	8,627,142.00	-	-
#40-16 Back Pay Refund	3,000,000.00	-	600,000.00	-	-	-	2,400,000.00	2,400,000.00	-	-
#04-17 Acquisition of Garbage Trucks/ Road Improvements	-	1,704,600.00	-	-	-	-	1,704,600.00	-	1,704,600.00	-
#22-17 Various Public Improvements	-	1,769,500.00	-	-	-	-	1,769,500.00	-	1,769,500.00	-
#40-17 Foschini Park Improvements	-	1,285,700.00	-	-	-	-	1,285,700.00	-	1,285,700.00	-
	60,152,854.07	4,759,800.00	6,926,858.00	120,000.00	-	-	57,865,796.07	33,430,644.00	24,435,152.07	-

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF ACCOUNTS/CONTRACTS PAYABLE
YEAR ENDED DECEMBER 31, 2017

Balance, December 31, 2016		29,309.69
Increased by:		
Contracts Issued	<u>-</u>	-
Decreased by:		
Payments	<u>-</u>	-
Balance, December 31, 2017		<u><u>29,309.69</u></u>

CITY OF HACKENSACK
 GENERAL CAPITAL FUND
 SCHEDULE OF INTERFUNDS PAYABLE
 YEAR ENDED DECEMBER 31, 2017

Description	Balance December 31, 2015	Interfunds Advanced	Interfunds Returned	Offset With Receivable	Balance December 31, 2016
None	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HACKENSACK
 GENERAL CAPITAL FUND
 SCHEDULE OF CAPITAL IMPROVEMENT FUND
 YEAR ENDED DECEMBER 31, 2017

E-8

Description	Increases	Decreases	Balance
Balance, December 31, 2016			12,728.55
2017 Budget Appropriation	1,792,400.00	-	1,805,128.55
Appropriated for Preliminary Plan Expenses	-	30,000.00	1,775,128.55
Appropriated to Finance Improvement Authorizatio	-	695,200.00	1,079,928.55
Balance, December 31, 2017	<u>1,792,400.00</u>	<u>725,200.00</u>	<u>1,079,928.55</u>

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE
YEAR ENDED DECEMBER 31, 2017

Ordinance	Balance December 31, 2016	Increased by			Transfer to Current Fund Revenue	Adjustments	Balance December 31, 2017
		Cash Receipts Grants	Cash Receipts Premiums	Cancelled Funded Authorizations			
#12-92/#23/94 Various Capital Improvements	321.39	-	-	-	321.39	-	-
#09-93 Various Capital Improvements	745.30	-	-	-	745.30	-	-
#05-96/16-98 Sewer Impt. Anderson and Court Street Pump Station	11,434.33	-	-	-	11,434.33	-	-
#20-96/15-99 Renovations to Former Branch Library	34,424.52	-	-	-	34,424.52	-	-
#28-09 Improvements to 2nd Ward Park	180,226.38	-	-	-	180,226.38	-	-
#15-10 Tax Appeal Refunding (2010)	375,440.92	-	-	-	375,440.92	-	-
#18-10 Various Sewer Improvements	260,500.00	-	-	-	260,500.00	-	-
#15-11 Acquisition of Equipment & Vehicles - DPW	260.36	-	-	-	260.36	-	-
#25-14 Improvements to Atlantic Street Park	268,085.00	-	-	-	268,085.00	-	-
#30-14 Various Capital Improvements	75,803.48	-	-	-	75,803.48	-	-
#31-14 Water Infrastructure Improvements	255,321.71	-	-	-	255,321.71	-	-
#10-15 Prospect Avenue Resurfacing	294,894.00	-	-	-	294,894.00	-	-
#39-15 Tax Appeal Refunding (2015)	120,569.95	-	-	-	120,569.28	-	0.67
#33-16 Tax Appeal Refunding (2016)	208,765.33	-	-	-	208,765.33	-	-
#40-16 Back Pay Refund	-	18,285.00	-	-	-	-	18,285.00
#39-14 CSO Sewer Separation - Phase I	-	1,059,881.86	-	-	-	-	1,059,881.86
#33-16 Tax Appeal Refunding (2016)	-	15,275.00	-	-	-	-	15,275.00
	<u>2,086,792.67</u>	<u>1,093,441.86</u>	-	-	<u>2,086,792.00</u>	-	<u>1,093,442.53</u>

CITY OF HACKENSACK
 GENERAL CAPITAL FUND
 SCHEDULE OF RESERVE FOR PRELIMINARY PLAN EXPENSES
 YEAR ENDED DECEMBER 31, 2017

Purpose	Balance December 31, 2016	From Current Fund Budget	Expended	Down Payment to Ordinance	Balance December 31, 2017
Main Street Streetscape	\$ -	\$ 30,000	\$ -	\$ -	\$ 30,000

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

Program	Balance December 31, 2016	Improvement Authorized	Received	Unappropriated Reserve Applied	Reprogram/ Cancelled/ Adjustments	Balance December 31, 2017
<u>Federal:</u>						
U.S. DOT Passed Thru - NJ DOT - Resurfacing of Grand Avenue - #30-14	-	-	-	-	-	-
U.S. EPA Passed Thru - NJ DEP - Water Infrastructure - #31-14	35,678.29	-	-	-	-	35,678.29
CDBG - Road Improvements - #12-16	292,029.00	-	-	-	-	292,029.00
U.S. DOT Passed Thru - NJ DOT - Main Street Streetscape - #12-16	195,129.25	-	-	-	-	195,129.25
Federal Emergency Management Agency (FEMA) Passed Thru - State of NJ	75,000.00	-	-	-	-	75,000.00
CDBG - Road Improvements - #04-17	-	330,063.00	-	-	-	330,063.00
Green Acres - #40-17	-	600,000.00	-	-	-	600,000.00
	-	-	-	-	-	-
	<u>597,836.54</u>	<u>930,063.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,527,899.54</u>
<u>State:</u>						
None	-	-	-	-	-	-
	-	-	-	-	-	-
<u>Other:</u>						
Bergen County Open Space - #40-17	-	100,000.00	-	-	-	100,000.00
Bergen County Adaptive Signal Grant	1,575,000.00	-	-	-	-	1,575,000.00
	<u>1,575,000.00</u>	<u>100,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,675,000.00</u>
Grand Total	<u><u>2,172,836.54</u></u>	<u><u>1,030,063.00</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3,202,899.54</u></u>

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2017

Description	Ordinance		Balance - January 1, 2017		Authorized				Balance - December 31, 2017	
	Date	Amount	Funded	Unfunded	Capital Improvement Fund	Capital Surplus	Bonds & Notes Authorized	Expended	Funded	Unfunded
#11-09 Public Training Facility/Imp to Various Parks	04/20/09	1,000,000.00	187,364.50	-	-	-	-	-	187,364.50	-
#18-13 Various Improvements to Firehouse #2	2013	300,000.00	-	68,551.59	-	-	-	-	-	68,551.59
#24-14 Tax Appeal Refunding (2014)	2014	8,650,000.00	-	300,056.39	-	-	-	287,034.75	-	13,021.64
#25-14 Improvements to Atlantic Street Park	2014	650,000.00	-	24,420.13	-	-	-	-	-	24,420.13
#31-14 Water Infrastructure Improvements	2014	540,000.00	-	72,649.41	-	-	-	19,223.65	-	53,425.76
#37-14 Improvements to Firehouse #2	2014	200,000.00	60,387.23	-	-	-	-	-	60,387.23	-
#38-14 Acquisition of DPW Equipment	2014	400,000.00	30,632.10	-	-	-	-	7,494.50	23,137.60	-
#39-14 CSO Sewer Separation - Phase I	2014	4,100,000.00	-	1,000,737.27	-	-	-	125,992.46	-	874,744.81
#01-15 Improvements to Atlantic Street Park	2015	120,000.00	9,558.91	-	-	-	-	-	9,558.91	-
#10-15 Various Road Improvements	2015	1,088,000.00	-	145,467.76	-	-	-	84,689.42	-	60,778.34
#21-15 Various Capital Improvements & Acquisitions	2015	473,000.00	231,830.25	-	-	-	-	111,356.03	120,474.22	-
#26-15 Performing Arts Center & Road Improvements	2015	2,280,000.00	-	1,839,026.64	-	-	-	1,531,938.02	-	307,088.62
#39-15 Tax Appeal Refunding	2015	10,150,000.00	-	1,423,711.04	-	-	-	718,183.88	-	705,527.16
#56-15 Carver Park Splash Park - Supplemental	2015	572,364.00	20,176.18	-	-	-	-	19,881.76	294.42	-
#12-16 Various Road Improvements	2016	1,919,000.00	-	714,247.96	-	-	-	224,119.35	-	490,128.61
#13-16 Main & State Streets Two Way Conversion	2016	5,856,520.00	1,877,758.51	3,800,000.00	-	-	-	1,393,957.63	483,800.88	3,800,000.00
#14-16 Sports Facility - Johnson Park	2016	7,000,000.00	300,837.50	6,650,000.00	-	-	-	347,753.67	-	6,603,083.83
#15-16 M&M Recreation Building Revocations	2016	8,200,000.00	369,600.00	7,800,000.00	-	-	-	461,796.07	-	7,707,803.93
#22-16 Acquisition of Riparian Rights	2016	1,650,000.00	-	19,518.50	-	-	-	2,165.00	-	17,353.50
#29-16 Acquisition of Fire Pumper	2016	980,000.00	35,881.00	933,320.00	-	-	-	762,370.01	-	206,830.99
#31-16 Performing Arts Center - Supplemental	2016	675,000.00	38,667.73	435,750.00	-	-	-	474,290.30	-	127.43
#33-16 Tax Appeal Refunding (2016)	2016	10,065,000.00	-	1,285,711.26	-	-	-	63,334.92	-	1,222,376.34
#04-17 Acquisition of Garbage Trucks/ Road Improvements	2018	1,790,000.00	-	-	85,400.00	-	1,704,600.00	1,176,610.17	-	613,389.83
#24-17 City Building Improvements	2018	250,000.00	-	-	-	250,000.00	-	111,929.10	138,070.90	-
#22-17 Various Public Improvements	2018	1,860,000.00	-	-	90,500.00	-	1,769,500.00	96,475.00	-	1,763,525.00
#14-17 City Hall Improvements	2018	455,000.00	-	-	455,000.00	-	-	60,798.00	394,202.00	-
#40-17 Foschini Park Improvements	2018	1,350,000.00	-	-	64,300.00	-	1,285,700.00	-	64,300.00	1,285,700.00
			3,162,693.91	26,513,167.95	695,200.00	250,000.00	4,759,800.00	8,081,393.69	1,481,590.66	25,817,877.51

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2017

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2016	New Money	Renewal	Renewal Payoff	Budget Paydown	Balance December 31, 2017
#15-10 Refunding Bond - Tax Appeals	4,900,000	05/07/10	04/22/16	04/20/17	0.85%	1,200,000.00	-	-	-	1,200,000.00	-
#23-11 Road Resurfacing - Kaplan/Sutton/Simons	570,000	07/11/14	04/22/16	04/20/17	0.85%	332,423.00	-	-	302,423.00	30,000.00	-
#11-13 Various Road Improvements - CDBG	238,034	07/11/14	04/22/16	04/20/17	0.85%	165,550.00	-	-	153,021.00	12,529.00	-
#18-13 Various Improvements to Firehouse #2	275,000	07/11/14	04/22/16	04/20/17	0.85%	275,000.00	-	-	260,526.00	14,474.00	-
#09-14 Acquisition of Ladder Truck	231,400	07/11/14	04/22/16	04/20/17	0.85%	230,879.00	-	-	218,700.00	12,179.00	-
#16-14 Various Road Improvements	760,000	07/11/14	04/22/16	04/20/17	0.85%	267,742.00	-	-	227,742.00	40,000.00	-
#25-14 Improvements to Atlantic Street Park	617,500	07/16/15	04/22/16	04/20/17	0.85%	617,500.00	-	-	349,415.00	268,085.00	-
#30-14 Various Capital Improvements	411,350	07/16/15	04/22/16	04/20/17	0.85%	411,350.00	-	-	335,547.00	75,803.00	-
#31-14 Water Infrastructure Improvements	513,000	07/16/15	04/22/16	04/20/17	0.85%	513,000.00	-	-	257,678.00	255,322.00	-
#10-15 Various Road Improvements	1,036,000	07/16/15	04/22/16	04/20/17	0.85%	923,689.00	-	-	628,796.00	294,893.00	-
						<u>4,937,133.00</u>	-	-	<u>2,733,848.00</u>	<u>2,203,285.00</u>	-
#40-16 Back Pay Refund - Emergency	3,000,000	12/28/16	12/28/16	04/20/17	1.45%	3,000,000.00	-	-	2,400,000.00	600,000.00	-
#24-14 Tax Appeal Refunding (2014)	7,925,000	11/13/14	11/07/16	11/06/17	2.00%	5,453,570.00	-	-	4,217,855.00	1,235,715.00	-
#39-15 Tax Appeal Refunding (2015)	10,150,000	11/10/15	11/07/16	11/06/17	2.00%	8,700,000.00	-	-	7,250,000.00	1,450,000.00	-
#33-16 Tax Appeal Refunding (2016)	10,065,000	11/07/16	11/07/16	11/06/17	2.00%	10,065,000.00	-	-	8,627,142.00	1,437,858.00	-
						<u>24,218,570.00</u>	-	-	<u>20,094,997.00</u>	<u>4,123,573.00</u>	-
#23-11 Road Resurfacing - Kaplan/Sutton/Simons	570,000	07/11/14	04/20/17	04/18/18	1.44%	-	-	302,423.00	-	-	302,423.00
#11-13 Various Road Improvements - CDBG	238,034	07/11/14	04/20/17	04/18/18	1.44%	-	-	153,021.00	-	-	153,021.00
#18-13 Various Improvements to Firehouse #2	275,000	07/11/14	04/20/17	04/18/18	1.44%	-	-	260,526.00	-	-	260,526.00
#09-14 Acquisition of Ladder Truck	231,400	07/11/14	04/20/17	04/18/18	1.44%	-	-	218,700.00	-	-	218,700.00
#16-14 Various Road Improvements	760,000	07/11/14	04/20/17	04/18/18	1.44%	-	-	227,742.00	-	-	227,742.00
#25-14 Improvements to Atlantic Street Park	617,500	07/16/15	04/20/17	04/18/18	1.44%	-	-	349,415.00	-	-	349,415.00
#30-14 Various Capital Improvements	411,350	07/16/15	04/20/17	04/18/18	1.44%	-	-	335,547.00	-	-	335,547.00
#31-14 Water Infrastructure Improvements	513,000	07/16/15	04/20/17	04/18/18	1.44%	-	-	257,678.00	-	-	257,678.00
#10-15 Various Road Improvements	1,036,000	07/16/15	04/20/17	04/18/18	1.44%	-	-	628,796.00	-	-	628,796.00
#26-15/31-16 Various Public Improvements	2,601,750.00	11/02/17	11/02/17	04/18/18	1.19%	-	2,601,750.00	-	-	-	2,601,750.00
#12-16 Various Public Improvements	986,729.00	11/02/17	11/02/17	04/18/18	1.19%	-	986,729.00	-	-	-	986,729.00
#13-16 Various Public Improvements	3,800,000.00	11/02/17	11/02/17	04/18/18	1.19%	-	3,800,000.00	-	-	-	3,800,000.00
#29-16 Various Public Improvements	813,320.00	11/02/17	11/02/17	04/18/18	1.19%	-	813,320.00	-	-	-	813,320.00
						-	<u>8,201,799.00</u>	<u>2,733,848.00</u>	-	-	<u>10,935,647.00</u>
#40-16 Back Pay Refund - Emergency	3,000,000	12/28/16	12/28/16	04/18/18	2.25%	-	-	2,400,000.00	-	-	2,400,000.00
#24-14 Tax Appeal Refunding (2014)	7,925,000	11/13/14	11/07/16	04/18/18	1.50%	-	-	4,217,855.00	-	-	4,217,855.00
#39-15 Tax Appeal Refunding (2015)	10,150,000	11/10/15	11/07/16	04/18/18	1.50%	-	-	7,250,000.00	-	-	7,250,000.00
#33-16 Tax Appeal Refunding (2016)	10,065,000	11/07/16	11/07/16	04/18/18	1.50%	-	-	8,627,142.00	-	-	8,627,142.00
						-	-	<u>20,094,997.00</u>	-	-	<u>20,094,997.00</u>
						<u>32,155,703.00</u>	<u>8,201,799.00</u>	<u>25,228,845.00</u>	<u>25,228,845.00</u>	<u>6,926,858.00</u>	<u>33,430,644.00</u>

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2017

<u>Date of Issue - Purpose</u>	<u>Total Amount of Issue</u>	<u>Balance December 31, 2016</u>	<u>Issued/ Refinanced in 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2017</u>
1/01/08 General Improvement Bonds	\$ 11,900,000	8,550,000.00	-	1,045,000.00	7,505,000.00
4/11/08 Refunding Bonds	5,865,000	1,245,000.00	-	630,000.00	615,000.00
5/1/13 General Improvement Bonds - "A"	6,170,000	5,230,000.00	-	345,000.00	4,885,000.00
5/1/13 General Improvement Bonds - "B"	3,679,000	3,119,000.00	-	200,000.00	2,919,000.00
		<u>18,144,000.00</u>	<u>-</u>	<u>2,220,000.00</u>	<u>15,924,000.00</u>

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2017

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2016	Adjustment to Final Amortization Tables	Issued In 2017	Paid by Budget Appropriation	Payment Credits	Balance December 31, 2017
11/1/97 - Series "T" - NJEIT Wastewater Treatment	1,445,000.00	115,000.00	-	-	115,000.00	-	-
10/15/00 - Series 2000 - NJEIT Wastewater Treatment	495,000.00	145,000.00	-	-	35,000.00	-	110,000.00
10/15/02 - Series 2002A - NJEIT Wastewater Treatment	490,000.00	45,000.00	-	-	45,000.00	-	-
09/30/10 - Series 2010A - NJEIT Wastewater Treatment	527,500.00	375,508.55	-	-	26,822.02	-	348,686.53
12/2/2010 - Series 2010B - NJEIT Wastewater Treatment	980,000.00	805,000.00	-	-	40,000.00	-	765,000.00
5/28/15 - Series 2015A-1 - NJEIT Wastewater Treatment - Trust	760,000.00	735,000.00	-	-	25,000.00	-	710,000.00
5/28/15 - Series 2015A-1 - NJEIT Wastewater Treatment - Fund	1,459,650.00	1,335,950.85	-	-	74,219.49	-	1,261,731.36
12/4/12 - Green Acres Trust Loan - Second Ward Park	445,113.00	375,240.54	-	-	20,873.97	-	354,366.57
		<u>3,931,699.94</u>	<u>-</u>	<u>-</u>	<u>381,915.48</u>	<u>-</u>	<u>3,549,784.46</u>

CITY OF HACKENSACK
 GENERAL CAPITAL FUND
 SCHEDULE OF CAPITAL LEASE OBLIGATION PAYABLE
 YEAR ENDED DECEMBER 31, 2017

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2016	Issued In 2017	Paid by Budget Appropriation	Balance December 31, 2017
6/4/09 - Bergen County Improvement Authority - Garbage Truck	456,750.00	148,978.16	-	48,445.45	100,532.71
5/1/12 - Bergen County Improvement Authority - Pension Refunding	520,000.00	226,000.00	-	108,000.00	118,000.00
		374,978.16	-	156,445.45	218,532.71

CITY OF HACKENSACK
 GENERAL CAPITAL FUND
 SCHEDULE OF FUND BALANCE
 YEAR ENDED DECEMBER 31, 2017

Description	Balance December 31, 2016	Increased by			Decreased by			Balance December 31, 2017
		Bond/BAN Premiums	Cancelled Funded Imp. Authorizations	Other Receipts	Fund Balance Anticipated	Funded Ordinances	Other Adjustments	
Fund Balance	646,025.49	-	-	-	200,000.00	250,000.00	-	196,025.49

CITY OF HACKENSACK
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2017

Improvement Description	Balance December 31, 2016	Debt Authorized	BANs Issued	Bonds Issued	Cancelled Improvement Authorizations	Cash Received	Balance December 31, 2017
#05-04 Various Capital Improvements	22,076.87	-	-	-	-	-	22,076.87
#30-10 Resurfacing of Various Roads	27,658.37	-	-	-	-	-	27,658.37
#41-10 Reappropriation of Various Old Ordinances	120,653.00	-	-	-	-	-	120,653.00
#42-10 Purchase of Sewer Jet Chassis	5,732.75	-	-	-	-	-	5,732.75
#09-11 ADA Park Improvements - 102 State Street	300,271.76	-	-	-	-	-	300,271.76
#28-12 Various Communication Equipment	475,000.00	-	-	-	-	-	475,000.00
#10-13 Various Road Impts. - Hudson & Main Streets	98,609.07	-	-	-	-	-	98,609.07
#10-15 Various Road Improvements	-	-	-	-	-	-	-
#24-14 Tax Appeal Refunding (2014)	725,000.00	-	-	-	-	-	725,000.00
#39-14 CSO Sewer Separation - Phase I	1,880,350.00	-	-	-	-	-	1,880,350.00
#26-15 Performing Arts Center & Road Improvements	2,166,000.00	-	2,166,000.00	-	-	-	-
#12-16 Various Road Improvements	986,729.25	-	986,729.00	-	-	-	0.25
#13-16 Main & State Streets Two Way Conversion	3,800,000.00	-	3,800,000.00	-	-	-	-
#14-16 Sports Facility - Johnson Park	6,650,000.00	-	-	-	-	-	6,650,000.00
#15-16 M&M Recreation Building Revovations	7,800,000.00	-	-	-	-	-	7,800,000.00
#22-16 Acquisition of Riparian Rights	1,570,000.00	-	-	-	-	-	1,570,000.00
#29-16 Acquisition of Fire Pumper	933,320.00	-	813,320.00	-	-	120,000.00	-
#31-16 Performing Arts Center - Supplemental	435,750.00	-	435,750.00	-	-	-	-
#04-17 Acquisition of Garbage Trucks/ Road Improvements	-	1,704,600.00	-	-	-	-	1,704,600.00
#22-17 Various Public Improvements	-	1,769,500.00	-	-	-	-	1,769,500.00
#40-17 Foschini Park Improvements	-	1,285,700.00	-	-	-	-	1,285,700.00
							-
	27,997,151.07	4,759,800.00	8,201,799.00	-	-	120,000.00	24,435,152.07

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

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Cash:			
Public Parking Utility Operating Account	\$	1,060,000	\$ 1,030,717
Change Funds		130	130
		<u>1,060,130</u>	<u>1,030,847</u>
Total Assets	\$	<u>1,060,130</u>	\$ <u>1,030,847</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Accounts Payable	\$	-	\$ 10,912
Other Liabilities and Reserves:			
Reserve for Encumbrances		19,562	63,728
Accrued Interest on Bonds		1,969	4,047
Appropriation Reserves		305,850	256,433
		<u>327,381</u>	<u>324,208</u>
	\$	<u>327,381</u>	\$ <u>335,120</u>
Fund Balance		<u>732,749</u>	<u>695,727</u>
Total Liabilities, Reserves and Fund Balance	\$	<u>1,060,130</u>	\$ <u>1,030,847</u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME (REGULATORY BASIS)
YEAR ENDED DECEMBER 31, 2017**

	Anticipated Budget	Realized	Excess/ (Deficit)
Anticipated Revenues:			
Operating Surplus Anticipated	\$ 360,000	\$ 360,000	\$ -
Off Street Parking	690,000	805,674	115,674
On Street Parking	395,000	395,164	164
	<u>1,085,000</u>	<u>1,200,838</u>	<u>115,838</u>
	<u>1,445,000</u>	<u>1,560,838</u>	<u>115,838</u>
Non-Budget Revenue:			
Interest Earned (Operating Account)	-	-	-
Interest Earned (Capital Account)	-	-	-
Other Miscellaneous	-	5,281	5,281
	<u>-</u>	<u>5,281</u>	<u>5,281</u>
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	-	273,825	273,825
Unexpended Balance of Encumbrances	-	-	-
Unexpended Balances Cancelled	-	2,078	2,078
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>275,903</u>	<u>275,903</u>
Total Revenues and Credits to Income	<u>\$ 1,445,000</u>	<u>\$ 1,842,022</u>	<u>\$ 397,022</u>

CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
YEAR ENDED DECEMBER 31, 2017

	Appropriations			Expended		Unexpended	
	Adopted Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpenditure
Operating:							
Salaries and Wages	\$ 300,000	\$ -	\$ 300,000	\$ 223,074	\$ 76,926	\$ -	\$ -
Other Expenses	603,800	-	603,800	379,454	224,346	-	-
	<u>903,800</u>	<u>-</u>	<u>903,800</u>	<u>602,528</u>	<u>301,272</u>	<u>-</u>	<u>-</u>
Capital Improvements:							
Capital Improvement Fund	-	-	-	-	-	-	-
Capital Outlay	388	-	388	-	388	-	-
	<u>388</u>	<u>-</u>	<u>388</u>	<u>-</u>	<u>388</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	10,312	-	10,312	8,234	-	2,078	-
Interest on Notes	-	-	-	-	-	-	-
	<u>160,312</u>	<u>-</u>	<u>160,312</u>	<u>158,234</u>	<u>-</u>	<u>2,078</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	20,000	-	20,000	16,310	3,690	-	-
	<u>20,500</u>	<u>-</u>	<u>20,500</u>	<u>16,310</u>	<u>4,190</u>	<u>-</u>	<u>-</u>
Deficit in Operations in Prior Years	-	-	-	-	-	-	-
Surplus (General Budget)	360,000	-	360,000	360,000	-	-	-
Total Appropriations	<u>\$ 1,445,000</u>	<u>\$ -</u>	<u>\$ 1,445,000</u>	<u>\$ 1,137,072</u>	<u>\$ 305,850</u>	<u>\$ 2,078</u>	<u>\$ -</u>
Analysis of Paid or Charged							
Cash Disbursements				1,117,510			
Refunds				-			
Journal				-			
Encumbered				19,562			
				<u>1,137,072</u>			
				-			
Other Charges to Income:							
Refund of Prior Year's Revenue				\$ -			

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2017**

	<u>Ref.</u>		
Balance, December 31, 2016	F-1	\$	1,030,847
Receipts:			
Off Street Parking		\$	805,674
On Street Parking			395,164
Non-Budget Revenue			5,280
			<u>1,206,118</u>
		\$	1,206,118
Disbursements:			
Budget Appropriations		\$	1,117,467
Accrued Interest on Bonds			10,312
Appropriation Reserves			49,056
			<u>1,176,835</u>
		\$	1,176,835
Balance, December 31, 2017		\$	<u><u>1,060,130</u></u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF INVESTMENTS
YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2015		\$	251,000
Increased by:			
Purchases	\$	-	
		\$	-
Decreased by:			
Redemptions	\$	251,000	
		\$	251,000
Balance, December 31, 2016		\$	-
<u>Analysis of Investments:</u>			
City of Hackensack BAN - Matured on 4/22/16 and fully paid off		\$	-

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2015		\$	-
Increased by:			
Public Parking Utility Capital Fund - Interest Earned	\$	494	
Current Fund - Interfund Loan		-	
Current Fund - Debt Service Paid on Behalf		-	
		<u>\$</u>	494
Decreased by:			
Public Parking Utility Capital Fund - Cash Receipts	\$	494	
Current Fund - Interfund Returned		-	
Current Fund - Offset With Interfund Payable		-	
		<u>\$</u>	494
Balance, December 31, 2016		<u>\$</u>	<u>-</u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2015		\$	-
Increased by:			
Transferred from Encumbrances Payable	\$	<u>10,912</u>	
		\$	10,912
Decreased by:			
	\$	<u>-</u>	
		\$	-
Balance, December 31, 2016		<u>\$</u>	<u>10,912</u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2015		\$	-
Increased by:			
Current Fund - Debt Service Paid on Behalf	\$	-	
		\$	-
Decreased by:			
Current Fund - Offset With Interfund Receivable	\$	-	
		\$	-
Balance, December 31, 2016		\$	-
<i><u>Analysis of Balance:</u></i>			
Current Fund		\$	-

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2015		\$	66,193
Increased by:			
Current Year Budget Encumbrances	\$	<u>63,728</u>	
		\$	63,728
Decreased by:			
Cash Disbursements	\$	-	
Transferred to Accounts Payable		10,912	
Unexpended Balances Cancelled		<u>55,281</u>	
		\$	66,193
Balance, December 31, 2016		<u>\$</u>	<u>63,728</u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2015		\$	6,125
Increased by:			
Current Year Budget Appropriation	\$	15,359	
Adjust to Audit Balance		-	
		<u> </u>	\$ 15,359
Decreased by:			
Cash Disbursements	\$	17,437	
Adjust to Audit Balance		-	
		<u> </u>	\$ 17,437
Balance, December 31, 2016		<u> </u>	<u> </u> \$ 4,047

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES (2016)
YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 53,470	\$ 53,470	\$ 1,065	\$ 52,405
Other Expenses	120,644	120,644	59,390	61,254
	<u>174,114</u>	<u>174,114</u>	<u>60,455</u>	<u>113,659</u>
Capital Improvements:				
Capital Improvement Fund	-	-	-	-
Capital Outlay	5,394	5,394	-	5,394
	<u>5,394</u>	<u>5,394</u>	<u>-</u>	<u>5,394</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	9,350	9,350	-	9,350
	<u>9,850</u>	<u>9,850</u>	<u>-</u>	<u>9,850</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>\$ 189,358</u>	<u>\$ 189,358</u>	<u>\$ 60,455</u>	<u>\$ 128,903</u>

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

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Cash	G-2	\$ 176,186	\$ 176,687
Fixed Capital Authorized & Uncompleted	G-3	434,000	434,000
Fixed Capital	G-4	8,035,084	8,035,084
Total Assets		<u>\$ 8,645,270</u>	<u>\$ 8,645,771</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Other Liabilities and Reserves:			
Capital Improvement Fund	G-6	\$ 141,000	\$ 141,000
Reserve for Amortization	G-7	7,885,084	7,735,084
Improvement Authorizations:			
Unfunded	G-8	344,687	345,188
		<u>8,370,771</u>	<u>8,221,272</u>
Serial Bonds Payable	G-9	150,000	300,000
Fund Balance	G-10	124,499	124,499
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,645,270</u>	<u>\$ 8,645,771</u>

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2017**

	<u>Ref.</u>		
Balance, December 31, 2016	G-1	\$	176,687
Receipts:			
Due to - PPU Operating Fund (Interest)		\$	442
		<u> </u>	<u> </u>
		\$	442
Disbursements:			
Due to - PPU Operating Fund (Interest)		\$	442
Improvement Authorizations			501
			<u> </u>
			943
Balance, December 31, 2017	G-1	<u>\$</u>	<u>176,186</u>

CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2017

Improvement	Balance December 31, 2016	Authorized	Receipts Applied	BANs Paid By Budget	Serial Bonds Issued	Cancellations	Balance December 31, 2017	Analysis of Balance		
								Outstanding BANs	B&N Authorized	Deferred Amortization
#28-14 Various Parking Improvements	\$ 434,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 434,000	\$ -	\$ 434,000	\$ -
	G-1						G-1		G-11	

CITY OF HACKENSACK
 PUBLIC PARKING UTILITY CAPITAL FUND
 SCHEDULE OF FIXED CAPITAL
 YEAR ENDED DECEMBER 31, 2017

G-4

Description	Balance December 31, 2016	Transferred From Fixed Capital Authorized & Uncompleted	Transferred From Parking Utility Operating Fund Capital Outlay	Cancellations	Balance December 31, 2017
#13-88/17-88 Construction of Parking Garage	\$ 8,035,084	\$ -	\$ -	\$ -	\$ 8,035,084
	G-1				G-1

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2017**

	<u>Ref.</u>		
Balance, December 31, 2016		\$	-
Increased by:			
Cash Receipts (Interest Earned)	G-2	\$	442
			-
			-
		\$	442
Decreased by:			
Cash Disbursements (Interest Earned)	G-2	\$	442
			-
			-
			442
Balance, December 31, 2017		\$	-

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2017**

	<u>Ref.</u>		
Balance, December 31, 2016	G-1	\$	141,000
Increased by:			
Improvement Authorizations Cancelled		\$	-
Budget Refunds			-
Current Fund Appropriation			-
		<u> </u>	\$ -
Decreased by:			
Appropriated to Fund Improvement Authorizations		<u> </u>	-
			-
Balance, December 31, 2017	G-1	<u> </u>	<u> </u> 141,000

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2017**

G-7

Description	Balance December 31, 2016	Transferred From Parking Utility Operating Fund Capital Outlay	Serial Bond/BAN Principal Payments	Cancellations	Balance December 31, 2017
Unallocated	\$ 7,735,084	\$ -	\$ 150,000	\$ -	\$ 7,885,084
	G-1		G-9		G-1

CITY OF HACKENSACK
 PUBLIC PARKING UTILITY CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 YEAR ENDED DECEMBER 31, 2017

G-8

Description	Balance - January 1, 2017		Bonds & Notes Authorized	Expended	Cancellations	Adjustments	Balance - December 31, 2017	
	Funded	Unfunded					Funded	Unfunded
#28-14 Various Parking Improvements	\$ -	\$ 345,188	\$ -	\$ 501	\$ -		\$ -	\$ 344,687
	G-1	G-1		G-2			G-1	G-1

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2017**

G-9

<u>Date of Issue - Purpose</u>	<u>Total Amount of Issue</u>	<u>Balance December 31, 2016</u>	<u>Issued In 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2017</u>
4/11/08 Construction of Parking Garage	\$ 1,500,000	\$ 300,000	\$ -	\$ 150,000	\$ 150,000
		G-1		G-7	G-1

**CITY OF HACKENSACK
PUBLIC PARKING UTILITY CAPITAL FUND
SCHEDULE OF UTILITY FUND BALANCE
YEAR ENDED DECEMBER 31, 2017**

	<u>Ref.</u>		
Balance, December 31, 2016	G-1	\$	124,499
Increased by:			
Improvement Authorizations Cancelled		<u>\$</u>	-
		\$	-
Decreased by:			
Anticipated Revenue in Parking Operating Fund		<u>\$</u>	-
			-
Balance, December 31, 2017	G-1	<u>\$</u>	<u>124,499</u>

CITY OF HACKENSACK
 PUBLIC PARKING UTILITY CAPITAL FUND
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 YEAR ENDED DECEMBER 31, 2017

G-11

Improvement Description	Balance December 31, 2016	Authorized	BANs Issued	Bonds Issued	Cancellations	Balance December 31, 2017
#28-14 Various Parking Improvements	\$ 434,000	\$ -	\$ -	\$ -	\$ -	\$ 434,000
	G-1					G-1

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

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Land		\$ 9,539,800	\$ 9,539,800
Land Improvements		5,078,488	-
Buildings		19,895,788	19,913,247
Machinery & Equipment		209,118	14,532,958
Infrastructure		2,030,546	7,576,900
	H-2	<u>\$ 36,753,740</u>	<u>\$ 51,562,905</u>
<u>FUND BALANCE</u>			
Reserve for Investment in General Fixed Assets	H-2	<u>\$ 36,753,740</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, 2016	Additions	Retirements	Adjustments	Balance December 31, 2017
Land	\$ 9,539,800	\$ -	\$ -	\$ -	\$ 9,539,800
Land Improvements	-	-	-	5,078,488	5,078,488
Buildings	19,913,247	-	-	(17,459)	19,895,788
Machinery & Equipment	14,532,958	-	-	(14,323,840)	209,118
Infrastructure	7,576,900	-	-	(5,546,354)	2,030,546
	<u>\$ 51,562,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,809,165)</u>	<u>\$ 36,753,740</u>
	H-1				H-1

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)

	<u>2017</u>	<u>2016</u>	<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>CURRENT FUND</u>										
<u>REVENUES</u>										
Operating Surplus Anticipated	\$ 3,000,000	\$ 2,700,000	\$ 1,000,000	\$ 1,000,000	\$ 3,350,000	\$ 2,725,000	\$ 2,725,000	\$ 5,960,000	\$ 4,000,000	\$ 7,000,000
Miscellaneous Revenues	16,118,501	13,059,492	11,403,408	11,645,146	9,805,833	9,920,892	10,366,827	10,985,575	12,170,079	9,823,510
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
Amount to be Raised - Municipal	84,190,041	82,661,673	80,686,739	77,610,636	74,174,863	72,235,316	70,765,881	65,641,005	60,758,874	60,761,043
Amount to be Raised - Library	1,862,066	1,979,628	1,845,832	1,758,254	1,867,718	2,000,208	1,976,806	-	-	-
Total Revenues	\$ 105,170,608	\$ 100,400,793	\$ 97,685,979	\$ 94,764,036	\$ 91,948,414	\$ 89,381,416	\$ 88,436,514	\$ 85,121,580	\$ 79,328,953	\$ 79,584,553

APPROPRIATIONS

Within "CAPS":

Operations:

Salaries and Wages	\$ 41,266,675	\$ 40,636,700	\$ 40,093,400	\$ 39,515,400	\$ 39,359,800	\$ 37,927,150	\$ 37,292,379	\$ 38,172,170	\$ 37,765,273	\$ 37,005,813
Other Expenses	30,285,066	30,887,846	28,702,548	27,614,340	25,291,970	24,152,846	21,890,262	20,431,450	18,833,780	17,450,826
Contingent	-	-	-	-	7,500	7,500	7,500	7,500	7,500	7,500
Deferred Charges	-	-	-	-	39,495	83,252	174,738	1,562,051	100,073	575,822
Statutory Expenditures	9,521,064	9,131,668	8,652,024	8,234,753	8,672,503	8,534,915	8,944,119	4,549,547	4,408,854	1,215,095

Excluded From "CAPS":

Operations:

Salaries and Wages	10,422	71,772	571,000	549,000	596,300	486,873	558,508	302,663	302,350	291,075
Other Expenses	9,816,153	9,391,364	9,119,899	9,388,664	9,151,330	9,269,480	10,802,230	12,184,192	8,158,342	13,229,594
Capital Improvements	1,742,400	600,000	400,000	614,000	200,000	200,000	163,878	-	395,000	395,000
Municipal Debt Service	10,838,828	8,491,443	6,357,208	4,848,611	4,504,647	4,872,000	4,813,000	3,352,007	3,357,781	3,413,828
Deferred Charges	190,000	190,000	54,900	239,268	389,869	112,400	54,900	825,000	200,000	200,000
Judgments	-	-	-	25,000	-	-	-	-	-	-
Reserve for Uncollected Taxes	1,500,000	1,000,000	3,735,000	3,735,000	3,735,000	3,735,000	3,735,000	3,735,000	5,800,000	5,800,000
Total Appropriations	\$ 105,170,608	\$ 100,400,793	\$ 97,685,979	\$ 94,764,036	\$ 91,948,414	\$ 89,381,416	\$ 88,436,514	\$ 85,121,580	\$ 79,328,953	\$ 79,584,553

PUBLIC PARKING UTILITY FUND

REVENUES

Operating Surplus Anticipated	\$ 360,000	\$ 360,000	\$ 480,000	\$ 600,000	\$ 150,000	\$ -	\$ 208,000	\$ 271,000	\$ 275,730	\$ 180,500
Off Street Parking	690,000	690,000	720,000	775,000	700,000	900,000	910,000	910,000	900,000	900,000
On Street Parking	395,000	400,000	430,000	425,000	420,000	370,500	287,500	287,500	287,500	325,000
Total Revenues	1,445,000	1,450,000	1,630,000	1,800,000	1,270,000	1,270,500	1,405,500	1,468,500	1,463,230	1,405,500

APPROPRIATIONS

Operations:

Salaries and Wages	\$ 300,000	\$ 310,000	\$ 265,500	\$ 315,000	\$ 315,000	\$ 315,000	\$ 315,000	\$ 315,000	\$ 315,000	\$ 300,000
Other Expenses	603,800	590,000	679,069	500,000	600,000	600,000	600,000	600,000	600,000	600,000
Capital Improvements	388	4,141	5,394	180,344	139,500	140,000	140,000	140,000	140,000	140,000
Municipal Debt Service	160,312	165,359	174,537	179,156	190,000	190,000	325,000	388,000	382,730	340,000
Deferred Charges & Statutory Expend	20,500	20,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500
Surplus (General Budget)	360,000	360,000	480,000	600,000	-	-	-	-	-	-
Total Appropriations	\$ 1,445,000	\$ 1,450,000	\$ 1,630,000	\$ 1,800,000	\$ 1,270,000	\$ 1,270,500	\$ 1,405,500	\$ 1,468,500	\$ 1,463,230	\$ 1,405,500

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>CURRENT FUND</u>										
Fund Balance, Beginning	\$ 6,843,560	\$ 4,712,738	\$ 1,465,896	\$ 2,032,231	\$ 4,103,440	\$ 3,657,191	\$ 3,072,548	\$ 7,894,909	\$ 6,656,985	\$ 10,085,941
Generated Current Year	6,460,349	4,830,822	4,246,842	433,665	1,278,791	3,171,249	3,309,643	1,137,639	5,237,924	3,571,044
Utilized Current Year	(3,000,000)	(2,700,000)	(1,000,000)	(1,000,000)	(3,350,000)	(2,725,000)	(2,725,000)	(5,960,000)	(4,000,000)	(7,000,000)
Fund Balance, Ending	<u>\$ 10,303,909</u>	<u>\$ 6,843,560</u>	<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>PUBLIC PARKING UTILITY FUND</u>										
Fund Balance, Beginning	\$ 695,727	\$ 834,055	\$ 983,040	\$ 895,797	\$ 851,366	\$ 869,588	\$ 868,204	\$ 865,682	\$ 1,005,142	\$ 1,283,793
Generated Current Year	397,022	221,672	331,015	687,243	770,931	558,278	785,884	850,022	636,270	401,849
Utilized Current Year - Utility Fund	(360,000)	(360,000)	(480,000)	(600,000)	(150,000)	-	(208,000)	(271,000)	(275,730)	(180,500)
Utilized Current Year - Current Fund	-	-	-	-	(576,500)	(576,500)	(576,500)	(576,500)	(500,000)	(500,000)
Fund Balance, Ending	<u>\$ 732,749</u>	<u>\$ 695,727</u>	<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>

ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
TAX LEVY AND COLLECTION DATA
(UNAUDITED)

	2017	2016	2015***	2014	2013	2012	2011	2010	2009	2008
CURRENT YEAR % COLLECTION RATES										
Current Tax Levy	\$ 178,422,269	\$ 171,465,201	\$ 164,798,187	\$ 161,063,344	\$ 156,915,929	\$ 155,216,881	\$ 149,728,425	\$ 140,328,258	\$ 135,359,822	\$ 130,698,612
Current Collections	\$ 178,352,574	\$ 171,406,660	\$ 164,805,319	\$ 158,247,518	\$ 153,965,693	\$ 152,032,026	\$ 145,535,156	\$ 135,206,720	\$ 131,769,464	\$ 127,473,140
Percentage of Collections	99.96%	99.97%	100.00%	98.25%	98.12%	97.95%	97.20%	96.35%	97.35%	97.53%

DELINQUENT TAX %

Delinquent Taxes	\$ 182,063	\$ 121,689	\$ 171,495	\$ 3,181,888	\$ 3,363,414	\$ 3,560,005	\$ 3,113,812	\$ 3,307,479	\$ 3,272,990	\$ 3,243,768
Tax Title Liens	-	-	-	-	-	-	-	-	-	-
Total Delinquent	\$ 182,063	\$ 121,689	\$ 171,495	\$ 3,181,888	\$ 3,363,414	\$ 3,560,005	\$ 3,113,812	\$ 3,307,479	\$ 3,272,990	\$ 3,243,768
Tax Levy	\$ 178,422,269	\$ 171,465,201	\$ 164,798,187	\$ 161,063,344	\$ 156,915,929	\$ 155,216,881	\$ 149,728,425	\$ 140,328,258	\$ 135,359,822	\$ 130,698,612
Percentage of Tax Levy	0.10%	0.07%	0.10%	1.98%	2.14%	2.29%	2.08%	2.36%	2.42%	2.48%

*** Accelerated Tax Sale Implemented.

PROPERTY ACQUIRED BY MUNICIPALITY FOR NON-PAYMENT OF TAXES

Recorded at - Assessed Valuation	\$ 1,311,800	\$ 1,311,800	\$ 1,311,800	\$ 1,311,800	\$ 1,311,800	\$ 1,311,800	\$ 1,311,800	\$ 1,184,600	\$ 1,184,600	\$ 1,184,600
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Description	2017		2016**		2015		2014		2013		2012		2011**		2010		2009		2008	
	# 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	272	\$ 57,910,900	271	\$ 42,509,300	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
Residential	8043	1,941,114,800	8034	1,883,698,300	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
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	1161	1,913,353,700	1165	1,926,523,500	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
Industrial	223	322,384,000	224	315,236,600	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
Apartments	212	1,025,760,400	213	994,241,400	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
Sub-Total	9911	5,260,523,800	9907	5,162,209,100	9916	4,874,047,550	9922	4,940,557,960	9922	4,930,683,770	9920	4,973,227,970	9928	5,044,897,700	9929	5,984,191,300	9929	6,071,705,400	9937	6,190,776,200
Personal Property		-		-		-		-		-		-		-		-		-		-
Net Valuations Taxable		5,260,523,800		5,162,209,100		4,874,047,550		4,940,557,960		4,952,218,454		4,994,762,654		5,070,992,265		6,012,464,357		6,096,246,072		6,217,443,533
Bergen County Equalization Adjustment		182,160,275		385,027,720		633,962,625		372,206,779		654,979,666		751,979,131		446,420,327		118,023,236		437,169,117		(273,533,481)
Bergen County Equalized Valuations		<u>\$ 5,442,684,075</u>		<u>\$ 5,547,236,820</u>		<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>
Bergen County Equalization Ratio		97.76%		93.82%		89.22%		93.86%		89.10%		87.65%		92.90%		99.16%		94.20%		105.79%
Average Improved Residential Assessment		<u>\$ 241,342</u>		<u>\$ 234,466</u>		<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>
Residential Load %		56.40%		55.75%		58.00%		57.82%		58.05%		57.85%		57.46%		61.11%		60.99%		61.25%
Non-Residential Load %		43.60%		44.25%		42.00%		42.18%		41.95%		42.15%		42.54%		38.89%		39.01%		38.75%
		<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)

	2017	2016**	2015	2014	2013	2012	2011**	2010	2009	2008
TAX REQUIREMENTS										
County	\$ 12,171,909	\$ 12,610,460	\$ 12,322,857	\$ 11,593,571	\$ 12,598,923	\$ 12,102,241	\$ 10,815,562	\$ 11,739,996	\$ 11,693,293	\$ 10,286,001
County Open Space	544,268	138,681	137,700	132,819	140,180	143,669	137,935	153,262	653,342	594,391
District School	80,840,020	76,953,101	75,582,908	73,009,438	70,482,192	68,099,979	65,943,131	62,433,400	61,883,694	58,652,691
Municipal	84,190,041	82,661,673	80,686,739	77,610,636	74,174,863	72,235,316	70,765,881	65,641,005	60,758,874	60,761,043
Library	1,862,066	1,979,628	1,845,832	1,758,254	1,867,718	2,000,208	1,976,806	-	-	-
Total Tax Requirements	\$ 179,608,304	\$ 174,343,543	\$ 170,576,036	\$ 164,104,718	\$ 159,263,876	\$ 154,581,413	\$ 149,639,315	\$ 139,967,663	\$ 134,989,203	\$ 130,294,126

TAX RATES

County	0.232	0.245	0.253	0.235	0.255	0.243	0.214	0.196	0.192	0.166
County Open Space	0.011	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.011	0.010
District School	1.537	1.491	1.551	1.478	1.424	1.363	1.300	1.038	1.015	0.943
Municipal	1.600	1.601	1.655	1.571	1.498	1.446	1.395	1.091	0.997	0.978
Library	0.035	0.038	0.038	0.035	0.037	0.040	0.039	-	-	-
Total Tax Rates	3.415	3.378	3.500	3.322	3.217	3.095	2.951	2.328	2.215	2.097

**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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008
Population (Est. as of 7/1)	44,756	44,834	44,609	43,791	43,566	43,383	43,082	42,839	42,637
County Equalized Valuation	\$ 5,547,236,820	\$ 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
Gross Debt	\$ 85,302,554	\$ 57,946,057	\$ 50,063,619	\$ 41,653,620	\$ 46,109,076	\$ 51,405,688	\$ 55,856,739	\$ 41,991,600	\$ 41,882,709
Gross Debt Per Capita	\$ 1,906	\$ 1,292	\$ 1,122	\$ 951	\$ 1,058	\$ 1,185	\$ 1,297	\$ 980	\$ 982
Ratio of Gross Debt to County Equalized Valuations	1.54%	1.05%	0.94%	0.74%	0.80%	0.93%	0.91%	0.64%	0.70%
Net Debt	\$ 54,723,191	\$ 48,816,002	\$ 39,249,131	\$ 28,090,798	\$ 40,131,889	\$ 43,523,004	\$ 41,551,839	\$ 25,075,774	\$ 24,511,358
Ratio of Net Debt to County Equalized Valuations	0.99%	0.89%	0.74%	0.50%	0.70%	0.79%	0.68%	0.38%	0.41%
Net Debt per Capita	\$ 1,223	\$ 1,089	\$ 880	\$ 641	\$ 921	\$ 1,003	\$ 964	\$ 585	\$ 575

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Equalized Valuation Basis (State)	\$ 5,687,530,992	\$ 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	\$ 199,063,585	\$ 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	54,723,191	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	\$ 144,340,394	\$ 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	\$ 227,501,240	\$ 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	2,340,000	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	\$ 225,161,240	\$ 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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
GROSS DIRECT DEBT										
Municipal Debt	\$ 82,962,554	\$ 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	2,340,000	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>\$ 85,302,554</u>	<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)	\$ 55,315,436	\$ 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)	1,859,450	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>\$ 57,174,886</u>	<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	\$ 5,547,236,820	\$ 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	\$ 167,963,794,248	\$ 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
	3.30%	3.35%	3.27%	3.40%	3.41%	3.18%	3.34%	3.48%	3.25%	3.41%
County's Outstanding Debt	1,676,225,344	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>\$ 55,315,436</u>	<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>\$ -</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	\$ 1,859,450	\$ 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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Serial Bonds:										
Principal	\$ 2,220,000	\$ 2,280,000	\$ 1,860,000	\$ 1,815,000	\$ 1,506,000	\$ 2,165,000	\$ 2,080,000	\$ 1,900,000	\$ 1,793,000	\$ 1,640,000
Interest	397,430	654,361	731,000	800,000	800,000	695,000	776,000	881,000	918,450	818,220
Notes:										
Principal	7,010,430	4,614,289	3,057,292	1,635,000	1,535,000	1,285,000	1,185,000	-	-	-
Interest	569,838	282,000	72,000	73,835	133,200	165,000	265,000	-	-	279,000
Loans:										
Principal	381,916	401,620	407,883	292,664	280,186	275,000	245,000	240,435	250,424	259,611
Interest	96,014	101,464	76,833	86,112	98,261	110,000	86,000	50,703	59,557	85,000
Capital Lease Obligations:										
Principal	156,446	148,271	140,500	132,500	123,000	135,000	126,000	226,596	283,750	269,732
Interest	6,754	9,438	11,700	13,500	29,000	42,000	50,000	53,273	52,600	62,265
	<u>\$ 10,838,828</u>	<u>\$ 8,491,443</u>	<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>
Total Current Fund Budget Appropriations	<u>\$ 105,170,608</u>	<u>\$ 100,400,793</u>	<u>\$ 97,685,979</u>	<u>\$ 94,764,036</u>	<u>\$ 91,948,414</u>	<u>\$ 89,381,416</u>	<u>\$ 88,436,514</u>	<u>\$ 85,121,580</u>	<u>\$ 79,328,953</u>	<u>\$ 79,584,553</u>
Ratio of Debt Service to Current Fund Budget Apprc	<u>10.31%</u>	<u>8.46%</u>	<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>

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

	2016*	2015	2014	2013	2012	2011	2010	2009	2008	2007
Average Labor Force Estimates by Municipality:										
Labor Force	24,400	24,451	24,177	24,100	24,336	24,216	24,329	24,501	24,252	24,049
Employment	23,191	23,108	22,626	22,119	22,037	21,906	21,935	22,114	22,815	22,948
Unemployment	1,209	1,343	1,551	1,981	2,299	2,310	2,394	2,387	1,437	1,101
Unemployment Rate	5.0%	5.5%	6.4%	8.2%	9.4%	9.5%	9.8%	9.7%	5.9%	4.6%
Per Capital Personal Income - Bergen County	\$ 75,849	\$ 75,849	\$ 73,536	\$ 70,498	\$ 71,380	\$ 68,244	\$ 65,275	\$ 64,571	\$ 68,548	\$ 68,147

Estimates as of July 1,

Subcounty Population Estimates:										
Hackensack CITY	44,756	44,834	44,609	43,791	43,566	43,383	43,082	42,839	42,637	42,634
County of Bergen	939,151	938,506	932,836	926,284	920,006	914,018	906,895	895,250	889,915	885,664

* Latest Information Available

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

Taxpayer (Block/Lot)	2017 Assessed Valuation	As a Percent of Total 2017 Net Valuations \$ 5,260,523,800
1 Riverside Square LTD, C/O Simon Properties (504.02/12.02)	\$ 146,048,800	2.78%
2 Hackensack Hospital Assn (236/1.02)	135,422,800	2.57%
3 GSG Residential Prospect Towers, LLC (2 Properties)	80,481,200	1.53%
4 Hackensack VF, LLC C/O Vornado Realty (504.02/13.01)	76,590,500	1.46%
5 Stellar Capital %MSNW Contin'l Asc (512.01/6)	57,355,600	1.09%
6 Court Plaza Associates (2 Properties)	53,075,100	1.01%
7 Dasa Company, LLC (504.02/13.02)	46,172,300	0.88%
8 Pierre Towers, LLC (241/14)	42,023,300	0.80%
9 Equity One JV SU Riverfront Plz, LLC (10/1.01)	41,328,800	0.79%
10 Bloomingdale's Inc. (504.02/12.01)	41,221,500	0.78%
	<u>\$ 719,719,900</u>	13.68%

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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
# of New Permits Issued	1,547	1,586	1,444	1,608	1,525	1,542	1,488	1,401	1,528	1,708
# of Permit Updates	287	238	202	188	195	172	148	154	145	137
Value of Construction	\$ 67,489,889	\$ 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

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, 2017, 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, 2018, 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.

CITY OF HACKENSACK
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 2017

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	Award Amount	Grant Period		Balance December 31, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor at
			From	To							December 31, 2016	December 31, 2016	December 31, 2016
General Capital Fund													
<i>U.S. Dept. of Transportation Passed Thru - State of NJ Department of Transportation:</i>													
Waterfront Bikeway & Pedestrian Park - Phase II - #22-07	20.205	\$ 262,500	01/01/12	12/31/12	\$ (300,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (300,000)	\$ -	\$ -
Resurfacing of Grand Avenue - #30-14	20.205	160,460	01/01/14	12/31/14	(48,149)	-	48,149	-	-	-	-	-	-
Main Street Streetscape - #12-16	20.205	318,400	01/01/16	12/31/16	-	-	123,271	(318,400)	-	-	(195,129)	-	-
<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)	-	255,321	-	-	-	(35,679)	-	-
<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)	-	-
					\$ (714,149)	\$ -	\$ 426,741	\$ (318,400)	\$ -	\$ -	\$ (605,808)	\$ -	\$ -
Grant Fund													
Edward J. Byrne Memorial Justice Assistance Grant	N/A	12,267	01/01/15	12/31/15	\$ (12,267)	\$ -	\$ -	\$ -	\$ 12,267	\$ -	\$ -	\$ -	\$ -
Edward J. Byrne Memorial Justice Assistance Grant	N/A	12,267	01/01/15	12/31/15	100	-	-	-	(100)	-	-	-	-
Edward J. Byrne Memorial Justice Assistance Grant	N/A	25,159	01/01/13	12/31/13	(11,444)	-	-	-	11,444	-	-	-	-
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	01/01/16	12/31/16	-	-	5,000	-	-	-	-	5,000	-
Emergency Management Grant	97.042	5,000	01/01/13	12/31/13	884	-	-	-	-	-	-	884	-
Emergency Operation Center	97.044	300,000	01/01/08	12/31/08	175,316	-	-	-	-	-	-	175,316	-
<i>Federal Emergency Management Agency (FEMA) Passed Thru - State of NJ Department of Law & Public Safety - Assistance to Fire Grant (AFG)</i>													
Assistance to Fire Grant (AFG)		21,546	01/01/16	12/31/16	-	-	21,546	(21,546)	-	-	-	-	-
Assistance to Fire Grant (AFG) - Local		2,154	01/01/16	12/31/16	-	-	2,154	(2,154)	-	-	-	-	-
<i>U.S. Dept. of Agriculture - Passed Thru - NJ Department of Agriculture:</i>													
Child Nutrition Summer Program	10.559	151,553	01/01/16	12/31/16	-	-	-	-	50,000	-	-	50,000	-
Child Nutrition Summer Program	10.559	141,185	01/01/15	12/31/15	(122,600)	-	67,754	-	54,846	-	-	-	-
Child Nutrition Summer Program	10.559	141,185	01/01/15	12/31/15	141,185	-	-	-	(141,185)	-	-	-	-
Child Nutrition Summer Program	10.559	151,828	01/01/14	12/31/14	72,415	-	-	(63,838)	(8,577)	-	-	-	-
U.S. Dept. of Justice - Bullet Proof Vest Partnership	16.710	7,960	01/01/13	12/31/13	(7,960)	-	-	-	7,960	-	-	-	-
					\$ 286,645	\$ -	\$ 96,454	\$ (87,538)	\$ (13,345)	\$ -	\$ -	\$ 282,216	\$ -
Total Federal Financial Assistance					\$ (427,504)	\$ -	\$ 523,195	\$ (405,938)	\$ (13,345)	\$ -	\$ (605,808)	\$ 282,216	\$ -

CITY OF HACKENSACK
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2017

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance December 31, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) December 31, 2016	Deferred Revenue December 31, 2016	Due to Grantor at December 31, 2016
			From	To									
Grant Fund													
<i>State of N.J., Department of Environmental Protection --</i>													
Clean Communities Program	042-4900-765-004	\$ 88,971	01/01/16	12/31/16	\$ -	\$ -	\$ 88,971	\$ (18,819)	\$ -	\$ -	\$ -	\$ 70,152	\$ -
Clean Communities Program	042-4900-765-004	77,839	01/01/15	12/31/15	61,372	-	-	(61,372)	-	-	-	-	-
Recycling Tonnage Grant	042-4900-752-001	57,340	01/01/16	12/31/16	-	-	57,340	-	-	-	-	57,340	-
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	-	-	(23,002)	-	-	-	33,991	-
Recycling Tonnage Grant	042-4900-752-001	56,444	01/01/13	12/31/13	24,448	-	-	(24,448)	-	-	-	-	-
Hazardous Site Remediation Fund - State Street Remediation	N/A	85,512	01/01/14	12/31/14	84,165	-	-	(47,485)	-	-	-	36,680	-
Municipal Recycling Assistance Grant	N/A	11,408	01/01/16	12/31/16	-	-	11,408	-	-	-	-	11,408	-
<i>State of N.J., Department of Law and Public Safety --</i>													
Body Armor Replacement Program	1020-718-001	10,044	01/01/16	12/31/16	-	-	10,044	(10,044)	-	-	-	-	-
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	5,000	01/01/16	12/31/16	-	-	5,000	-	-	-	-	5,000	-
Law & Public Safety Grant	N/A	4,000	01/01/15	12/31/15	2,000	-	-	(1,000)	-	-	-	1,000	-
<i>State of N.J., Department of Health & Human Services --</i>													
Municipal Alliance on Alcoholism & Drug Abuse - State	N/A	15,279	01/01/16	12/31/16	-	-	-	(1,051)	-	-	(15,279)	14,228	-
Municipal Alliance on Alcoholism & Drug Abuse - Local	N/A	4,819	01/01/16	12/31/16	-	-	4,819	(4,819)	-	-	-	-	-
Municipal Alliance on Alcoholism & Drug Abuse - State	N/A	13,464	01/01/15	12/31/15	(14,785)	-	12,069	-	-	-	(2,716)	-	-
Municipal Alliance on Alcoholism & Drug Abuse - State	N/A	13,464	01/01/15	12/31/15	14,157	-	-	(14,157)	-	-	-	-	-
Alcohol Education & Rehabilitation Fund	046-760-4240	295	01/01/15	12/31/15	295	-	-	-	-	-	-	295	-
Total State Financial Assistance					\$ 320,273	\$ -	\$ 189,651	\$ (227,873)	\$ -	\$ -	\$ (17,995)	\$ 300,046	\$ -

CITY OF HACKENSACK
 NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
 STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2017

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. 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, 2017

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, 2016 to December 31, 2016.

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, 2017:

<u>General Capital Fund (Paid by the Current Fund):</u>	3,549,784
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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, 2017

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? | <u> X </u> yes | <u> </u> no |
| 2. Significant deficiency(ies) identified not considered to be material weakness(es)? | <u> </u> yes | <u> X </u> no |
- C) Noncompliance material to general-purpose financial statements noted?
- | | | |
|--|-----------------------|---------------------|
| | <u> </u> yes | <u> X </u> no |
|--|-----------------------|---------------------|

CITY OF HACKENSACK
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED DECEMBER 31, 2017

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

Federal 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 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, 2017

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, 2017

Section II -- Financial Statement Findings

None

CITY OF HACKENSACK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017

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, 2017

Not Applicable - None in 2016

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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
City's proportion of the net pension liability	0.1466056888%	0.1369942341%	0.1533713150%	0.1502984338%						
City's proportionate share of the net pension liability	\$ 43,420,400	\$ 30,752,460	\$ 28,715,305	\$ 28,725,017						
City's covered employee payroll (Calendar Year)	\$ 10,026,715	\$ 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	433.05%	306.56%	294.53%	276.77%						
Plan fiduciary net position as a percentage of the total pension	40.14%	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, the City will present information for those years for which information is available.

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

	June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 1,168,807	\$ 1,297,704	\$ 1,156,339	\$ 1,183,939						
Contributions in relation to the contractually required contribution	(1,168,807)	(1,297,704)	(1,156,339)	(1,183,939)						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -						
City's covered employee payroll (Calendar Year)	\$ 10,026,715	\$ 10,031,363	\$ 9,749,629	\$ 10,378,542						
Contributions as a percentage of covered employee payroll	11.66%	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, the City will 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*

	June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
City's proportion of the net pension liability	0.7799381086%	0.7456653388%	0.7247900272%	0.7246054350%						
City's proportionate share of the net pension liability	\$ 148,988,129	\$ 124,201,853	\$ 91,171,863	\$ 96,329,754						
City's covered employee payroll (Calendar Year)	\$ 25,297,850	\$ 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	588.94%	498.07%	384.01%	421.13%						
Plan fiduciary net position as a percentage of the total pension liability (Local)	52.00%	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, the City will present information for those years for which information is available.

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

	June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 6,435,365	\$ 5,940,000	\$ 5,652,383	\$ 6,058,969						
Contributions in relation to the contractually required contribution	(6,435,365)	(5,940,000)	(5,652,383)	(6,058,969)						
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>						
City's covered employee payroll (Calendar Year)	\$ 25,297,850	\$ 24,936,476	\$ 23,742,104	\$ 22,873,911						
Contributions as a percentage of covered employee payroll	25.44%	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, the City will present information for those years for which information is available.

CITY OF HACKENSACK
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 YEAR ENDED DECEMBER 31, 2017

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 for male service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected 13 years using Projection Scale BB and then 2 years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2015 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 and a 1 year static projection based on mortality improvement Scale AA. The tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale.

The RP-2000 Disabled Mortality Tables (setback 3 years for males and set forward 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

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, 2017

Cash Cycle

Ref.

None

CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2017

Revenues/Receipts Cycle

Ref.

General

Municipal Court

None

Construction Official

None

Recreation

None

Tax Collector

The Special Improvement District levy was not properly billed in 2017, or in prior years. Correcting bills were sent for the 2017 levy in 2018 upon discovery of this matter during the 2017 audit. #5.

Sanitation

None

CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2017

Expenditures/Disbursements Cycle

Ref.

None

CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2017

Payroll Cycle

Ref.

Controls regarding electronic disbursement for payroll purposes were not implemented in accordance with N.J.A.C. 5:30-17. #2.

CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2017

Fixed Assets

Ref.

None

CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2017

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 thru three have been successfully executed.

N/A

CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2017

Public Parking Utility

Ref.

None

CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2017

Other Significant Matters

Ref.

There are remaining aged developer's escrow balances which have not been reviewed and cleared of record. #3.

Outside police employment fees were not set by ordinance. #1.

CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2017

Recommendations

1. That all fees charged by the City be outlined in a fee ordinance. *
2. That controls be implemented in accordance with N.J.A.C. 5:30-17 regarding electronic disbursement controls for payroll purposes. *
3. That a review of remaining aged developer's escrow balances be made, and proper disposition be made of dormant accounts.
4. That professional service contracts be executed in all applicable instances.
5. That controls be implemented to ensure proper billing of the special improvement district levy.

* Denotes repetitive recommendation from prior year

CITY OF HACKENSACK
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2017

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, 2018