

**CITY OF HACKENSACK  
COUNTY OF BERGEN, NEW JERSEY**

**REPORT OF AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2018**

CITY OF HACKENSACK

Part I

Report on Audit of Financial Statements and Supplementary Schedules

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 REPORT OF AUDIT  
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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Hackensack, as of December 31, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. 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 misstatements, whether due to fraud or error.

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, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Independent Auditors' Report (Continued)

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

As described in Note 1 of the financial statements, the financial statements are prepared and presented by the City of Hackensack on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed above in the "Basis for 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 each fund of the City of Hackensack as of December 31, 2018 and 2017, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The notes to the City of Hackensack's financial statements do not disclose the other post employment benefit obligations related to post-retirement medical benefits provided to its eligible retirees and their dependents as required by Government Accounting Standards Board Statement Number 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In our opinion, disclosure of that information is required to conform with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the omission of the note disclosure regarding the other post-employment benefit obligations, as described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph above, 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 of the City of Hackensack as of December 31, 2018 and 2017, and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the respective revenues - regulatory basis and expenditures - regulatory basis of the various funds for the year ended December 31, 2018 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.



Independent Auditors' Report (Continued)

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the City of Hackensack as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the City of Hackensack.

The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1 .

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 2019 on our consideration of the City of Hackensack'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 of Hackensack's internal control

DI MARIA & DI MARIA LLP  
Accountants and Advisors

*Frank Di Maria*

Frank Di Maria  
Registered Municipal Accountant  
RMA No. CR00463

June 30, 2019

CITY OF HACKENSACK  
 CURRENT FUND  
 COMPARATIVE BALANCE SHEET (REGULATORY BASIS)  
 AS OF DECEMBER 31, 2018 AND 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Current Fund</u>			
<u>Assets</u>			
Cash - Current Account.....		\$ 23,641,682	\$ 21,324,419
Cash - Change Funds.....	A-5	450	450
		<u>23,642,132</u>	<u>21,324,869</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable.....	A-6	8,616	182,063
Property Acquired for Taxes - Assessed Valuation.....	A-7	1,311,800	1,311,800
		<u>1,320,416</u>	<u>1,493,863</u>
Deferred Charges:			
Special Emergency Authorizations.....	A-8	380,000	570,000
		<u>25,342,548</u>	<u>23,388,732</u>
<u>Grant Fund</u>			
<u>Assets</u>			
Interfund - Current Account.....	A-9	405,770	605,599
Grants Receivable.....	A-10	188,338	149,311
		<u>594,108</u>	<u>754,910</u>
		<u>\$ 25,936,656</u>	<u>\$ 24,143,642</u>

CITY OF HACKENSACK  
 CURRENT FUND  
 COMPARATIVE BALANCE SHEET (REGULATORY BASIS)  
 AS OF DECEMBER 31, 2018 AND 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Current Fund</u>			
<u>Liabilities, Reserves and Fund Balance</u>			
Liabilities:			
Interfund Payable - Grant Fund.....	A-9	\$ 405,770	\$ 605,599
Accounts Payable.....		511,996	734,144
Due County for Added & Omitted Taxes.....		8,049	13,869
Due to State of New Jersey.....		46,534	26,499
Appropriation Reserves.....	A-3	3,367,460	4,592,900
Reserve for Encumbrances.....		1,670,019	2,125,492
Pre-Paid Taxes.....		727,788	3,186,573
Tax Overpayments.....		55,147	101,263
Outside Lien Redemption.....		128,512	-
Reserve for Re-Assessment Expenditures.....		30,666	143,566
Reserve for Tax Appeals.....		1,234,513	61,055
		<u>8,186,454</u>	<u>11,590,960</u>
Reserve for Receivables and Other Assets.....		1,320,416	1,493,863
Fund Balance.....		15,835,678	10,303,909
		<u>25,342,548</u>	<u>23,388,732</u>
		-	-

Grant Fund

Liabilities

Appropriated Reserves.....	A-12	577,968	675,925
Unappropriated Reserves.....	A-13	16,140	78,985
		<u>594,108</u>	<u>754,910</u>
		-	-
		<u>\$ 25,936,656</u>	<u>\$ 24,143,642</u>
		-	-

CITY OF HACKENSACK  
 CURRENT FUND  
 COMPARATIVE STATEMENT OF OPERATIONS AND  
 CHANGES IN FUND BALANCE (REGULATORY BASIS)  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

	<i>Ref.</i>	<u>2018</u>	<u>2017</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized.....	A-2	\$ 3,300,000	\$ 3,000,000
Miscellaneous Revenue Anticipated.....	A-2	14,191,071	17,321,804
Receipts from Delinquent Taxes.....	A-2	170,659	27,298
Receipts from Current Taxes.....	A-2	184,667,560	180,213,588
Non-Budget Revenue.....	A-2	5,062,990	817,697
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves.....	A-1	3,408,630	3,908,950
Other Cancellations & Non-Cash Adjustments.....		-	170,578
Total Income.....		<u>210,800,910</u>	<u>205,459,915</u>
<b><u>Expenditures</u></b>			
Budget and Emergency Appropriations:			
Within "CAPS":			
Operations:			
Salaries and Wages.....	A-3	41,916,100	41,307,775
Other Expenses.....	A-3	31,026,674	30,268,966
Statutory Expenditures.....	A-3	9,996,426	9,496,064
Excluded From "CAPS":			
Operations:			
Salaries and Wages.....	A-3	-	10,422
Other Expenses.....	A-3	9,364,997	9,816,153
Capital Improvements.....	A-3	400,000	1,742,400
Debt Service.....	A-3	9,717,592	10,670,264
Deferred Charges and Statutory Expenditures.....	A-3	1,286,719	190,000
Reserve for Uncollected Taxes.....	A-3	1,500,000	1,500,000
Local District School Tax.....	A-1:A-6	82,711,318	80,840,020
County Tax.....	A-1:A-6	12,806,081	12,171,909
County Open Space Tax.....	A-1:A-6	555,609	544,268
Added County Taxes.....	A-1:A-6	8,049	13,869
Special Improvement District Tax.....	A-1:A-6	430,040	361,014
Refund of Prior Year Revenue.....		249,536	66,442
Total Expenditures.....		<u>201,969,141</u>	<u>198,999,566</u>
Excess in Revenue.....		8,831,769	6,460,349
Fund Balance, January 1.....	A	10,303,909	6,843,560
Decreased by - Utilization as Anticipated Revenue.....		3,300,000	3,000,000
Fund Balance, December 31.....	A	<u>\$ 15,835,678</u>	<u>\$ 10,303,909</u>

The accompanying notes are an integral part of this statement.

CITY OF HACKENSACK  
 CURRENT FUND  
 STATEMENT OF REVENUES (REGULATORY BASIS)  
 YEAR ENDED DECEMBER 31, 2018

	Ref.	Anticipated		Realized	Excess/ (Deficit)
		Budget	Added by N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	3,300,000	-	3,300,000	-
Miscellaneous Revenues:					
Alcoholic Beverage Licenses		96,000	-	94,590	(1,410)
Other Licenses		93,000	-	111,423	18,423
Fees and Permits		730,000	-	805,505	75,505
Municipal Court Fines and Costs		2,000,000	-	1,999,568	(432)
Interest and Costs on Taxes		250,000	-	298,734	48,734
Utility Operating Surplus of Prior Year		360,000	-	360,000	-
Consolidated Municipal Property Tax Relief		257,499	-	257,499	-
Energy Receipts Tax		4,039,085	-	4,039,085	-
Uniform Construction Code Fees		3,000,000	-	2,882,992	(117,008)
Nursing Services for Hackensack BOE		10,422	-	11,349	927
Municipal Alliance on Alcoholism & Drug Abuse		15,279	-	15,279	-
Recycling Tonnage Grant		56,045	-	56,045	-
Law & Public Safety Grant		14,800	-	14,800	-
Emergency Management Assistance Grant		7,000	-	7,000	-
Clean Communities Program		-	72,352	72,352	-
Emergency Management Assistance Grant		-	10,000	10,000	-
Assistance to Firefighters Grant		-	86,182	86,182	-
Uniform Fire Safety Act		205,000	-	222,702	17,702
Reserve for Payment of Debt Service		1,000,000	-	1,000,000	-
Verizon FIOS Franchise Fees		247,500	-	247,527	27
Cablevision Franchise Fees		347,000	-	347,428	428
Air Rights - HUMC		200,000	-	200,000	-
Hackensack BOE - School Resource Officer		170,000	-	170,040	40
Sewer User Charges		365,000	-	328,140	(36,860)
PILOT - Hackensack Housing Authority		170,000	-	183,379	13,379
Recycling Revenue		31,000	-	10,129	(20,871)
Admin Fees - Outside Police Employment		67,000	-	92,925	25,925
PILOT - 100 State Street (94 State Street)		266,400	-	266,400	-
Total Miscellaneous Revenues	A-1	13,998,030	168,534	14,191,073	24,509
Receipts From Delinquent Taxes	A-1	-	-	170,659	170,659
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes		85,875,294	-	86,264,054	388,760
Library Tax		1,892,409	-	1,892,409	-
	A-2	87,767,703	-	88,156,463	388,760
Budget Totals		105,065,733	168,534	105,818,195	583,928
Non-Budget Revenues	A-2	-	-	5,062,990	5,062,990
		<u>\$ 105,065,733</u>	<u>\$ 168,534</u>	<u>\$ 110,881,185</u>	<u>\$ 5,646,918</u>
Ref.		A-3	A-3		

CITY OF HACKENSACK  
 CURRENT FUND  
 STATEMENT OF REVENUES (REGULATORY BASIS)  
 YEAR ENDED DECEMBER 31, 2018

Analysis of Realized Revenues

<u>Allocation of Current Tax Collections</u>	<u>Ref.</u>		
Revenue from Current Tax Collections.....	A-1		183,167,560
Allocated to:			
Local District School Tax.....	A-1	82,711,318	
County Tax.....	A-1	12,806,081	
County Open Space Tax.....	A-1	555,609	
Added County Taxes.....	A-1	8,049	
Special Improvement District Tax.....	A-1	430,040	
		96,511,097	
Balance for Support of Municipal Budget Appropriations.....			86,656,463
Add: Appropriation "Reserve for Uncollected Taxes".....			1,500,000
			A-1:A-3
Amount for Support of Municipal Budget Appropriations.....		\$ 88,156,463	
	<u>Ref.</u>		A-2

Analysis of Non-Budget Revenues

<u>Miscellaneous Revenue Not Anticipated</u>		
Miscellaneous.....		77,719
Hackensack University Medical Center Settlement.....		4,000,000
Interest on Investments.....		294,192
Stale / Outstanding Checks Cancelled.....		24,751
So. Bergen Muni JIF Dividend.....		18,762
Recycling Calendar Advertisements.....		7,750
Tax Exemption Application Fee.....		5,000
Sale of Municipal Assets.....		4,400
Refund of Prior Year Contract Payment.....		3,687
Prior Year Violation Settlement.....		1,000
BCUA - Sewer Connection Rebate.....		16,450
EDRS.....		25,885
FEMA Reimbursement - "Superstorm Sandy".....		261,726
NJMVC Vehicle Inspection Fines.....		2,715
Outdoor Advertising.....		5,355
Rents.....		12,000
Sewer Connection Fees.....		290,000
Snowmobile Rentals.....		5,800
Sr. Citizens / Vets Deduction Admin Fee.....		2,183
Temporary Sewerage Discharge Fees.....		1,500
Unclaimed Property Recovery.....		2,115
		5,062,990
	<u>Ref.</u>	A-1:A-2

CITY OF HACKENSACK  
 CURRENT FUND  
 STATEMENT OF EXPENDITURES (REGULATORY BASIS)  
 YEAR ENDED DECEMBER 31, 2018

	Appropriated				Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Added by N.J.S. 40A:4-87	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved		
<b>OPERATIONS - WITHIN "CAPS"</b>								
<u>General Government Functions</u>								
General Administration:								
Salaries and Wages	\$ 644,500	\$ -	\$ -	\$ 671,500	\$ 671,474	\$ 26	\$ -	-
Other Expenses	105,000	-	-	77,000	62,196	14,804	-	-
Human Resources:								
Salaries and Wages	246,000	-	-	246,000	225,657	20,343	-	-
Mayor & City Council:								
Salaries and Wages	54,600	-	-	54,600	54,600	-	-	-
City Clerk:								
Salaries and Wages	201,000	-	-	241,300	236,261	5,039	-	-
Other Expenses	112,900	-	-	112,900	107,889	5,011	-	-
Financial Administration:								
Salaries and Wages	552,000	-	-	555,000	554,995	5	-	-
Other Expenses	141,600	-	-	141,600	125,601	15,999	-	-
Audit Services:								
Other Expenses	105,000	-	-	105,000	100,000	5,000	-	-
Tax Assessment Administration:								
Salaries and Wages	226,000	-	-	226,000	202,588	23,412	-	-
Other Expenses	651,700	-	-	651,700	651,640	60	-	-
Revenue Administration (Collection of Taxes):								
Salaries and Wages	264,000	-	-	269,000	266,933	2,067	-	-
Other Expenses	54,400	-	-	54,400	51,242	3,158	-	-
Legal Services:								
Salaries and Wages	-	-	-	-	-	-	-	-
Other Expenses	725,000	-	-	695,000	681,778	13,222	-	-
Codification of Ordinances	9,000	-	-	9,000	6,863	2,137	-	-
Public Buildings & Grounds:								
Salaries and Wages	634,000	-	-	654,000	646,698	7,302	-	-
Other Expenses	262,500	-	-	262,500	253,456	9,044	-	-

CITY OF HACKENSACK  
CURRENT FUND  
STATEMENT OF EXPENDITURES (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2018

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Added by N.J.S. 40A:4-87	Emergency Appropriation	Budget After Modification	Paid or Charged		
<u>OPERATIONS - WITHIN "CAPS" (Continued)</u>							
<u>Utility Expenses and Bulk Purchases</u>							
Electricity	580,000	-	-	610,000	549,132	60,868	-
Water	135,000	-	-	197,000	190,927	6,073	-
Gasoline	360,000	-	-	403,000	395,528	7,472	-
Gas (Natural)	-	-	-	-	-	-	-
Telephone	174,300	-	-	174,300	171,906	2,394	-
Street Lighting	-	-	-	-	-	-	-
<u>Land Use Administration</u>							
Planning Board:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	27,450	-	-	35,450	33,613	1,837	-
Zoning Board of Adjustment:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	62,120	-	-	90,120	85,843	4,277	-
Rent Stabilization Board:							
Salaries and Wages	5,000	-	-	5,000	4,926	74	-
Other Expenses	15,000	-	-	15,000	14,945	56	-
<u>Insurance</u>							
Group Insurance to Employees	16,452,000	-	-	16,452,000	16,032,118	419,882	-
Health Benefit Waiver for Employees	165,000	-	-	165,000	165,000	-	-
Workmen's Compensation Insurance	1,264,000	-	-	1,139,000	928,415	210,585	-
General Liability Insurance & Surety B	1,973,000	-	-	2,008,000	2,005,800	2,200	-



CITY OF HACKENSACK  
CURRENT FUND  
STATEMENT OF EXPENDITURES (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2018

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Added by N.J.S. 40A:4-87	Emergency Appropriation	Budget After Modification	Paid or Charged		
<u>OPERATIONS - WITHIN "CAPS" (Continued)</u>							
<u>Public Safety Functions</u>							
Fire:							
Salaries and Wages	13,045,000	-	-	13,159,000	13,147,930	11,070	-
Other Expenses	327,800	-	-	327,800	293,209	34,591	-
Fire Hydrant Service	350,000	-	-	350,000	348,699	1,301	-
Emergency Medical Service:							
Salaries and Wages	9,600	-	-	9,600	8,400	1,200	-
Other Expenses	30,000	-	-	20,000	1,148	18,852	-
Fire Official:							
Salaries and Wages	675,000	-	-	675,000	645,385	29,615	-
Other Expenses	22,800	-	-	22,800	17,690	5,110	-
Police:							
Salaries and Wages	15,573,000	-	-	15,573,000	14,293,226	1,279,774	-
Other Expenses	741,000	-	-	741,000	709,676	31,324	-
Police - Traffic Control:							
Salaries and Wages	63,000	-	-	63,000	61,985	1,015	-
Other Expenses	51,500	-	-	51,500	28,987	22,513	-
Communication Center:							
Salaries and Wages	1,020,000	-	-	1,036,700	1,036,648	52	-
Other Expenses	9,000	-	-	9,000	7,200	1,800	-
School Crossing Guards:							
Salaries and Wages	508,000	-	-	613,200	613,109	91	-
Other Expenses	-	-	-	-	-	-	-
Emergency Management:							
Salaries and Wages	8,500	-	-	8,500	8,500	-	-
Other Expenses	15,850	-	-	15,850	13,091	2,759	-
<u>Building Department</u>							
Inspection & Property Maintenance:							
Salaries and Wages	474,000	-	-	461,000	436,447	24,553	-
Other Expenses	300	-	-	300	-	300	-
Community Development:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	358,000	-	-	396,000	343,701	52,299	-

CITY OF HACKENSACK  
CURRENT FUND  
STATEMENT OF EXPENDITURES (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2018

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Added by N.J.S. 40A:4-87	Emergency Appropriation	Budget After Modification	Paid or Charged		
<u>OPERATIONS - WITHIN "CAPS" (Continued)</u>							
<u>Public Works Functions</u>							
Administration:							
Salaries and Wages	566,000	-	-	567,000	566,038	962	-
Other Expenses	82,850	-	-	82,850	68,790	14,060	-
City Garage:							
Salaries and Wages	562,000	-	-	492,000	454,226	37,774	-
Other Expenses	46,400	-	-	46,400	41,304	5,096	-
Streets & Roads:							
Salaries and Wages	179,000	-	-	229,700	229,684	16	-
Other Expenses	115,700	-	-	115,700	84,385	31,315	-
Shade Tree:							
Salaries and Wages	175,000	-	-	190,000	187,128	2,872	-
Other Expenses	59,700	-	-	59,700	59,253	447	-
Snow Removal:							
Salaries and Wages	150,000	-	-	150,000	71,660	78,340	-
Other Expenses	334,500	-	-	334,500	241,907	92,593	-
Street Lighting - Other Expenses	480,000	-	-	480,000	437,633	42,367	-
<u>Sanitation</u>							
Street Cleaning:							
Salaries and Wages	135,000	-	-	135,000	123,791	11,209	-
Other Expenses	48,800	-	-	48,800	18,594	30,206	-
Garbage & Trash Removal:							
Salaries and Wages	1,413,000	-	-	1,373,000	1,331,427	41,573	-
Other Expenses	464,000	-	-	409,000	385,056	23,944	-
Bergen County Sanitary Landfill:							
Other Expenses - Contractual	1,400,000	-	-	1,284,500	1,148,255	136,245	-
Recycling:							
Salaries and Wages	35,000	-	-	42,500	42,132	368	-
Other Expenses	25,000	-	-	26,000	25,817	183	-
Sewer System:							
Salaries and Wages	142,000	-	-	142,000	132,529	9,471	-
Other Expenses	350,000	-	-	350,000	333,706	16,294	-
Sewer Treatment & Disposal	44,000	-	-	44,000	42,773	1,227	-
PVSC Group - CSO Monitoring	328,000	-	-	161,900	95,629	66,272	-

CITY OF HACKENSACK  
CURRENT FUND  
STATEMENT OF EXPENDITURES (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2018

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Added by N.J.S. 40A:4-87	Emergency Appropriation	Budget After Modification	Paid or Charged		
<u>OPERATIONS - WITHIN "CAPS" (Continued)</u>							
<u>Health and Human Services</u>							
Department of Health Administration:							
Salaries and Wages	652,000	-	-	654,000	653,592	408	-
Other Expenses	53,200	-	-	53,200	33,345	19,855	-
Department of Health (Clinics):							
Other Expenses	30,650	-	-	30,650	29,988	662	-
Human Services:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	1,000	-	-	1,000	-	1,000	-
Animal Control:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	51,700	-	-	51,700	49,375	2,325	-
<u>Park and Recreation Functions</u>							
Parks & Playgrounds:							
Salaries and Wages	443,000	-	-	486,000	483,417	2,583	-
Other Expenses	173,200	-	-	148,200	119,068	29,132	-
Recreation:							
Salaries and Wages	341,000	-	-	388,000	379,114	8,886	-
Other Expenses	87,250	-	-	87,250	76,539	10,711	-
Cultural Arts Center:							
Salaries and Wages	142,000	-	-	163,500	163,305	195	-
Other Expenses	216,750	-	-	216,750	143,304	73,446	-
Celebration of Public Events:							
Salaries and Wages	40,000	-	-	40,000	24,042	15,958	-
Other Expenses	60,000	-	-	20,000	11,875	8,125	-

CITY OF HACKENSACK  
CURRENT FUND  
STATEMENT OF EXPENDITURES (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2018

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Added by N.J.S. 40A:4-87	Emergency Appropriation	Budget After Modification	Paid or Charged		
<u>OPERATIONS - WITHIN "CAPS" (Continued)</u>							
<u>Municipal Court</u>							
Municipal Court Administration:							
Salaries and Wages	683,000	-	-	655,000	644,302	10,698	-
Other Expenses	57,050	-	-	60,050	40,650	19,400	-
Public Defender:							
Other Expenses	23,000	-	-	23,000	14,750	8,250	-
Municipal Prosecutor:							
Other Expenses	71,000	-	-	71,000	68,975	2,025	-
<u>Code Enforcement &amp; Administration:</u>							
Salaries and Wages	512,000	-	-	487,000	469,527	17,473	-
Other Expenses	242,950	-	-	256,450	219,420	37,030	-
<u>Unclassified:</u>							
Accumulated Absences:							
Salary & Wages	1,200,000	-	-	1,200,000	1,200,000	-	-
Municipal Alliance Local Match	3,154	-	-	3,154	3,154	-	-
City Website / Information Technology:							
Other Expenses	70,000	-	-	70,000	67,238	2,762	-
Hazard Act (PEOSHA):							
Other Expenses	166,200	-	-	146,200	124,339	21,861	-
Boys & Girls Club	5,000	-	-	5,000	5,000	-	-
Reserve for Tax Appeals	1,000,000	-	-	1,000,000	1,000,000	-	-
Total Operations - Within "CAPS"	72,945,474	-	-	72,935,274	69,639,089	3,296,185	-
Contingent	7,500	-	-	7,500	-	7,500	-
Total Operations Including Contingent	72,952,974	-	-	72,942,774	69,639,089	3,303,685	-
Detail:							
Salaries and Wages	41,573,200	-	-	41,916,100	40,271,676	1,644,424	-
Other Expenses	31,379,774	-	-	31,026,674	29,367,413	1,659,261	-

CITY OF HACKENSACK  
 CURRENT FUND  
 STATEMENT OF EXPENDITURES (REGULATORY BASIS)  
 YEAR ENDED DECEMBER 31, 2018

	Appropriated				Expended		Unexpended	Overexpended
	Adopted Budget	Added by N.J.S. 40A:4-87	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - WITHIN "CAPS"</u>								
<u>Deferred Charges</u>								
Prior Year Bills:								
Overexpenditures	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<u>Statutory Expenditures</u>								
Public Employees Retirement System (PERS)	1,428,894	-	-	1,428,894	1,386,073	42,821	-	-
Social Security System (O.A.S.I.)	1,289,000	-	-	1,298,200	1,298,115	85	-	-
Police and Firemen's Retirement System	7,195,332	-	-	7,195,332	7,195,332	-	-	-
Reserve for Unemployment Insurance	60,000	-	-	60,000	60,000	-	-	-
Defined Contribution Retirement Program	14,000	-	-	14,000	11,136	2,864	-	-
	9,987,226	-	-	9,996,426	9,950,656	45,770	-	-
Total General Appropriations for Municipality	82,940,200	-	-	82,939,200	79,589,745	3,349,455	-	-

CITY OF HACKENSACK  
CURRENT FUND  
STATEMENT OF EXPENDITURES (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2018

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Added by N.J.S. 40A:4-87	Emergency Appropriation	Budget After Modification	Paid or Charged		
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>							
NJDEP Remediation	1,000	-	-	2,000	1,720	280	-
<u>Utility Expenses &amp; Bulk Purchases</u>							
BCUA Share of Costs	6,264,000	-	-	6,264,000	6,263,370	630	-
<u>Educational Functions</u>							
Maintenance of Free Public Library	2,813,098	-	-	2,813,098	2,813,098	-	-
<u>Interlocal Municipal Service Agreements:</u>							
Nursing Services - Hackensack BOE							
Salaries and Wages	10,422	-	-	10,422	-	10,422	-
Borough of Paramus - Fire Vehicle Repairs							
Other Expenses	10,000	-	-	10,000	3,327	6,673	-
<u>Public &amp; Private Programs Offset by Revenues:</u>							
Municipal Alliance on Alcoholism & I	15,279	-	-	15,279	15,279	-	-
Municipal Alliance on Alcoholism & I	3,819	-	-	3,819	3,819	-	-
Recycling Tonnage Grant	56,045	-	-	56,045	56,045	-	-
Clean Communities Program	-	72,352	-	72,352	72,352	-	-
Law & Public Safety Grant	14,800	-	-	14,800	14,800	-	-
Assistance to Firefighters Grant	-	86,182	-	86,182	86,182	-	-
Emergency Management Assistance	7,000	-	-	7,000	7,000	-	-
Emergency Management Assistance	-	10,000	-	10,000	10,000	-	-
Total Operations Excluded from "CAPS"	9,195,463	168,534	-	9,364,997	9,346,992	18,005	-
Detail:							
Salaries and Wages	10,422	-	-	-	-	-	-
Other Expenses	9,185,041	168,534	-	9,364,997	9,346,992	18,005	-

CITY OF HACKENSACK  
CURRENT FUND  
STATEMENT OF EXPENDITURES (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2018

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Added by N.J.S. 40A:4-87	Emergency Appropriation	Budget After Modification	Paid or Charged		
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>							
Capital Improvement Fund	400,000	-	-	400,000	400,000	-	-
	-	-	-	-	-	-	-
Total Capital Improvements - Excluded	400,000	-	-	400,000	400,000	-	-
<b>DEBT SERVICE - EXCLUDED FROM "CAPS"</b>							
<u>Municipal Debt Service</u>							
Bond Principal	2,590,000	-	-	2,590,000	2,590,000	-	-
Payment of Bond Anticipation Notes	600,000	-	-	600,000	600,000	-	-
Payment of Bond Anticipation Notes -	1,371,855	-	-	1,371,855	1,371,855	-	-
Payment of Bond Anticipation Notes -	1,767,000	-	-	1,767,000	1,767,000	-	-
Payment of Bond Anticipation Notes -	1,566,142	-	-	1,566,142	1,566,142	-	-
Bond Interest	1,085,075	-	-	1,085,075	1,085,075	-	-
Note Interest - BANs	277,363	-	-	277,363	277,196	-	167
Green Trust Loan - Principal	21,294	-	-	21,294	21,294	-	-
Green Trust Loan - Interest	6,982	-	-	6,982	6,981	-	1
Wastewater Treatment Bonds - Principal	211,042	-	-	211,042	191,749	-	19,293
Wastewater Treatment Bonds - Interest	75,525	-	-	75,525	69,227	-	6,298
Bergen County Improve. Authority Leasing	167,650	-	-	167,650	167,650	-	-
Bergen County Improve. Authority Leasing	3,423	-	-	3,423	3,423	-	-
Total Debt Service - Excluded From "CAPS"	9,743,351	-	-	9,743,351	9,717,592	-	25,759
<b>DEFERRED CHARGES - EXCLUDED FROM "CAPS"</b>							
Special Emergency Authorizations :	190,000	-	-	190,000	190,000	-	-
Deferred Charges Unfunded - Capital Judgments	1,096,719	-	-	1,096,719	1,096,719	-	-
	-	-	-	-	-	-	-
	1,286,719	-	-	1,286,719	1,286,719	-	-
	20,625,533	168,534	-	20,795,067	20,751,303	18,005	25,759
Subtotal General Appropriations	103,565,733	168,534	-	103,734,267	100,341,048	3,367,460	25,759
Reserve for Uncollected Taxes	1,500,000	-	-	1,500,000	1,500,000	-	-
Total General Appropriations	105,065,733	168,534	-	105,234,267	101,841,048	3,367,460	25,759

CITY OF HACKENSACK  
 TRUST FUND  
 COMPARATIVE BALANCE SHEET (REGULATORY BASIS)  
 AS OF DECEMBER 31, 2018 AND 2017

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	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u><i>Animal Control Trust</i></u>			
<u><i>Assets</i></u>			
Cash - Animal Control Trust Account		\$ 15,703	\$ 22,633
<u><i>Reserves</i></u>			
Reserve for Animal Control Expenditures		\$ 15,703	\$ 22,633
<u><i>CDBG Trust</i></u>			
<u><i>Assets</i></u>			
Cash - Community Development Account		\$ 1	\$ 1
<u><i>Reserves</i></u>			
Reserve for Community Development Expenditures		\$ 1	\$ 1



CITY OF HACKENSACK  
TRUST FUND  
COMPARATIVE BALANCE SHEET (REGULATORY BASIS)  
AS OF DECEMBER 31, 2018 AND 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Other Trust</u>			
<u>Assets</u>			
Cash:			
Unemployment Trust Account	\$	29,681	\$ 153,775
Self-Insurance - Liability		35,727	61,402
Self-Insurance - Worker's Compensation		44,639	18,431
Self-Insurance - Dental		103,847	192,939
Developer's Escrow Accounts		2,347,543	2,118,563
Affordable Housing Account		964,238	981,068
Other Trust Account		7,033,184	7,272,293
Equitable Sharing Program Agreement Trust Account		256,940	86,546
	\$	<u>10,815,799</u>	<u>\$ 10,885,017</u>
<u>Reserves</u>			
National Night Out	\$	7,404	\$ -
Fire Dept. Donations		69,639	-
DARE / Municipal Alliance		8,164	-
Outside Police Employment		131,231	-
Local Code Enforcement		34,363	-
Uniform Fire Safety Act Penalties		559,689	-
Self Insurance - Health Benefits		494,307	-
Accumulated Absence		1,279,079	915,025
Affordable Housing		964,238	981,068
Developers' Escrow		2,347,543	2,118,563
Federal Equitable Sharing Program		256,940	86,546
POAA - Municipal Court		83,504	64,407
Public Defender		82,282	70,337
Recreation Programs		207,685	-
Reserve for Other Trust Expenditures		112,778	-
Self Insurance - Dental		103,847	192,939
Self Insurance - Liability		61,694	61,402
Self Insurance - Workers' Compensation		18,672	18,431
Snow / Debris Removal		833,551	-
Tax Sale Premiums		3,129,508	-
Unemployment		29,681	153,775
Other Trust		-	6,222,524
B-1	\$	<u>10,815,799</u>	<u>\$ 10,885,017</u>

CITY OF HACKENSACK  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET (REGULATORY BASIS)  
AS OF DECEMBER 31, 2018 AND 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Assets</u>			
Cash - General Capital Account.....	C-2,3	\$ 7,371,953	\$ 4,993,022
Grants Receivable.....	C-4	2,601,635	3,502,900
Deferred Charges to Future Taxation - Funded.....	C-5	54,547,332	19,692,317
Deferred Charges to Future Taxation - Unfunded.....	C-6	18,128,550	57,865,796
		<u>\$ 82,649,470</u>	<u>\$ 86,054,035</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Accounts Payable.....	C-7	\$ -	29,309
Serial Bonds Payable.....	C-8	51,179,000	15,924,000
Capital Lease Obligations Payable.....	C-9	50,883	218,533
Loans Payable.....	C-10	3,317,449	3,549,784
Bond Anticipation Notes Payable.....	C-11	-	33,430,644
Improvement Authorizations - Funded.....	C-12	9,041,603	1,481,591
Improvement Authorizations - Unfunded.....	C-12	14,484,636	25,817,878
Capital Improvement Fund.....	C-13	752,429	1,079,929
Reserve for Preliminary Plan Expenses.....	C-14	105,497	30,000
Reserve for Debt Service.....	C-15	176,883	1,093,442
Reserve for Grants Receivable.....	C-4	2,601,635	3,202,900
Fund Balance.....	C-1	939,455	196,025
		<u>\$ 82,649,470</u>	<u>86,054,035</u>
		-	-
There were bonds and notes authorized but not issued on December 31, in the amounts of.....	C-16	<u>\$ 18,128,550</u>	<u>24,435,152</u>

CITY OF HACKENSACK  
GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE (REGULATORY BASIS)  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Fund Balance, January 1.....	C	\$ 196,025	646,025
Increased by:			
Funded Improvement Authorizations Cancelled..		121,338	-
Premium on Sale of Bonds.....		<u>622,092</u>	<u>-</u>
		743,430	-
Decreased by:			
Appropriated - Current Fund Revenue.....		-	200,000
Appropriated - Capital Ordinances.....		<u>-</u>	<u>250,000</u>
		-	450,000
Fund Balance, December 31.....	C	<u>\$ 939,455</u>	<u>\$ 196,025</u>

CITY OF HACKENSACK  
PUBLIC PARKING UTILITY FUND  
COMPARATIVE BALANCE SHEET (REGULATORY BASIS)  
AS OF DECEMBER 31, 2018 AND 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Operating Fund</u>			
<u>Assets</u>			
Cash - Operating Account.....	D-5	\$ 1,349,046	\$ 1,060,000
Cash - Change Funds.....	D-6	130	130
		<u>\$ 1,349,176</u>	<u>\$ 1,060,130</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Reserve for Encumbrances.....	D-4:D-8	\$ 106,607	\$ 19,562
Appropriation Reserves.....	D-4:D-8	87,064	305,850
Accrued Interest on Bonds.....	D-9	-	1,969
Fund Balance.....	D-1	1,155,505	732,749
		<u>\$ 1,349,176</u>	<u>\$ 1,060,130</u>
		-	-
<u>Capital Fund</u>			
<u>Assets</u>			
Cash - Capital Account.....	D-5	\$ 176,186	\$ 176,186
Fixed Capital.....	D-11	8,035,084	8,035,084
Fixed Capital Authorized & Uncompleted.....	D-12	1,734,000	434,000
		<u>9,945,270</u>	<u>8,645,270</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds Payable.....	D-13	-	150,000
Reserve for Amortization.....	D-14	8,035,084	7,885,084
Capital Improvement Fund.....	D-15	141,000	141,000
Improvement Authorizations - Unfunded.....	D-16	1,644,687	344,687
Fund Balance.....	D-2	124,499	124,499
		<u>\$ 9,945,270</u>	<u>\$ 8,645,270</u>
		-	-
There were bonds and notes authorized but not issued on December 31, in the amounts of.....	D-17	<u>\$ 1,734,000</u>	<u>\$ 434,000</u>

CITY OF HACKENSACK  
PUBLIC PARKING UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGES IN FUND BALANCE (REGULATORY BASIS)  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b><u>Revenue and Other Income Realized</u></b>			
Surplus Utilized.....	D-3	\$ 360,000	\$ 360,000
Off-Street Parking Fees.....	D-3	1,003,586	805,674
On-Street Parking Fees.....	D-3	543,513	395,164
Non-Budget Revenue.....	D-3	18,378	5,281
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves.....	D-8	302,279	273,825
Total Income.....		<u>2,227,756</u>	<u>1,839,944</u>
<b><u>Expenditures</u></b>			
Operations:			
Salaries and Wages.....	D-4	342,500	300,000
Other Expenses.....	D-4	456,191	603,800
Capital Improvements.....	D-4	109,403	388
Debt Service.....	D-4	151,406	158,234
Statutory Expenditures.....	D-4	25,500	20,500
Surplus - General Budget.....	D-4	360,000	360,000
Total Expenditures.....		<u>1,445,000</u>	<u>1,442,922</u>
Excess in Revenue.....		782,756	397,022
Adjustments to Income Before Surplus:			
Deferred Charges to Budget of Succeeding Year.....		-	-
Statutory Excess to Fund Balance.....		782,756	397,022
Fund Balance, January 1.....	D	732,749	695,727
Decreased by - Utilization as Anticipated Revenue.....	D-1:D-4	360,000	360,000
Fund Balance, December 31.....	D	<u>\$ 1,155,505</u>	<u>\$ 732,749</u>

CITY OF HACKENSACK  
 PUBLIC PARKING UTILITY CAPITAL FUND  
 COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE (REGULATORY BASIS)  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

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	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Fund Balance, January 1.....	D	\$ 124,499	\$ 124,499
Increased by:		-	-
Decreased by:		-	-
Fund Balance, December 31.....	D	<u>\$ 124,499</u>	<u>\$ 124,499</u>

CITY OF HACKENSACK  
 PUBLIC PARKING UTILITY OPERATING FUND  
 STATEMENT OF REVENUES (REGULATORY BASIS)  
 YEAR ENDED DECEMBER 31, 2018

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Utilized.....	D-1:D-4	\$ 360,000	\$ 360,000	\$ -
Off-Street Parking Fees.....	D-1	690,000	1,003,586	313,586
On-Street Parking Fees.....	D-1	395,000	543,513	148,513
		<u>\$ 1,445,000</u>	<u>\$ 1,907,099</u>	<u>\$ 462,099</u>

Analysis of Non-Budget Revenues:

Interest on Investments - Utility Operating Fund	\$ 11,282
Interest on Investments - Utility Capital Fund	444
Miscellaneous Charges	40
Prior Year Refund	6,612
	<u>\$ 18,378</u>
<i>Ref.</i>	D-1

CITY OF HACKENSACK  
 PUBLIC PARKING UTILITY OPERATING FUND  
 STATEMENT OF EXPENDITURES (REGULATORY BASIS)  
 YEAR ENDED DECEMBER 31, 2018

	Appropriations		Expended		Unexpended Balance Canceled	Overexpenditure
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved		
<b>Operating:</b>						
Salaries and Wages.....	\$ 300,000	\$ 342,500	\$ 342,116	\$ 384	\$ -	\$ -
Other Expenses.....	503,800	456,191	370,330	85,861	-	-
<b>Capital Improvements:</b>						
Capital Improvement Fund.....	-	-	-	-	-	-
Capital Outlay.....	109,403	109,403	109,403	-	-	-
	<u>109,403</u>	<u>109,403</u>	<u>109,403</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Debt Service:</b>						
Payment of Bonds.....	150,000	150,000	150,000	-	-	-
Payment of Notes.....	-	-	-	-	-	-
Interest on Bonds.....	1,297	1,406	1,406	-	-	-
Interest on Notes.....	-	-	-	-	-	-
	<u>151,297</u>	<u>151,406</u>	<u>151,406</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Charges:</b>						
Emergency Authorizations.....	-	-	-	-	-	-
Overexpenditures.....	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Statutory Expenditures:</b>						
Public Employees Retirement System..	500	500	-	500	-	-
Social Security System.....	20,000	25,000	24,681	319	-	-
Unemployment Compensation.....	-	-	-	-	-	-
	<u>20,500</u>	<u>25,500</u>	<u>24,681</u>	<u>819</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>\$ 1,445,000</u>	<u>\$ 1,357,936</u>	<u>\$ 87,064</u>	<u>\$ -</u>	<u>\$ -</u>
	<i>Ref.</i> D-3		D-1	D:D-1		

<i>Ref.</i>	
D-5	\$ 1,251,329
D	106,607
	<u>\$ 1,357,936</u>
	-



CITY OF HACKENSACK  
 GENERAL FIXED ASSET ACCOUNT GROUP  
 COMPARATIVE BALANCE SHEET (REGULATORY BASIS)  
 AS OF DECEMBER 31, 2018 AND 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b><u>Assets</u></b>			
Land.....	E-1	\$ 9,539,800	\$ 9,539,800
Land Improvements.....	E-1	5,113,888	5,078,488
Buildings .....	E-1	19,895,788	19,895,788
Machinery & Equipment.....	E-1	2,056,819	209,118
Infrastructure.....	E-1	2,030,546	2,030,546
		<u>\$ 38,636,841</u>	<u>\$ 36,753,740</u>
<b><u>Fund Balance</u></b>			
Investment in General Fixed Assets.....	E-1	<u>\$ 38,636,841</u>	<u>\$ 36,753,740</u>
		-	-

CITY OF HACKENSACK  
GENERAL FIXED ASSET ACCOUNT GROUP  
COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE (REGULATORY BASIS)  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	Balance December 31, 2017	Additions	Retirements	Adjustments	Balance December 31, 2018
Land.....	\$ 9,539,800	\$ -	\$ -	\$ -	\$ 9,539,800
Land Improvements.....	5,078,488	35,400	-	-	5,113,888
Buildings .....	19,895,788	-	-	-	19,895,788
Machinery & Equipment.....	209,118	1,847,701	-	-	2,056,819
Infrastructure.....	2,030,546	-	-	-	2,030,546
	<u>\$ 36,753,740</u>	<u>\$ 1,883,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,636,841</u>
<i>Ref.</i>	E				E
	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>
<i>Ref.</i>	E				E

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - REPORTING ENTITY, ORGANIZATION AND FUNCTION

A. Reporting Entity

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 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.

B. Component Units

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the City do not include the municipal library and volunteer ambulance squad, or redevelopment agency, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

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 "NJ 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).

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.

Grant Fund - The 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 City owned real and personal property in accordance with N.J.A.C 5:30-5.6.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 Water Utility and Sewer Utility Funds are capitalized as Fixed Capital and not depreciated.



NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 budgets 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 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

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

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

U. 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.

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 municipality's deposits are summarized as follows:

<u>Year</u>	<u>Bank Balance</u>	<u>Book Balance</u>
2018	\$ 43,447,331	\$ 43,370,950
2017	\$ 38,442,034	\$ 38,477,531

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City does not have a formal policy for custodial credit risk. As of December 31, 2018 and 2017, the City's bank balances were not exposed to custodial credit risk.

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. At December 31, 2018 the City did not have any cash deposited with the New Jersey Cash Management Fund.

NOTE 4 - INVESTMENTS

The City is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the City or bonds or other obligations of the school districts which are a part of the City or school districts located within the City, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e).

As of December 31, 2018 and 2017, the City did not hold any investments:

NOTE 5 - FIXED ASSETS

The following is a summary of general fixed asset additions, deletions and adjustments:

<u>2018</u>	Balance December 31, 2017	Additions	Retirements	Adjustments	Balance December 31, 2018
Land.....	\$ 9,539,800	\$ -	\$ -	\$ -	\$ 9,539,800
Land Improvements.....	5,078,488	35,400	-	-	5,113,888
Buildings .....	19,895,788	-	-	-	19,895,788
Machinery & Equipment.....	209,118	1,847,701	-	-	2,056,819
Infrastructure.....	2,030,546	-	-	-	2,030,546
	<u>\$ 36,753,740</u>	<u>\$ 1,883,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,636,841</u>

<u>2017</u>	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>

(A)

(A) Adjustments to new physical inventory historical cost by TPA

Threshold: \$ 5,000

Depreciation Method: Not Applicable - N.J.A.C. 5:30-5.6

Useful Lives: Not Applicable - N.J.A.C. 5:30-5.6



NOTE 6 - MUNICIPAL DEBT

A. Types of Municipal 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.

Loans - Loans issued are retired in accordance with the issuer's amortization requirements.

NOTE 6 - MUNICIPAL DEBT

The City's long term debt consisted of the following at December 31, 2018:

General Serial Bonds:

\$11,900,000 - General Obligation Bonds Series 2008 issued 1/1/2008 payable in annual installments through 1/15/2021. Interest is paid semi-annually at varying rates of 3.75% to 5.00% per annum. The balance remaining on this issue as of December 31, 2018 is \$6,075,000.

\$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, 2018 is \$0.

\$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, 2018 is \$4,540,000.

\$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, 2018 is \$2,719,000.

\$21,820,000 - General Obligation Bonds Series 2018 issued 4/1/2018 payable in annual installments through 4/1/2037. Interest is paid semi-annually at varying rates from 3.25% to 5.00% per annum. The balance remaining on this issue as of December 31, 2018 is \$21,820,000.

\$16,025,000 - Refunding Bonds Series 2018 issued 4/1/2018 payable in annual installments through 4/1/2023. Interest is paid semi-annually at 5.00% per annum. The balance remaining on this issue as of December 31, 2018 is \$16,025,000.

NOTE 6 - MUNICIPAL DEBT

Green Acres Loan:

\$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, 2018 is \$333,073.

NJEIT Wastewater Treatment Loans:

\$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, 2018 is \$75,000.

\$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, 2018 is \$321,865.

\$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, 2018 is \$720,000.

\$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, 2018 is \$680,000.

\$1,459,650 - 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, 2018 is \$1,187,511.

CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 6 - MUNICIPAL DEBT

B. Summary of Debt and Remaining Borrowing Power

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

	<u>2018</u>	<u>2017</u>
<i>Issued:</i>		
School Bonds and Notes.....	\$ 1,175,000	\$ 1,755,000
General Bonds .....	51,179,000	15,924,000
Public Parking Utility Bonds .....	-	150,000
Infrastructure & Green Trust Loans.....	3,317,449	3,549,785
Bond Anticipation Notes - General.....	-	33,430,644
Bond Anticipation Notes - Public Parking Utility.....	-	-
	<u>55,671,449</u>	<u>54,809,429</u>
<i>Authorized but not Issued:</i>		
General Bonds and Notes.....	18,128,550	24,435,152
Public Parking Utility.....	1,734,000	434,000
	<u>19,862,550</u>	<u>24,869,152</u>
Gross Debt.....	<u>75,533,999</u>	<u>79,678,581</u>
Deductions.....	<u>2,909,000</u>	<u>3,432,443</u>
Net Debt.....	<u>\$ 72,624,999</u>	<u>\$ 76,246,138</u>
Equalized Valuation Basis.....	\$ 5,706,993,821	\$ 5,734,108,380
Statutory Net Debt Percentage.....	1.273%	1.330%
3-1/2% of Equalized Valuation Basis.....	\$ 199,744,784	\$ 200,693,793
Remaining Borrowing Power.....	\$ 127,119,785	\$ 124,447,655

CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

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NOTE 6 - MUNICIPAL DEBT

C. Long-Term Bonded Debt Service Requirements to Maturity

General Obligation Bonds

<u>Calendar Year</u>	1/1/2008		5/1/2013	
	General Improvement Bonds		General Improvement Bonds "A"	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	1,965,000	82,498	375,000	102,090
2020	1,995,000	50,423	405,000	94,290
2021	2,115,000	17,131	470,000	85,540
2022			470,000	76,140
2023			470,000	66,740
2024			470,000	57,340
2025			470,000	47,470
2026			470,000	35,250
2027			470,000	21,150
2028			470,000	7,050
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
	<u>\$ 6,075,000</u>	<u>\$ 150,052</u>	<u>\$ 4,540,000</u>	<u>\$ 593,060</u>

CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 6 - MUNICIPAL DEBT

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

General Obligation Bonds Continued)

<u>Calendar Year</u>	<u>5/1/2013</u>		<u>4/12/2018</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	270,000	79,871	785,000	808,769
2020	270,000	71,771	880,000	767,144
2021	270,000	63,671	910,000	722,394
2022	270,000	55,571	935,000	676,269
2023	270,000	47,471	960,000	628,894
2024	270,000	39,371	1,000,000	579,894
2025	270,000	31,271	1,030,000	529,144
2026	280,000	22,741	1,055,000	482,294
2027	270,000	13,873	1,090,000	439,394
2028	279,000	4,743	1,130,000	394,994
2029			1,165,000	354,919
2030			1,205,000	319,369
2031			1,240,000	282,694
2032			1,285,000	244,819
2033			1,330,000	205,594
2034			1,380,000	164,081
2035			1,425,000	120,253
2036			1,480,000	73,938
2037			1,535,000	24,944
	<u>\$ 2,719,000</u>	<u>\$ 430,354</u>	<u>\$ 21,820,000</u>	<u>\$ 7,819,801</u>

CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 6 - MUNICIPAL DEBT

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

General Obligation Bonds Continued)

<u>Calendar Year</u>	<u>4/12/2018</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	4,035,000	700,375	7,430,000	1,773,603
2020	4,035,000	498,625	7,585,000	1,482,253
2021	4,035,000	296,875	7,800,000	1,185,611
2022	2,600,000	131,000	4,275,000	938,980
2023	1,320,000	33,000	3,020,000	776,105
2024	-	-	1,740,000	676,605
2025	-	-	1,770,000	607,885
2026	-	-	1,805,000	540,285
2027	-	-	1,830,000	474,417
2028	-	-	1,879,000	406,787
2029	-	-	1,165,000	354,919
2030	-	-	1,205,000	319,369
2031	-	-	1,240,000	282,694
2032	-	-	1,285,000	244,819
2033	-	-	1,330,000	205,594
2034	-	-	1,380,000	164,081
2035	-	-	1,425,000	120,253
2036	-	-	1,480,000	73,938
2037	-	-	1,535,000	24,944
	<u>\$ 16,025,000</u>	<u>\$ 1,659,875</u>	<u>\$ 51,179,000</u>	<u>\$ 10,653,142</u>

CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 6 - MUNICIPAL DEBT

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

Loans

<u>Calendar Year</u>	<u>12/4/2012 Green Acres Trust</u>		<u>11/1/1997 NJFIT Wastewater Treatment "T"</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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>\$ 333,072</u>	<u>\$ 48,639</u>	<u>\$ -</u>	<u>\$ -</u>



CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 6 - MUNICIPAL DEBT

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

Loans (Continued)

<u>Calendar Year</u>	10/15/2000		10/15/2002	
	NJEIT Wastewater Treatment		NJEIT Wastewater Treatment "A"	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	35,000	3,938	-	-
2020	40,000	2,100	-	-
	<u>\$ 75,000</u>	<u>\$ 6,038</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Calendar Year</u>	9/30/2010		12/2/2010	
	NJEIT Wastewater Treatment "A"		NJEIT Wastewater Treatment "B"	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	26,822	-	45,000	36,000
2020	26,822	-	50,000	33,750
2021	26,822	-	50,000	31,250
2022	26,822	-	50,000	28,750
2023	26,822	-	55,000	26,250
2024	26,822	-	60,000	23,500
2025	26,822	-	60,000	20,500
2026	26,822	-	65,000	17,500
2027	26,822	-	65,000	14,250
2028	26,822	-	70,000	11,000
2029	26,822	-	75,000	7,500
2030	26,823	-	75,000	3,750
	<u>\$ 321,865</u>	<u>\$ -</u>	<u>\$ 720,000</u>	<u>\$ 254,000</u>

CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 6 - MUNICIPAL DEBT

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

Loans (Continued)

<u>Calendar Year</u>	<u>5/28/2015</u>		<u>5/28/2015</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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>\$ 680,000</u>	<u>\$ 269,000</u>	<u>\$ 1,187,512</u>	<u>\$ -</u>

CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

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NOTE 6 - MUNICIPAL DEBT

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

Loans (Continued)

<u>Calendar Year</u>	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>
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>\$ 3,317,449</u>	<u>\$ 577,677</u>

CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

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NOTE 6 - MUNICIPAL DEBT

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

Capital Lease Obligations

<u>Calendar Year</u>	6/4/2009		5/1/2012	
	BCIA - Garbage Truck		BCIA Pension Refunding	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	50,883	946	-	-
	<u>\$ 50,883</u>	<u>\$ 946</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Calendar Year</u>	Total	
	<u>Principal</u>	<u>Interest</u>
	2019	50,883
	<u>\$ 50,883</u>	<u>\$ 946</u>

CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 6 - MUNICIPAL DEBT

D. Summary of Changes in Municipal Debt

General Debt

<u>2018</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Short-Term Debt:</i>					
Bond Anticipation Notes.....	\$ 33,430,644	\$ -	\$ 33,430,644	\$ -	\$ -
<i>Long-Term Debt:</i>					
Serial Bonds.....	15,924,000	37,845,000	2,590,000	51,179,000	7,430,000
Loans.....	3,549,784	-	232,335	3,317,449	232,763
Capital Leases.....	218,533	-	167,650	50,883	50,883
Authorized.....	24,435,152	6,742,500	13,049,102	18,128,550	-
	<u>44,127,469</u>	<u>44,587,500</u>	<u>16,039,087</u>	<u>72,675,882</u>	<u>7,713,646</u>
	<u>\$ 77,558,113</u>	<u>\$ 44,587,500</u>	<u>\$ 49,469,731</u>	<u>\$ 72,675,882</u>	<u>\$ 7,713,646</u>

<u>2017</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Short-Term Debt:</i>					
Bond Anticipation Notes.....	\$ 32,155,703	\$ 8,201,799	\$ 6,926,858	\$ 33,430,644	\$ 33,430,644
<i>Long-Term Debt:</i>					
Serial Bonds.....	18,144,000	-	2,220,000	15,924,000	2,590,000
Loans.....	3,931,699	-	381,915	3,549,784	232,335
Capital Leases.....	374,978	-	156,445	218,533	167,650
Authorized.....	27,997,151	4,759,800	8,321,799	24,435,152	-
	<u>50,447,828</u>	<u>4,759,800</u>	<u>11,080,159</u>	<u>44,127,469</u>	<u>2,989,985</u>
	<u>\$ 82,603,531</u>	<u>\$ 12,961,599</u>	<u>\$ 18,007,017</u>	<u>\$ 77,558,113</u>	<u>\$ 36,420,629</u>

CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 6 - MUNICIPAL DEBT

D. Summary of Changes in Municipal Debt (Continued)

Public Parking Utility Debt

<u>2018</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Short-Term Debt:</i>					
Bond Anticipation Notes.....	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Long-Term Debt:</i>					
Serial Bonds.....	150,000	-	150,000	-	-
Authorized.....	434,000	1,300,000	-	1,734,000	-
	<u>584,000</u>	<u>1,300,000</u>	<u>150,000</u>	<u>1,734,000</u>	<u>-</u>
	<u>\$ 584,000</u>	<u>\$ 1,300,000</u>	<u>\$ 150,000</u>	<u>\$ 1,734,000</u>	<u>\$ -</u>
<u>2017</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Short-Term Debt:</i>					
Bond Anticipation Notes.....	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Long-Term Debt:</i>					
Serial Bonds.....	300,000	-	150,000	150,000	150,000
Authorized.....	434,000	-	-	434,000	-
	<u>734,000</u>	<u>-</u>	<u>150,000</u>	<u>584,000</u>	<u>150,000</u>
	<u>\$ 734,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ 584,000</u>	<u>\$ 150,000</u>

CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 6 - MUNICIPAL DEBT

E. Summary of Changes in Other Liabilities

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

Changes in other long-term liabilities for the years ended December 31, 2018 and 2017 were as follows:

	Beginning			Ending	Due
<u>2018</u>	Balance	Additions	Reductions	Balance	Within
					One Year
Compensated Absences.....	\$ 17,985,178	\$ 441,821	\$ 1,122,995	\$ 17,304,004	\$ -
Net Pension Liability - PFRS....	118,855,685	-	13,677,540	105,178,145	-
Net Pension Liability - PERS...	33,835,747	-	5,130,492	28,705,255	-
Net OPEB Liability.....	394,702,986	11,291,682	-	405,994,668	-
	<u>\$ 565,379,596</u>	<u>\$ 11,733,503</u>	<u>\$ 19,931,027</u>	<u>\$ 557,182,072</u>	<u>\$ -</u>

	Beginning			Ending	Due
<u>2017</u>	Balance	Additions	Reductions	Balance	Within
					One Year
Compensated Absences.....	\$ 17,964,481	\$ 677,536	\$ 656,839	\$ 17,985,178	\$ -
Net Pension Liability - PFRS....	148,988,129	-	30,132,444	118,855,685	-
Net Pension Liability - PERS...	43,420,400	-	9,584,653	33,835,747	-
Net OPEB Liability.....	-	394,702,986	-	394,702,986	-
	<u>\$ 210,373,010</u>	<u>\$ 395,380,522</u>	<u>\$ 40,373,936</u>	<u>\$ 565,379,596</u>	<u>\$ -</u>

(A)

(A) The \$394,702,986 addition to Net OPEB Liability represents the initial balance of the Net OPEB Liability as of December 31, 2016 resulting from the implementation of GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefit Other than Pension" during the year ended December 31, 2018.

NOTE 7 - RISK MANAGEMENT

Insurance Coverage

The City is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The City has obtained commercial insurance coverage to guard against these events to minimize the exposure to the City should they occur.

The City is a member of South Bergen Municipal Joint Insurance Fund (SBJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The SBJIF and MEL coverage amounts are on file with the City.

The relationship between the City and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The City is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

There has been no significant reduction in insurance coverage from the previous year; however there has been settlements in excess of insurance coverage within the prior three years.



CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
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NOTE 8 - INTERFUNDS

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

2018

	Interfunds Receivable	Interfunds Payable
Current Fund.....	\$ -	\$ -
Trust Fund.....	-	-
General Capital Fund.....	-	-
PPU Operating Fund.....	-	-
PPU Capital Fund.....	-	-
	\$ -	\$ -
	\$ -	\$ -

2017

	Interfunds Receivable	Interfunds Payable
Current Fund.....	\$ -	\$ -
Trust Fund.....	-	-
General Capital Fund.....	-	-
PPU Operating Fund.....	-	-
PPU Capital Fund.....	-	-
	\$ -	\$ -
	\$ -	\$ -

CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 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, the following deferred charges are shown on the balance sheet of the Current Fund:

2018

	<u>Balance December 31,</u>	<u>Appropriated in Subsequent Year's Budget</u>	<u>Balance to Succeeding</u>
Current Fund:			
Overexpenditures.....	\$ -	\$ -	\$ -
Expenditures Without Appropriations.....	-	-	-
Deficit in Operations.....	-	-	-
Emergency Authorizations .....	-	-	-
Special Emergency Authorizations (40A:4-53).....	380,000	190,000	190,000
	<u>\$ 380,000</u>	<u>\$ 190,000</u>	<u>\$ 190,000</u>

2017

	<u>Balance December 31,</u>	<u>Appropriated in Subsequent Year's Budget</u>	<u>Balance to Succeeding</u>
Current Fund:			
Overexpenditures.....	\$ -	\$ -	\$ -
Expenditures Without Appropriations.....	-	-	-
Deficit in Operations.....	-	-	-
Emergency Authorizations .....	-	-	-
Special Emergency Authorizations (40A:4-53).....	570,000	190,000	380,000
	<u>\$ 570,000</u>	<u>\$ 190,000</u>	<u>\$ 380,000</u>

#### NOTE 10 - RETIREMENT PLANS

*The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those City employees who are eligible for pension coverage.*

##### Police and Firemen's Retirement System (PFRS)

Established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. PFRS is a cost-sharing multi-employer defined benefit pension plan.

##### Public Employees' Retirement System (PERS)

Established in January 1955, under the provisions of N.J.S.A. 43: 15A to provide coverage, including post-retirement health care for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and, if applicable, 25 years for post-retirement healthcare coverage. PERS is a cost-sharing multi-employer defined benefit pension plan.

*The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those City employees who are eligible for pension coverage.*

##### Defined Contribution Retirement Program (DCRP)

Established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) 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 are eligible for participation in the DCRP. DCRP is a defined contribution pension plan.

##### Other Pension Funds

The state 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.

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 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which includes the CPFPPF. 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 PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation. According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

## NOTE 10 - RETIREMENT PLANS

### Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

### Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at [www.state.nj/treasury/doinvest](http://www.state.nj/treasury/doinvest).

### Collective Net Pension Liability

The collective net pension liability of the participating employers for PERS at June 30, 2018 and 2017 is \$43.4 billion and \$48.9 billion, respectively, and the plan fiduciary net position as a percentage of the total pension liability is 40.45% and 36.78%, respectively. The collective net pension liability of the participating employers for PFRS at June 30, 2018 and 2017 is \$19.7 billion and \$21.6 billion, respectively and the plan fiduciary net position as a percentage of total pension liability is 57.91% and 54.52%, respectively. The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 and 2016 which were rolled forward to June 30, 2018 and 2017, respectively.

### Actuarial Methods and Assumptions

In the July 1, 2017 and 2016 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

NOTE 10 - RETIREMENT PLANS

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2018 and 2017 based on 10.0% for PFRS, 7.50% (effective July 1, 2018) and 7.34% (effective July 1, 2017) for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2018 and 2017 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the City for 2018, 2017 and 2016 were equal to the required contributions.

During the years ended December 31, 2018, 2017 and 2016, the City, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended December 31,</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2018	\$ 7,195,332	\$ 1,428,894	\$ 11,136
2017	\$ 6,738,981	\$ 1,371,083	\$ 11,283
2016	\$ 6,435,365	\$ 1,255,467	\$ 9,497

CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 10 - RETIREMENT PLANS

Police and Firemen's Retirement System (PFRS)

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

	<u>2018</u>		<u>2017</u>	
	<u>Liability</u>	<u>Actuarial Valuation Percentage</u>	<u>Liability</u>	<u>Actuarial Valuation Percentage</u>
The City's PFRS liability and proportionate share at December 31 was.....	\$ 105,178,145	0.777275173	\$ 118,855,685	0.769887107

	<u>2018</u>		<u>2017</u>	
	<u>Actuarial Valuation</u>	<u>Actual Contributions</u>	<u>Actuarial Valuation</u>	<u>Actual Contributions</u>
The City's pension expense calculations for years ended December 31, were.....	\$ 9,470,075	\$ 7,195,332	\$ 11,882,067	\$ 6,738,981

The City's deferred outflows of resources and deferred inflows of resources related to PFRS pension; which are not reported on the City's financial statements are from the following sources at December 31:

	<u>2018</u>		<u>2017</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience.....	\$ -	\$ 435,252	\$ 771,066	\$ 697,584
Changes of assumptions.....	1,070,050	26,955,343	14,656,230	19,465,086
Net difference between projected and actual earnings on pension plan investments.....	9,028,129	575,420	2,268,045	-
Changes in proportion and differences between City contributions and proportionate share of contributions.....	3,959,976	983,954	4,369,169	1,258,036
Total	<u>\$ 14,058,155</u>	<u>\$ 28,949,969</u>	<u>\$ 22,064,510</u>	<u>\$ 21,420,706</u>

NOTE 10 - RETIREMENT PLANS

Police and Firemen's Retirement System (PFRS)

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

Actuarial Assumptions

The City's total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	2018	2017
Inflation	2.25%	2.25%
Salary Increases:		
Thru 2026	2.10% - 8.98% based on age	2.10% - 8.98% based on age
Thereafter	3.10% - 9.98% based on age	3.10% - 9.98% based on age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2017 and 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014, respectively.

NOTE 10 - RETIREMENT PLANS

Police and Firemen's Retirement System (PFRS)

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2018 and 2017, as reported for the years ended December 31, 2018 and 2017, respectively, are summarized in the following tables:

Asset Class	2018		2017	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%	5.00%	5.51%
Cash equivalents	5.50%	1.00%	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%	3.00%	1.87%
Investment grade credit	10.00%	3.78%	10.00%	3.78%
Public high yield	2.50%	6.82%	2.50%	6.82%
Global diversified credit	5.00%	7.10%	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%	1.00%	6.60%
Debt related private equity	2.00%	10.63%	2.00%	10.63%
Debt related real estate	1.00%	6.61%	1.00%	6.61%
Private real asset	2.50%	11.83%	2.50%	11.83%
Equity related real estate	6.25%	9.23%	6.25%	9.23%
U.S. equity	30.00%	8.19%	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%	11.50%	9.00%
Emerging markets equity	6.50%	11.64%	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%	8.25%	13.08%
	<u>100.00%</u>		<u>100.00%</u>	



NOTE 10 - RETIREMENT PLANS

Police and Firemen's Retirement System (PFRS)

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

Discount Rate

	2018		2017	
	Measurement Date	Discount Rate	Measurement Date	Discount Rate
The discount rate used to measure total pension liabilities was as follows.....	06/30/18	6.51%	06/30/17	6.14%

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

	2018	2017
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2062	Through June 30, 2057
Municipal Bond Rate *	From July 1, 2062 and Thereafter	From July 1, 2057 and Thereafter

\*The municipal bond return rate used is 3.87% and 3.58% as of the measurement dates of June 30, 2018 and 2017, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AAa or higher.

NOTE 10 - RETIREMENT PLANS

Police and Firemen's Retirement System (PFRS)

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

Sensitivity of Net Pension Liability

The following presents the City's proportionate share of the PFRS net pension liability as of December 31, 2018 and 2017 calculated using the discount rate of 6.51% and 6.14%, respectively, as well as what the City's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 5.51% and 5.14%, respectively or 1-percentage-point higher 7.51% and 7.14%, respectively than the current rate:

<u>2018</u>	1.00% Decrease <u>5.51%</u>	Current Discount Rate <u>6.51%</u>	1.00% Increase <u>7.51%</u>
The City's Proportionate Share of the PFRS Net Pension Liability.....	<u>\$ 106,303,165</u>	<u>\$ 105,178,145</u>	<u>\$ 104,053,125</u>
<u>2017</u>	1.00% Decrease <u>5.14%</u>	Current Discount Rate <u>6.14%</u>	1.00% Increase <u>7.14%</u>
The City's Proportionate Share of the PFRS Net Pension Liability.....	<u>\$ 120,121,993</u>	<u>\$ 118,855,685</u>	<u>\$ 117,589,377</u>

The sensitivity analysis was based on the proportionate share of the City's net pension liability at December 31, 2018 and 2017. A sensitivity analysis specific to the City's net pension liability was not provided by the pension system.

NOTE 10 - RETIREMENT PLANS

Police and Firemen's Retirement System (PFRS)

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

Special Funding Situation

Under N.J.S.A. 43:16A-15, the City is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 20 I, P .L. 200 I. The amounts contributed on behalf of the City by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the City's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2018 and 2017, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$14,286,712 and \$13,312,838, respectively. For the years ended December 31, 2018 and 2017, the pension system has determined the State's proportionate share of the pension expense attributable to the City for the PFRS special funding situation is \$1,692,238 and \$1,628,461, respectively, which are more than the actual contributions the State made on behalf of the City of \$846,118 and \$665,698, respectively. At December 31, 2018 (measurement date June 30, 2018) the State's share of the PFRS net pension liability attributable to the City was 0.7772751731 percent, which was an increase of .00738 percent from its proportionate share measured as of December 31, 2017 (measurement date June 30, 2017) of .7698871067 percent. The State's proportionate share attributable to the City was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the City's financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the PFRS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. report may be accessed via the New Jersey, Division of Pensions and Benefits, website [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 10 - RETIREMENT PLANS

Public Employees' Retirement System (PERS)

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

	<u>2018</u>		<u>2017</u>	
	<u>Liability</u>	<u>Actuarial Valuation Percentage</u>	<u>Liability</u>	<u>Actuarial Valuation Percentage</u>
The City's PERS liability and proportionate share at December 31 was.....	\$ 28,705,255	0.14578965	\$ 33,835,747	0.145352535

	<u>2018</u>		<u>2017</u>	
	<u>Actuarial Valuation</u>	<u>Actual Contributions</u>	<u>Actuarial Valuation</u>	<u>Actual Contributions</u>
The City's pension expense calculations for years ended December 31, were.....	\$ 1,441,729	\$ 1,428,894	\$ 2,273,451	\$ 1,371,083

The City's deferred outflows of resources and deferred inflows of resources related to PERS pension; which are not reported on the City's financial statements are from the following sources at December 31:

	<u>2018</u>		<u>2017</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience.....	\$ 547,414	\$ 148,014	\$ 796,715	\$ -
Changes of assumptions.....	4,730,151	9,178,414	6,816,737	6,791,746
Net difference between projected and actual earnings on pension plan investments.....	-	269,257	230,399	-
Changes in proportion and differences between City contributions and proportionate share of contributions.....	1,093,252	1,121,471	1,446,113	1,722,472
Total	<u>\$ 6,370,817</u>	<u>\$ 10,717,156</u>	<u>\$ 9,289,964</u>	<u>\$ 8,514,218</u>

NOTE 10 - RETIREMENT PLANS

Public Employees' Retirement System (PERS)

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

Actuarial Assumptions

The City's total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	2018	2017
Inflation	2.25%	2.25%
Salary Increases:		
Thru 2026	1.65% - 4.15% based on age	1.65% - 4.15% based on age
Thereafter	2.65% - 5.15% based on age	2.65% - 5.15% based on age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2017 and 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014, respectively.

NOTE 10 - RETIREMENT PLANS

Public Employees' Retirement System (PERS)

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2018 and 2017, as reported for the years ended December 31, 2018 and 2017, respectively, are summarized in the following tables:

Asset Class	2018		2017	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%	5.00%	5.51%
Cash equivalents	5.50%	1.00%	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%	3.00%	1.87%
Investment grade credit	10.00%	3.78%	10.00%	3.78%
Public high yield	2.50%	6.82%	2.50%	6.82%
Global diversified credit	5.00%	7.10%	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%	1.00%	6.60%
Debt related private equity	2.00%	10.63%	2.00%	10.63%
Debt related real estate	1.00%	6.61%	1.00%	6.61%
Private real asset	2.50%	11.83%	2.50%	11.83%
Equity related real estate	6.25%	9.23%	6.25%	9.23%
U.S. equity	30.00%	8.19%	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%	11.50%	9.00%
Emerging markets equity	6.50%	11.64%	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%	8.25%	13.08%
	<u>100.00%</u>		<u>100.00%</u>	

NOTE 10 - RETIREMENT PLANS

Public Employees' Retirement System (PERS)

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

Discount Rate

	2018		2017	
	Measurement Date	Discount Rate	Measurement Date	Discount Rate
The discount rate used to measure total pension liabilities was as follows.....	06/30/18	5.66%	06/30/17	5.00%

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

	2018	2017
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2046	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2046 and Thereafter	From July 1, 2040 and Thereafter

\*The municipal bond return rate used is 3.87% and 3.58% as of the measurement dates of June 30, 2018 and 2017, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AAa or higher.

NOTE 10 - RETIREMENT PLANS

Public Employees' Retirement System (PERS)

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

Sensitivity of Net Pension Liability

The following presents the City's proportionate share of the PERS net pension liability as of December 31, 2018 and 2017 calculated using the discount rate of 5.66% and 5.00%, respectively, as well as what the City's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 4.66% and 4.00%, respectively or 1-percentage-point higher 6.66% and 6.00%, respectively than the current rate:

<u>2018</u>	1.00% Decrease <u>4.66%</u>	Current Discount Rate <u>5.66%</u>	1.00% Increase <u>6.66%</u>
The City's Proportionate Share of the PERS Net Pension Liability.....	<u>\$ 29,009,530</u>	<u>\$ 28,705,255</u>	<u>\$ 28,400,981</u>
 <u>2017</u>	 1.00% Decrease <u>4.00%</u>	 Current Discount Rate <u>5.00%</u>	 1.00% Increase <u>6.00%</u>
The City's Proportionate Share of the PERS Net Pension Liability.....	<u>\$ 34,191,913</u>	<u>\$ 33,835,747</u>	<u>\$ 33,479,581</u>

The sensitivity analysis was based on the proportionate share of the City's net pension liability at December 31, 2018 and 2017. A sensitivity analysis specific to the City's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. report may be accessed via the New Jersey, Division of Pensions and Benefits, website [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).



CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

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Note 11 - Other Post Retirement Benefits

Plan Description

The City provides post-employment medical benefits, including prescription drug and vision benefits as part of the medical plan, on a self-funded basis administered by Horizon Blue Cross Blue Shield of New Jersey (BCBSNJ).

Benefits Provided

The City provides postretirement healthcare insurance benefits for retirees and their dependents who meet certain eligibility requirements.

Section A: Reported OPEB Liability as of Year End December 31, 2018

1 Discount Rate		3.80%
2 Present Value of Future Benefits as of Year End December 31, 2018	\$	474,061,261
3 Total OPEB Liability as of Year End December 31, 2018	\$	405,994,668
4 Plan Fiduciary Net Position as of Year End December 31, 2018	\$	-
5 Net OPEB Liability as of Year End December 31, 2018: (3) - (4)	\$	405,994,668
6 Plan Fiduciary Net Position as a Percentage of OPEB Liability:		0.00%
7 Total Annual Salary (Compensation) based on Valuation Census Information	\$	37,896,223
8 Net OPEB Liability as a Percentage of Annual Salary: (5) / (7)		1071.33%
9 Total Employee Census Counts for Valuation		
a. Active Employees		424
b. Retired Employees (incl. vested terminations)		199
c. Subtotal: (8a) + (8b)		623

CITY OF HACKENSACK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 11 - Other Post Retirement Benefits

Section B: Projected Expense Calculation as of Year End December 31, 2018

1 Service Cost with Interest to Year End - Period January 1, 2018 to December 31, 2018	\$	4,244,052
2 Interest Cost - Period January 1, 2018 to December 31, 2018		
a. Discount Rate		3.80%
b. Total OPEB Liability as of January 1, 2018	\$	394,702,986
c. Actual Benefit Payments - Illustrated as Project for Period January 1, 2018 to December 31, 2018	\$	7,802,830
d. Interest Cost: (2a) x [ (2b) - (2c) / 2 ]	\$	14,850,460
3 Investment Return - Period January 1, 2018 to December 31, 2018	\$	-
4 Employee Contributions - Period January 1, 2018 to December 31, 2018	\$	-
5 Administrative Expenses	\$	-
6 Plan Changes	\$	-
7 Amortization of Unrecognized Amounts		
a. Liability (Gain)/Loss	\$	-
b. Asset (Gain)/Loss	\$	-
c. Net (Gain)/Loss: (7a) - (7b)	\$	-
8 Total Expense - Period January 1, 2018 to December 31, 2018	\$	19,094,512

Section C: Reconciliation of Net OPEB Liability as of Year End December 31, 2018

	<u>Total</u> <u>OPEB Liability</u>	<u>Plan Fiduciary</u> <u>Net Position</u>	<u>Net</u> <u>OPEB Liability</u>
1 Balance Recognized as of Beginning of Year (End of Prior Year)	\$ 394,702,986	\$ -	\$ 394,702,986
2 Changes Recognized for Fiscal Year			
a. Service Cost: Section B, Line 1	\$ 4,244,052	\$ -	\$ 4,244,052
b. Interest on Total OPEB Liability: Section B, Line 2d	\$ 14,850,460	\$ -	\$ 14,850,460
c. Change in Benefit Terms: Section B, Line 6	\$ -	\$ -	\$ -
d. Change in Expected to Actual	\$ -	\$ -	\$ -
e. Changes in Assumptions	\$ -	\$ -	\$ -
f. Benefit Payments: Section B, Line 2c	\$ (7,802,830)	\$ -	\$ (7,802,830)
g. Contributions from Employer	\$ -	\$ -	\$ -
h. Contributions from Employees	\$ -	\$ -	\$ -
i. Net Investment Income: Section B, Line 3	\$ -	\$ -	\$ -
j. Administrative Expenses: Section B, Line 5	\$ -	\$ -	\$ -
k. Net Changes: (a) + ... + (j)	\$ 11,291,682	\$ -	\$ 11,291,682
3 Balance Recognized as of End Year - December 31, 2018	\$ 405,994,668	\$ -	\$ 405,994,668

CITY OF HACKENSACK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 11 - Other Post Retirement Benefits

Section D: Discount (Interest) Rate Sensitivity as of Year End December 31, 2018

	Current Valuation Discount Rate <u>3.80%</u>	Discount Rate Less 1% <u>2.80%</u>	Discount Rate Plus 1% <u>4.80%</u>
1 Total OPEB Liability as of Year End December 31, 2018			
a. OPEB Liability	\$ 405,994,668	\$ 511,218,429	\$ 331,018,512
b. Ratio to Current Valuation Assumptions	n/a	125.92%	81.53%
2 Plan Fiduciary Net Position as of Year End December 31, 2018			
a. Plan Fiduciary Net Position	\$ -	\$ -	\$ -
b. Ratio to Current Valuation Assumptions	n/a	n/a	n/a
3 Net OPEB Liability as of Year End December 31, 2018			
a. OPEB Liability: (1a) - (2a)	\$ 405,994,668	\$ 511,218,429	\$ 331,018,512
b. Ratio to Current Valuation Assumptions	n/a	125.92%	81.53%

Section E: Healthcare Cost Inflation (Trend) Rate Sensitivity as of Year End December 31, 2018

	Current Valuation Discount Rate	Trend Rate Less 1%	Trend Rate Plus 1%
1 Total OPEB Liability as of Year End December 31, 2018			
a. OPEB Liability	\$ 405,994,668	\$ 315,712,786	\$ 530,830,572
b. Ratio to Current Valuation Assumptions	n/a	77.76%	130.75%
2 Plan Fiduciary Net Position as of Year End December 31, 2018			
a. Plan Fiduciary Net Position	\$ -	\$ -	\$ -
b. Ratio to Current Valuation Assumptions	n/a	n/a	n/a
3 Net OPEB Liability as of Year End December 31, 2018			
a. OPEB Liability: (1a) - (2a)	\$ 405,994,668	\$ 315,712,786	\$ 530,830,572
b. Ratio to Current Valuation Assumptions	n/a	77.76%	130.75%

NOTE 12 - CONTINGENCIES

A. Litigation

The City is a party to various legal proceedings which normally occur in the operation of government. These proceedings are not likely to have a materially adverse affect on the various funds of the City.

B. Tax Appeals

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2018. Amounts claimed have not yet been determined. The City is vigorously defending its assessments in each case. Under the prescribed accounting principles, the City does not recognize any liability, until the cases have been adjudicated. The City expects such amounts, if any, to be material. Funding of any liability would be provided for in succeeding years' budgets, from fund balance or by issuance of refunding bonds.

C. Federal and State Awards

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 grantor agency. If expenditures are disallowed, the City may be required to reimburse the grantor agency. As of December 31, 2018, 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.

D. Federal Arbitrage Rebate

The City is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2018 and 2017, the City has not estimated its estimated arbitrage earnings due to the IRS, if any.

CITY OF HACKENSACK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 13 - FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Fund are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	2018		2017	
	Fund Balance December 31,	Utilized in Subsequent Years' Budget	Fund Balance December 31,	Utilized in Subsequent Years' Budget
Current Fund:				
Cash Surplus	\$ 15,835,678	\$ 4,000,000	\$ 10,303,909	\$ 3,300,000
Non-Cash Surplus	-	-	-	-
	<u>\$ 15,835,678</u>	<u>\$ 4,000,000</u>	<u>\$ 10,303,909</u>	<u>\$ 3,300,000</u>
Utility Operating Fund:				
Cash Surplus	\$ 1,155,505	\$ 360,000	\$ 732,749	\$ 360,000
Non-Cash Surplus	-	-	-	-
	<u>\$ 1,155,505</u>	<u>\$ 360,000</u>	<u>\$ 732,749</u>	<u>\$ 360,000</u>

CITY OF HACKENSACK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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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, there were no material subsequent events requiring disclosure.

SUPPLEMENTARY SCHEDULES



CURRENT FUND

CITY OF HACKENSACK  
 CURRENT FUND  
 STATEMENT OF CHANGE FUNDS  
 YEAR ENDED DECEMBER 31, 2018

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	<u>Ref.</u>		
Balance, December 31, 2017.....	A	\$	450
Increased by:			
			-
			-
			450
Decreased by:			
			-
			-
Balance, December 31, 2018.....	A	\$	450

CITY OF HACKENSACK  
 CURRENT FUND  
 STATEMENT OF DELINQUENT PROPERTY TAXES RECEIVABLE  
 YEAR ENDED DECEMBER 31, 2018

Year	Balance	2018 Levied	Cash Received		Vets & SC Deductions	Cancelled	Balance
	December 31, 2017		2017	2018			December 31, 2018
2017	\$ 182,063	\$ -	\$ -	\$ 170,659	\$ -	\$ 11,179	\$ 225
2018	-	184,425,460	3,186,573	179,879,121	101,866	1,249,509	8,391
	<u>\$ 182,063</u>	<u>\$ 184,425,460</u>	<u>\$ 3,186,573</u>	<u>\$ 180,049,780</u>	<u>\$ 101,866</u>	<u>\$ 1,260,688</u>	<u>\$ 8,616</u>

Analysis of 2018 Property Tax Levy

Tax Yield:

General Purpose Tax	183,884,648
Special Improvement District Tax	430,040
Omitted Taxes (N.J.S.A. 54:4-63.12 et. seq.)	9,014
Added Taxes (N.J.S.A. 54:4-63.1 et. seq.)	101,758
	<u>184,425,460</u>

Tax Levy:

Local District School Tax	82,711,318
County Tax.....	12,806,081
County Open Space Tax	555,609
Municipal Levy...	85,875,294
Library Levy.....	1,892,409
	<u>183,840,711</u>
Duplicate Rounding	43,937
Omitted Taxes (N.J.S.A. 54:4-63.12 et. seq.)	9,014
Added Taxes (N.J.S.A. 54:4-63.1 et. seq.)	101,758
Special Improvement District Tax	430,040
	<u>184,425,460</u>

CITY OF HACKENSACK  
CURRENT FUND  
STATEMENT OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION  
YEAR ENDED DECEMBER 31, 2018

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	<u>Ref.</u>		
Balance, December 31, 2017.....	A	\$	1,311,800
Increased by:			
		_____	-
			_____
			1,311,800
Decreased by:			
		_____	-
			_____
Balance, December 31, 2018.....	A	\$	<u>1,311,800</u>

CITY OF HACKENSACK  
 CURRENT FUND  
 STATEMENT OF DEFERRED CHARGES  
 YEAR ENDED DECEMBER 31, 2018

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<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Balance December 31, 2017</u>	<u>Authorized</u>	<u>Reduced by Budget Appropriation</u>	<u>Adjustments</u>	<u>Balance December 31, 2018</u>
<i>N.J.S.A. 40A:4-53 Special Emergency Authorizations:</i>							
Re-Assessment	950,000	190,000	\$ 570,000	\$ -	\$ 190,000	\$ -	\$ 380,000

CITY OF HACKENSACK  
 GRANT FUND  
 STATEMENT OF GRANTS RECEIVABLE  
 YEAR ENDED DECEMBER 31, 2018

Program	Balance December 31, 2017	Revenue Realized		Cash Received	Unappropriated Reserve Applied	Adjustments	Balance December 31, 2018
		Budget	Added by N.J.S. 40A:4-87				
<u>Federal:</u>							
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Child Nutrition Summer Program	81,040	-	-	40,781	-	-	40,259
	81,040	-	-	40,781	-	-	40,259
<u>State:</u>							
NJ Municipal Alliance on Alcoholism & I	17,700	15,279	-	6,653	-	-	26,326
NJ Clean Communities Program	-	-	72,352	-	72,352	-	-
NJ Drunk Driving Enforcement Fund	-	-	-	-	-	-	-
NJ Law & Public Safety Grant	-	14,800	10,000	-	24,800	-	-
NJ Body Armor Replacement Program	-	-	-	-	-	-	-
NJ Emergency Management Assistance	-	7,000	-	-	7,000	-	-
NJ Assistance to Firefighters Grant	-	-	86,182	-	-	-	86,182
NJ Recycling Tonnage Grant	-	56,045	-	-	56,045	-	-
NJ Body Worn Cameras Grant	15,000	-	-	-	-	(15,000)	-
	32,700	93,124	168,534	6,653	160,197	(15,000)	112,508
<u>Other:</u>							
Bergen County Open Space Grant	35,571	-	-	-	-	-	35,571
	-	-	-	-	-	-	-
	35,571	-	-	-	-	-	35,571
Grand Total	\$ 149,311	\$ 93,124	\$ 168,534	\$ 47,434	\$ 160,197	\$ (15,000)	\$ 188,338

CITY OF HACKENSACK  
 GRANT FUND  
 STATEMENT OF APPROPRIATED RESERVES  
 YEAR ENDED DECEMBER 31, 2018

Program	Balance December 31, 2017	Appropriated		Expended	Adjustments	Balance December 31, 2018
		Budget	Added by N.J.S. 40A:4-87			
<b>Federal:</b>						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COPS Fast	51,016	-	-	-	-	51,016
	-	-	-	-	-	-
	-	-	-	-	-	-
Emergency Operation Center	154,116	-	-	1,500	-	152,616
Child Nutrition Summer Program	140,798	-	-	41,746	-	99,052
	<u>345,930</u>	<u>-</u>	<u>-</u>	<u>43,246</u>	<u>-</u>	<u>302,684</u>
<b>State:</b>						
NJ Clean Communities Program	60,626	-	72,352	93,863	-	39,115
NJ Municipal Alliance on Alcoholism & Drug Abuse	15,214	22,252	-	14,430	-	23,036
NJ Alcohol Education & Rehabilitation Fund	295	-	-	-	-	295
NJ Law & Public Safety Grant	16,400	14,800	10,000	16,000	-	25,200
NJ Assistance to Firefighters Grant	-	-	86,182	-	-	86,182
NJ Body Worn Cameras Grant	15,000	-	-	-	(15,000)	-
NJ Safe & Secure Communities Grant	15,000	-	-	-	-	15,000
NJ Recycling Tonnage Grant	79,411	56,045	-	88,562	-	46,894
NJ Body Armor Replacement Program	9,499	-	-	9,499	-	-
NJ Drunk Driving Enforcement Fund	37,151	-	-	17,000	-	20,151
NJ Emergency Management Assitance	-	7,000	-	-	-	7,000
	-	-	-	-	-	-
NJEDA State Street Site Remediation	3	-	-	-	-	3
NJDEP Recycling Assistance Grant	11,408	-	-	-	-	11,408
	<u>260,007</u>	<u>100,097</u>	<u>168,534</u>	<u>239,354</u>	<u>(15,000)</u>	<u>274,284</u>
<b>Other:</b>						
Puffin Foundation Grant - Mural	1,000	-	-	-	-	1,000
Bergen County Open Space Grant	68,988	-	-	68,988	-	-
	<u>69,988</u>	<u>-</u>	<u>-</u>	<u>68,988</u>	<u>-</u>	<u>1,000</u>
<b>Grand Total</b>	<b>\$ 675,925</b>	<b>\$ 100,097</b>	<b>\$ 168,534</b>	<b>\$ 351,588</b>	<b>\$ (15,000)</b>	<b>\$ 577,968</b>
	Ref. A					A

CITY OF HACKENSACK  
 GRANT FUND  
 STATEMENT OF UNAPPROPRIATED RESERVES  
 YEAR ENDED DECEMBER 31, 2018

Program	Balance December 31, 2017	Appropriated		Received in 2018	Adjustments	Balance December 31, 2018
		Budget	Added by N.J.S. 40A:4-87			
Child Nutrition Summer Program	\$ 1,140	\$ -	\$ -	\$ -	\$ -	\$ 1,140
Safe and Secure Communities	-	-	-	15,000	-	15,000
NJ Law & Public Safety Grant	14,800	14,800	10,000	10,000	-	-
NJ Clean Communities Program	-	-	72,352	72,352	-	-
NJ Body Armor Replacement Program	-	-	-	-	-	-
NJ Emergency Management Assitance	7,000	7,000	-	-	-	-
NJ Recycling Tonnage Grant	56,045	56,045	-	-	-	-
	<u>\$ 78,985</u>	<u>\$ 77,845</u>	<u>\$ 82,352</u>	<u>\$ 97,352</u>	<u>\$ -</u>	<u>\$ 16,140</u>
<i>Ref.</i>	A					A



TRUST FUND

CITY OF HACKENSACK  
TRUST FUND  
STATEMENT OF TRUST FUND RESERVES  
YEAR ENDED DECEMBER 31, 2018

Purpose	Balance December 31, 2017	Receipts	Disbursements	Balance December 31, 2018
National Night Out	8,733	-	1,329	7,404
Fire Dept. Donations	57,761	16,300	4,422	69,639
DARE / Municipal Alliance	8,219	6,448	6,503	8,164
Outside Police Employment	-	1,576,715	1,445,484	131,231
Local Code Enforcement	39,800	12,170	17,607	34,363
Uniform Fire Safety Act Penalties	636,726	172,574	249,611	559,689
Self Insurance - Health Benefits	-	494,307	-	494,307
Accumulated Absence	915,025	469,542	105,488	1,279,079
Affordable Housing	981,068	1,964	18,794	964,238
Developers' Escrow	2,118,563	2,224,352	1,995,372	2,347,543
Federal Equitable Sharing Program	86,546	274,931	104,537	256,940
POAA - Municipal Court	64,407	25,788	6,691	83,504
Public Defender	70,337	46,945	35,000	82,282
Recreation Programs	202,038	209,796	204,149	207,685
Reserve for Other Trust Expenditures	56,011	79,611	22,844	112,778
Self Insurance - Dental	192,939	342,068	431,160	103,847
Self Insurance - Liability	61,402	2,097,807	2,097,515	61,694
Self Insurance - Workers' Compensation	18,431	1,030,517	1,030,276	18,672
Snow / Debris Removal	636,628	196,923	-	833,551
Tax Sale Premiums	4,576,608	2,009,000	3,456,100	3,129,508
Unemployment	153,775	44,824	168,918	29,681
	<u>\$ 10,885,017</u>	<u>\$ 11,332,582</u>	<u>\$ 11,401,800</u>	<u>\$ 10,815,799</u>

GENERAL CAPITAL FUND

CITY OF HACKENSACK  
GENERAL CAPITAL FUND  
STATEMENT OF GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2018

Program	Balance December 31, 2017	Improvement Authorized	Received	Unappropriated Reserve Applied	Reprogram/ Cancelled/ Adjustments	Balance December 31, 2018
<u>Federal</u>						
U.S. DOT Passed Thru - NJDOT - #22-07	300,000	-	-	-	300,000	-
U.S. DOT Passed Thru - NJDOT - #12-16	195,129	-	-	-	-	195,129
U.S. EPA Passed Thru - NJDEP - #31-14	35,679	-	-	-	-	35,679
Federal Emergency Management Agency	75,000	-	-	-	75,000	-
CDBG - Road Improvements - #04-17	330,063	-	330,063	-	-	-
CDBG - Road Improvements - #12-16	292,029	-	292,029	-	-	-
	<u>1,227,900</u>	<u>-</u>	<u>622,092</u>	<u>-</u>	<u>375,000</u>	<u>230,808</u>
<u>State of New Jersey</u>						
#09-18 NJDOT - Main St. Streetscape	-	179,269	83,442	-	-	95,827
#40-17 Green Acres Grant	600,000	-	-	-	-	600,000
	<u>600,000</u>	<u>179,269</u>	<u>83,442</u>	<u>-</u>	<u>-</u>	<u>695,827</u>
<u>Other:</u>						
Bergen County Open Space - #40-17	100,000	-	-	-	-	100,000
Bergen County Adaptive Signal Grant	1,575,000	-	-	-	-	1,575,000
	<u>1,675,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,675,000</u>
	<u>3,502,900</u>	<u>179,269</u>	<u>705,534</u>	<u>-</u>	<u>375,000</u>	<u>2,601,635</u>

CITY OF HACKENSACK  
GENERAL CAPITAL FUND  
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
YEAR ENDED DECEMBER 31, 2018

Description	Balance December 31, 2017	Issued In 2018	Paid by Budget Appropriation	Adjustments	Balance December 31, 2018
Serial Bonds Payable.....	\$ 15,924,000	\$ 37,845,000	\$ 2,590,000	\$ -	\$ 51,179,000
Capital Lease Obligations Payable.....	218,533	-	167,650	-	50,883
Loans Payable.....	3,549,784	-	232,335	-	3,317,449
	<u>\$ 19,692,317</u>	<u>\$ 37,845,000</u>	<u>\$ 2,989,985</u>	<u>\$ -</u>	<u>\$ 54,547,332</u>

CITY OF HACKENSACK  
GENERAL CAPITAL FUND  
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
YEAR ENDED DECEMBER 31, 2018

Improvement	Balance December 31, 2017	Debt Authorized	Paid by Budget Appropriation	Paid by Budget Appropriation	Paid by Budget Appropriation	Premium Applied	Cancelled	Serial Bonds Issued	Serial Bonds Issued	Cancelled/ Adjusted	Balance December 31, 2018	Analysis of Balance			
												Outstanding BANS	B&N Authorized	Capital Cash	
#07-00/#41-10 Various Public Improvements (Reappropriated)	120,653.00	-	-	-	-	120,653.00	-	-	-	-	-	-	-	-	-
#05-04 Various Public Improvements	22,076.87	-	-	-	-	22,076.87	-	-	-	-	-	-	-	-	-
#30-10 Resurfacing of Various Roads	27,658.37	-	-	-	-	27,658.37	-	-	-	-	-	-	-	-	-
#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	-	-	-	-	-	-	-	-	-
#23-11 Road Resurfacing - Kaplan/Sutton/Simons	302,423.00	-	11,823.00	-	-	-	-	290,600.00	-	-	-	-	-	-	-
#28-12 Various Communication Equipment	475,000.00	-	-	-	-	18,000.00	-	457,000.00	-	-	-	-	-	-	-
#10-13 Various Road Impts. - Hudson & Main Streets	98,609.07	-	-	-	-	98,609.07	-	-	-	-	-	-	-	-	-
#11-13 Various Road Improvements - CDBG	153,021.00	-	5,821.00	-	-	-	-	147,200.00	-	-	-	-	-	-	-
#18-13 Various Improvements to Firehouse #2	260,526.00	-	10,326.00	-	-	-	-	250,200.00	-	-	-	-	-	-	-
#09-14 Acquisition of Ladder Truck	218,700.00	-	8,900.00	-	-	-	-	209,800.00	-	-	-	-	-	-	-
#16-14 Various Road Improvements	227,742.00	-	9,342.00	-	-	-	-	218,400.00	-	-	-	-	-	-	-
#25-14 Improvements to Atlantic Street Park	349,415.00	-	13,615.00	-	-	-	-	335,800.00	-	-	-	-	-	-	-
#30-14 Various Capital Improvements	335,547.00	-	13,247.00	-	-	-	-	322,300.00	-	-	-	-	-	-	-
#31-14 Water Infrastructure Improvements	257,678.00	-	10,378.00	-	-	-	-	247,300.00	-	-	-	-	-	-	-
#10-15 Various Road Improvements	628,796.00	-	24,496.00	-	-	-	-	604,300.00	-	-	-	-	-	-	-
#26-15/31-16 Performing Arts Center & Road Improvements	2,601,750.00	-	99,050.00	-	-	-	-	2,502,700.00	-	-	-	-	-	-	-
#12-16 Various Road Improvements	986,729.25	-	37,929.00	-	0.25	-	-	948,800.00	-	-	-	-	-	-	-
#13-16 Main & State Streets Two Way Conversion	3,800,000.00	-	143,600.00	-	-	-	-	3,656,400.00	-	-	-	-	-	-	-
#15-16 M&M Recreation Building Revocations	7,800,000.00	-	-	-	-	294,800.00	-	7,505,200.00	-	-	-	-	-	-	-
#14-16 Sports Facility - Johnson Park	6,650,000.00	-	-	-	-	-	-	-	-	-	6,650,000.00	-	6,650,000.00	-	-
#22-16 Acquisition of Riparian Rights	1,570,000.00	-	-	-	-	-	-	-	-	-	1,570,000.00	-	1,570,000.00	-	-
#39-14 CSO Sewer Separation - Phase I	1,880,350.00	-	-	-	-	-	-	-	-	-	1,880,350.00	-	1,880,350.00	-	-
#29-16 Acquisition of Fire Pumper	813,320.00	-	31,020.00	-	-	-	-	782,300.00	-	-	-	-	-	-	-
#04-17 Acquisition of Garbage Trucks/ Road Improvements	1,704,600.00	-	-	-	-	65,000.00	-	1,639,600.00	-	-	-	-	-	-	-
#22-17 Various Public Improvements	1,769,500.00	-	-	-	32,261.35	12,213.58	22,925.07	1,702,100.00	-	-	-	-	-	-	-
#40-17 Foschini Park Improvements	1,285,700.00	-	-	-	-	-	-	-	-	-	1,285,700.00	-	1,285,700.00	-	-
#40-16 Back Pay Refund	2,400,000.00	-	-	-	722,000.00	-	-	-	1,678,000.00	-	-	-	-	-	-
#24-14 Tax Appeal Refunding (2014)	4,942,855.00	-	180,453	1,371,885	-	737,517.00	-	2,653,000	-	-	-	-	-	-	-
#39-15 Tax Appeal Refunding (2015)	7,250,000.00	-	-	1,767,000	-	372,000.00	-	5,111,000	-	-	-	-	-	-	-
#33-16 Tax Appeal Refunding (2016)	8,627,142.00	-	-	1,566,142	342,457.40	135,542.60	-	6,583,000	-	-	-	-	-	-	-
#09-18 Garbage Trucks	-	761,800.00	-	-	-	-	-	-	-	-	761,800.00	-	761,800.00	-	-
#19-18 UST / HVAC	-	552,300.00	-	-	-	-	-	-	-	-	552,300.00	-	552,300.00	-	-
#32-18 Adaptive Signal	-	1,809,500.00	-	-	-	-	-	-	-	-	1,809,500.00	-	1,809,500.00	-	-
#51-18 Various Capital Improvements	-	3,618,900.00	-	-	-	-	-	-	-	-	3,618,900.00	-	3,618,900.00	-	-
	<b>57,865,796.07</b>	<b>6,742,500.00</b>	<b>600,000.00</b>	<b>4,705,027.00</b>	<b>1,096,719.00</b>	<b>2,210,075.00</b>	<b>22,925.07</b>	<b>21,820,000.00</b>	<b>16,025,000.00</b>	<b>-</b>	<b>18,128,550.00</b>	<b>-</b>	<b>18,128,550.00</b>	<b>-</b>	<b>-</b>

CITY OF HACKENSACK  
 GENERAL CAPITAL FUND  
 STATEMENT OF RESERVE FOR ENCUMBRANCES  
 YEAR ENDED DECEMBER 31, 2018

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Balance, December 31, 2017		\$	29,309
Increased by:			
Accrued	\$	-	
		-	
		-	
			-
			29,309
Decreased by:			
Disbursed	\$	29,309	
Cancelled		-	
		-	
			29,309
Balance, December 31, 2018		\$	-

CITY OF HACKENSACK  
GENERAL CAPITAL FUND  
STATEMENT OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2018

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2017	Issued In 2018	Paid by Budget Appropriation	Balance December 31, 2018
01/01/08 General Improvement Bonds.....	\$ 11,900,000	\$ 7,505,000	\$ -	\$ 1,430,000	\$ 6,075,000
04/11/08 Refunding Bonds.....	5,865,000	615,000	-	615,000	-
05/01/13 General Improvement Bonds - "A".....	6,170,000	4,885,000	-	345,000	4,540,000
05/01/13 General Improvement Bonds - "B".....	3,679,000	2,919,000	-	200,000	2,719,000
04/12/18 General Improvement Bonds.....	21,820,000	-	21,820,000	-	21,820,000
04/12/18 Refunding Bonds.....	16,025,000	-	16,025,000	-	16,025,000
		<u>\$ 15,924,000</u>	<u>\$ 37,845,000</u>	<u>\$ 2,590,000</u>	<u>\$ 51,179,000</u>
	<i>Ref.</i>	<i>C</i>			<i>C</i>

BANs	\$ 10,516,100
Authorized but not Issed	<u>11,303,900</u>
	<u>\$ 21,820,000</u>
BANs	<u>\$ 16,025,000</u>



CITY OF HACKENSACK  
 GENERAL CAPITAL FUND  
 STATEMENT OF CAPITAL LEASE OBLIGATIONS PAYABLE  
 YEAR ENDED DECEMBER 31, 2018

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2017	Issued In 2018	Paid by Budget Appropriation	Balance December 31, 2018
06/04/09 BCIA - Garbage Trucks	456,750.00	\$ 100,533	\$ -	\$ 49,650	\$ 50,883
05/01/12 BCIA - Pension Refunding	520,000.00	118,000	-	118,000	-
		<u>\$ 218,533</u>	<u>\$ -</u>	<u>\$ 167,650</u>	<u>\$ 50,883</u>
		<i>Ref.</i> C			C

CITY OF HACKENSACK  
GENERAL CAPITAL FUND  
STATEMENT OF LOANS PAYABLE  
YEAR ENDED DECEMBER 31, 2018

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2017	Issued In 2018	Paid by Budget Appropriation	Balance December 31, 2018
10/15/00 - Series 2000 - NJEIT Wastewater Treatr	495,000.00	\$ 110,000	\$ -	\$ 35,000	\$ 75,000
09/30/10 - Series 2010A - NJEIT Wastewater Tre	527,500.00	348,687	-	26,822	321,865
12/2/2010 - Series 2010B - NJEIT Wastewater Tre	980,000.00	765,000	-	45,000	720,000
5/28/15 - Series 2015A-1 - NJEIT Wastewater Tre	760,000.00	710,000	-	30,000	680,000
5/28/15 - Series 2015A-1 - NJEIT Wastewater Tre	1,459,650.00	1,261,731	-	74,220	1,187,511
12/4/12 - Green Acres Trust Loan - Second Ward	445,113.00	354,366	-	21,293	333,073
		<u>\$ 3,549,784</u>	<u>\$ -</u>	<u>\$ 232,335</u>	<u>\$ 3,317,449</u>
	<i>Ref.</i>	C			C

CITY OF HACKENSACK  
GENERAL CAPITAL FUND  
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2018

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2017	Paid by Budget Appropriation	Paid by Budget Appropriation	Paid by Budget Appropriation	Premium Applied	Serial Bonds Issued	Serial Bonds Issued	Balance December 31, 2018
#23-11 Road Resurfacing - Kaplan/Sutton/Simons	570,000	07/11/14	04/20/17	04/18/18	1.44%	302,423	11,823	-	-	-	290,600	-	-
#11-13 Various Road Improvements - CDBG	238,034	07/11/14	04/20/17	04/18/18	1.44%	153,021	5,821	-	-	-	147,200	-	-
#18-13 Various Improvements to Firehouse #2	275,000	07/11/14	04/20/17	04/18/18	1.44%	260,526	10,326	-	-	-	250,200	-	-
#09-14 Acquisition of Ladder Truck	231,400	07/11/14	04/20/17	04/18/18	1.44%	218,700	8,900	-	-	-	209,800	-	-
#16-14 Various Road Improvements	760,000	07/11/14	04/20/17	04/18/18	1.44%	227,742	9,342	-	-	-	218,400	-	-
#25-14 Improvements to Atlantic Street Park	617,500	07/16/15	04/20/17	04/18/18	1.44%	349,415	13,615	-	-	-	335,800	-	-
#30-14 Various Capital Improvements	411,350	07/16/15	04/20/17	04/18/18	1.44%	335,547	13,247	-	-	-	322,300	-	-
#31-14 Water Infrastructure Improvements	513,000	07/16/15	04/20/17	04/18/18	1.44%	257,678	10,378	-	-	-	247,300	-	-
#10-15 Various Road Improvements	1,036,000	07/16/15	04/20/17	04/18/18	1.44%	628,796	24,496	-	-	-	604,300	-	-
#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	99,050	-	-	-	2,502,700	-	-
#12-16 Various Public Improvements	986,729.00	11/02/17	11/02/17	04/18/18	1.19%	986,729	37,929	-	-	-	948,800	-	-
#13-16 Various Public Improvements	3,800,000.00	11/02/17	11/02/17	04/18/18	1.19%	3,800,000	143,600	-	-	-	3,656,400	-	-
#29-16 Various Public Improvements	813,320.00	11/02/17	11/02/17	04/18/18	1.19%	813,320	31,020	-	-	-	782,300	-	-
						<u>10,935,647</u>	<u>419,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,516,100</u>	<u>-</u>	<u>-</u>
#40-16 Back Pay Refund - Emergency	3,000,000	12/28/16	12/28/16	04/18/18	2.25%	2,400,000	-	-	722,000	-	-	1,678,000	-
#24-14 Tax Appeal Refunding (2014)	7,925,000	11/13/14	11/07/16	04/18/18	1.50%	4,217,855	180,453	1,371,885	-	12,517.00	-	2,653,000	-
#39-15 Tax Appeal Refunding (2015)	10,150,000	11/10/15	11/07/16	04/18/18	1.50%	7,250,000	-	1,767,000	-	372,000.00	-	5,111,000	-
#33-16 Tax Appeal Refunding (2016)	10,065,000	11/07/16	11/07/16	04/18/18	1.50%	8,627,142	-	1,566,142	342,457.40	135,543.00	-	6,583,000	-
						<u>20,094,997</u>	<u>180,453</u>	<u>4,705,027</u>	<u>342,457</u>	<u>520,060</u>	<u>-</u>	<u>14,347,000</u>	<u>-</u>
						<u>33,430,644</u>	<u>600,000</u>	<u>4,705,027</u>	<u>1,064,457</u>	<u>520,060</u>	<u>10,516,100</u>	<u>16,025,000</u>	<u>-</u>

CITY OF HACKENSACK  
GENERAL CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2018

Description	Ordinance		Balance - January 1, 2018		Authorized					Balance - December 31, 2018	
	Date	Amount	Funded	Unfunded	Capital Improvement Fund	Capital Surplus	Bonds & Notes Authorized	Expended	Cancelled	Funded	Unfunded
	#11-09 Public Training Facility/Imp to Various Parks	04/20/09	1,000,000	187,365	-	-	-	-	-	187,365	-
#18-13 Various Improvements to Firehouse #2	08/20/13	300,000	-	68,552	-	-	-	-	-	68,552	-
#24-14 Tax Appeal Refunding (2014)	09/16/14	8,650,000	-	13,022	-	-	-	13,022	-	-	-
#25-14 Improvements to Atlantic Street Park	08/18/14	650,000	-	24,420	-	-	-	500	23,920	-	-
#31-14 Water Infrastructure Improvements	09/16/14	540,000	-	53,426	-	-	-	24,027	-	29,399	-
#37-14 Improvements to Firehouse #2	2014	200,000	60,387	-	-	-	-	-	-	60,387	-
#38-14 Acquisition of DPW Equipment	2014	400,000	23,138	-	-	-	-	12,100	-	11,038	-
#39-14 CSO Sewer Separation - Phase I	2014	4,100,000	-	874,745	-	-	-	242,462	-	-	632,283
#01-15 Improvements to Atlantic Street Park	2015	120,000	9,559	-	-	-	-	-	9,559	-	-
#10-15 Various Road Improvements	03/23/15	1,088,000	-	60,778	-	-	-	37,800	-	22,978	-
#21-15 Various Capital Improvements & Acquisitions	2015	473,000	120,474	-	-	-	-	45,063	21,569	53,842	-
#26-15 Performing Arts Center & Road Improvements	07/07/15	2,280,000	-	307,089	-	-	-	92,108	-	214,981	-
#39-15 Tax Appeal Refunding	10/06/15	10,150,000	-	705,527	-	-	-	701,039	4,488	-	-
#56-15 Carver Park Splash Park - Supplemental	2015	572,364	294	-	-	-	-	-	294	-	-
#12-16 Various Road Improvements	04/04/16	1,919,000	-	490,129	-	-	-	262,251	500	227,378	-
#13-16 Main & State Streets Two Way Conversion	04/04/16	5,856,520	483,801	3,800,000	-	-	-	2,314,029	-	1,969,772	-
#14-16 Sports Facility - Johnson Park	2016	7,000,000	-	6,603,084	-	-	-	16,938	-	-	6,586,146
#15-16 M&M Recreation Building Revovations	04/04/16	8,200,000	-	7,707,804	-	-	-	3,814,090	-	3,893,714	-
#22-16 Acquisition of Riparian Rights	2016	1,650,000	-	17,354	-	-	-	-	-	-	17,354
#29-16 Acquisition of Fire Pumper	07/25/16	980,000	-	206,831	-	-	-	89,729	2,243	114,859	-
#31-16 Performing Arts Center - Supplemental	2016	675,000	-	127	-	-	-	-	127	-	-
#33-16 Tax Appeal Refunding (2016)	09/27/16	10,065,000	-	1,222,376	-	-	-	323,542	-	898,834	-
#04-17 Acquisition of Garbage Trucks/ Road Improvements	04/11/17	-	-	613,390	-	-	-	465,140	-	148,250	-
#14-17 City Building Improvements	2017	-	138,071	-	-	-	-	96,536	-	41,535	-
#22-17 Various Public Improvements	09/12/17	-	-	1,763,525	-	-	-	879,566	22,925	861,034	-
#24-17 City Hall Improvements	2017	-	394,202	-	-	-	-	52,534	-	341,668	-
#40-17 Foschini Park Improvements	2017	-	64,300	1,285,700	-	-	-	20,005	-	44,295	1,285,700
#09-18 Garbage Trucks	03/13/18	800,000	-	-	38,200	-	761,800	283,971	-	-	516,029
#17-18 Acq. of Police In-CarVideo System	05/08/18	250,000	-	-	250,000	-	-	-	250,000	-	-
#19-18 UST / HVAC	05/22/18	580,000	-	-	27,700	-	552,300	-	333,137	-	246,863
#32-18 Adaptive Signal	07/23/18	1,900,000	-	-	90,500	-	1,809,500	-	51,413	39,087	1,809,500
#51-18 Various Capital Improvements	10/31/18	3,800,000	-	-	181,100	-	3,618,900	-	409,239	-	3,390,761
			1,481,591	25,817,879	587,500	-	6,742,500	9,786,452		9,041,603	14,484,636

CITY OF HACKENSACK  
 GENERAL CAPITAL FUND  
 STATEMENT OF CAPITAL IMPROVEMENT FUND  
 YEAR ENDED DECEMBER 31, 2018

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Balance, December 31, 2017		\$	1,079,929
Increased by:			
Budget Appropriation	\$	400,000	
		-	
		-	
			<u>400,000</u>
			1,479,929
Decreased by:			
Appropriated - Capital Ordinances	\$	587,500	
Appropriated - Preliminary Plan Expenses		140,000	
		-	
			<u>727,500</u>
Balance, December 31, 2018		\$	<u><u>752,429</u></u>

CITY OF HACKENSACK  
 GENERAL CAPITAL FUND  
 STATEMENT OF RESERVE FOR PRELIMINARY PLAN EXPENSES  
 YEAR ENDED DECEMBER 31, 2018

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Balance, December 31, 2017		\$	30,000
Increased by:			
Appropriated from Capital Improvement Fund	\$	140,000	
		-	
		-	
		<u>          </u>	
			<u>140,000</u>
			170,000
Decreased by:			
Expended	\$	64,503	
		-	
		-	
		<u>          </u>	
			<u>64,503</u>
Balance, December 31, 2018		\$	<u><u>105,497</u></u>

CITY OF HACKENSACK  
 GENERAL CAPITAL FUND  
 STATEMENT OF RESERVE FOR DEBT SERVICE  
 YEAR ENDED DECEMBER 31, 2018

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Balance, December 31, 2017		\$	1,093,442
Increased by:			
Cash Receipts	\$	83,441	
		-	
		-	
			<u>83,441</u>
			1,176,883
Decreased by:			
Utilized as Current Fund Revenue	\$	1,000,000	
		-	
		-	
			<u>1,000,000</u>
Balance, December 31, 2018		\$	<u><u>176,883</u></u>

CITY OF HACKENSACK  
GENERAL CAPITAL FUND  
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2018

Improvement Description	Balance December 31, 2017	Debt Authorized	BANs Issued	Serial Bonds Issued	Raised by Budget Appropriation	Premium Applied	Cancelled	Balance December 31, 2018
#07-00/#41-10 Various Public Improvements	120,653.00	-	-	-	-	120,653.00	-	-
#05-04 Various Capital Improvements	22,076.87	-	-	-	-	22,076.87	-	-
#30-10 Resurfacing of Various Roads	27,658.37	-	-	-	-	27,658.37	-	-
#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	-	-	457,000.00	-	18,000.00	-	-
#10-13 Various Road Impts. - Hudson & Main Streets	98,609.07	-	-	-	-	98,609.07	-	-
#10-15 Various Road Improvements	-	-	-	-	-	-	-	-
#39-14 CSO Sewer Separation - Phase I	1,880,350.00	-	-	-	-	-	-	1,880,350.00
#26-15 Performing Arts Center & Road Improvements	-	-	-	-	-	-	-	-
#12-16 Various Road Improvements	0.25	-	-	-	0.25	-	-	-
#13-16 Main & State Streets Two Way Conversion	-	-	-	-	-	-	-	-
#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	-	-	7,505,200.00	-	294,800.00	-	-
#22-16 Acquisition of Riparian Rights	1,570,000.00	-	-	-	-	-	-	1,570,000.00
#29-16 Acquisition of Fire Pumper	-	-	-	-	-	-	-	-
#31-16 Performing Arts Center - Supplemental	-	-	-	-	-	-	-	-
#04-17 Acquisition of Garbage Trucks/ Road Improvements	1,704,600.00	-	-	1,639,600.00	-	65,000.00	-	-
#22-17 Various Public Improvements	1,769,500.00	-	-	1,702,100.00	32,261.35	12,213.58	22,925.07	-
#40-17 Foschini Park Improvements	1,285,700.00	-	-	-	-	-	-	1,285,700.00
#24-14 Tax Appeal Refunding (2014)	725,000.00	-	-	-	-	725,000.00	-	-
#09-18 Garbage Trucks	-	761,800.00	-	-	-	-	-	761,800.00
#19-18 UST / HVAC	-	552,300.00	-	-	-	-	-	552,300.00
#32-18 Adaptive Signal	-	1,809,500.00	-	-	-	-	-	1,809,500.00
#51-18 Various Capital Improvements	-	3,618,900.00	-	-	-	-	-	3,618,900.00
	<u>24,435,152.07</u>	<u>6,742,500.00</u>	-	<u>11,303,900.00</u>	<u>32,261.60</u>	<u>1,690,015.40</u>	<u>22,925.07</u>	<u>18,128,550.00</u>



PUBLIC PARKING UTILITY FUND

CITY OF HACKENSACK  
 PUBLIC PARKING UTILITY FUND  
 STATEMENT OF CASH - TREASURER  
 YEAR ENDED DECEMBER 31, 2018

<i>Ref.</i>	<u>Operating</u>	<u>Capital</u>
Cash Balance, December 31, 2017..... D	\$ 1,060,000	\$ 176,186
Receipts:		
Off-Street Parking Fees..... D-1	1,003,586	-
On-Street Parking Fees..... D-1	543,513	-
Non-Budget Revenue..... D-1	18,378	-
Due to - Utility Operating Fund..... D-10	-	444
	<u>1,565,477</u>	<u>444</u>
	2,625,477	176,630
Disbursements:		
Disbursed..... D-10	-	444
Budget Appropriations..... D-4	1,251,329	-
Appropriation Reserves..... D-8	23,133	-
Accrued Interest..... D-9	1,969	-
	<u>1,276,431</u>	<u>444</u>
Cash Balance, December 31, 2018..... D	<u>\$ 1,349,046</u>	<u>\$ 176,186</u>

CITY OF HACKENSACK  
 PUBLIC PARKING UTILITY OPERATING FUND  
 STATEMENT OF CASH - CHANGE FUND  
 YEAR ENDED DECEMBER 31, 2018

---

	<u>Ref.</u>		
Cash Balance, December 31, 2017.....	D	\$	130
Receipts:			
		-	
		-	
		-----	
			-
			-----
			130
Disbursements:			
		-	
		-	
		-----	
			-
			-----
Cash Balance, December 31, 2018.....	D	\$	<u>130</u>

CITY OF HACKENSACK  
PUBLIC PARKING UTILITY CAPITAL FUND  
ANALYSIS OF CASH  
YEAR ENDED DECEMBER 31, 2018

Description	Balance December 31, 2017	Cash Receipts	Cash Disbursements	From	To	Balance December 31, 2018
Due to - Utility Operating Fund.....	-	444	444	-	-	-
Capital Improvement Fund.....	141,000	-	-	-	-	141,000
Fund Balance.....	124,499	-	-	-	-	124,499
#28-14 Various Parking Improvements....	(89,313)	-	-	-	-	(89,313)
#33-18 Atlantic St. Garage Renovation....	-	-	-	-	-	-
	<u>\$ 176,186</u>	<u>\$ 444</u>	<u>\$ 444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,186</u>
<i>Ref.</i>	D:D-5	D-5	D-5			D:D-5

CITY OF HACKENSACK  
 PUBLIC PARKING UTILITY OPERATING FUND  
 STATEMENT OF APPROPRIATION RESERVES (2017)  
 YEAR ENDED DECEMBER 31, 2018

	Balance, December 31, 2017			Balance After Transfers	Paid or Charged	Balance Lapsed	Overexpended
	Reserved	Encumbered	Total				
Salaries and Wages.....	\$ 76,926	\$ -	\$ 76,926	\$ 76,926	\$ -	\$ 76,926	\$ -
Other Expenses.....	224,346	19,562	243,908	243,908	23,133	220,775	-
Capital Improvement Fund.....	-	-	-	-	-	-	-
Capital Outlay.....	388	-	388	388	-	388	-
Payment of Bonds.....	-	-	-	-	-	-	-
Interest on Bonds.....	-	-	-	-	-	-	-
Interest on Notes.....	-	-	-	-	-	-	-
Emergency Authorizations.....	-	-	-	-	-	-	-
Overexpenditures.....	-	-	-	-	-	-	-
Public Employees Retirement System...	500	-	500	500	-	500	-
Social Security System.....	3,690	-	3,690	3,690	-	3,690	-
Unemployment Compensation.....	-	-	-	-	-	-	-
Deficit in Operations in Prior Years.....	-	-	-	-	-	-	-
	<u>\$ 305,850</u>	<u>\$ 19,562</u>	<u>\$ 325,412</u>	<u>\$ 325,412</u>	<u>\$ 23,133</u>	<u>\$ 302,279</u>	<u>\$ -</u>
Ref.	D	D			D-5	D-1	

CITY OF HACKENSACK  
 PUBLIC PARKING UTILITY OPERATING FUND  
 STATEMENT OF ACCRUED INTEREST ON BONDS  
 YEAR ENDED DECEMBER 31, 2018

---

	<u>Ref.</u>		
Balance, December 31, 2017.....	D		\$ 1,969
Increased by:			
		<u>\$ -</u>	<u>-</u>
			1,969
Decreased by:			
Disbursed.....	D-5	<u>1,969</u>	<u>1,969</u>
Balance, December 31, 2018.....	D		<u><u>\$ -</u></u>

CITY OF HACKENSACK  
 PUBLIC PARKING UTILITY CAPITAL FUND  
 STATEMENT OF DUE TO - UTILITY OPERATING FUND  
 YEAR ENDED DECEMBER 31, 2018

---

	<u>Ref.</u>		
Balance, December 31, 2017.....	D		\$ -
Increased by:			
Interest on Investments.....	D-3:D-5	<u>\$ 444</u>	<u>444</u>
			444
Decreased by:			
Disbursed.....	D-5	<u>444</u>	<u>444</u>
Balance, December 31, 2018.....	D		<u><u>\$ -</u></u>

CITY OF HACKENSACK  
PUBLIC PARKING UTILITY CAPITAL FUND  
STATEMENT OF FIXED CAPITAL  
YEAR ENDED DECEMBER 31, 2018

Account	Balance December 31, 2017	Transferred From Fixed Capital Authorized & Uncompleted	Adjustments	Cancellations	Balance December 31, 2018
Infrastructure.....	\$ 8,035,084	\$ -	\$ -	\$ -	\$ 8,035,084
<i>Ref.</i>	D				D
				Reserve for Amortization	\$ 8,035,084
				Serial Bonds Payable	-
					<u>\$ 8,035,084</u>



CITY OF HACKENSACK  
PUBLIC PARKING UTILITY CAPITAL FUND  
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
YEAR ENDED DECEMBER 31, 2018

Description	Balance December 31, 2017	Authorized	Transferred to Fixed Capital	Cancellations	Balance December 31, 2018
#28-14 Various Parking Improvements.....	\$ 434,000	\$ -	\$ -	\$ -	\$ 434,000
#33-18 Atlantic Street Garage Renovation.	-	1,300,000	-	-	1,300,000
	<u>\$ 434,000</u>	<u>\$ 1,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,734,000</u>
<i>Ref.</i>	D	D-16			D
				Reserve for Deferred Amortization	\$ -
				Bond Anticipation Notes Payable	-
				Bonds & Notes Authorized but not Issued	1,734,000
					<u>\$ 1,734,000</u>
					-

CITY OF HACKENSACK  
PUBLIC PARKING UTILITY CAPITAL FUND  
STATEMENT OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2018

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<u>Date of Issue - Purpose</u>	<u>Total Amount of Issue</u>	<u>Balance December 31, 2017</u>	<u>Issued In 2018</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2018</u>
4/11/08 Construction of Parking Garage.....	\$ 1,500,000	\$ 150,000	\$ -	\$ 150,000	\$ -
	<i>Ref.</i>	D		D-14	D

CITY OF HACKENSACK  
PUBLIC PARKING UTILITY CAPITAL FUND  
STATEMENT OF RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2018

---

Description	Balance December 31, 2017	Transferred From Fixed Capital Authorized & Uncompleted	Serial Bond Principal Payments	Cancellations	Balance December 31, 2018
Infrastructure.....	\$ 7,885,084	\$ -	\$ 150,000	\$ -	\$ 8,035,084

CITY OF HACKENSACK  
PUBLIC PARKING UTILITY CAPITAL FUND  
STATEMENT OF CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2018

---

	<u>Ref.</u>		
Balance, December 31, 2017.....	D	\$	141,000
Increased by:			
		_____	-
			_____
			141,000
Decreased by:			
		_____	-
			_____
Balance, December 31, 2018.....	D	\$	<u>141,000</u>

CITY OF HACKENSACK  
PUBLIC PARKING UTILITY CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2018

Description	Authorized									
	Balance - January 1, 2018		Capital Improvement Fund	Capital Surplus	Bonds & Notes	Expended	Adjustments	Cancellations	Balance - December 31, 2018	
	Funded	Unfunded							Funded	Unfunded
#28-14 Various Parking Improvements.....	\$ -	\$ 344,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 344,687
#33-18 Atlantic St. Garage Renovation.....	-	-	-	-	1,300,000	-	-	-	-	1,300,000
	<u>\$ -</u>	<u>\$ 344,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,644,687</u>
<i>Ref.</i>	D	D			D-12:D-17				D	D

CITY OF HACKENSACK  
PUBLIC PARKING UTILITY CAPITAL FUND  
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2018

Improvement Description	Balance December 31, 2017	Authorized	BANs Issued	Bonds Issued	Cancellations/ Adjustments	Balance December 31, 2018
#28-14 Various Parking Improvements.....	\$ 434,000	\$ -	\$ -	\$ -	\$ -	\$ 434,000
#33-18 Atlantic Street Garage Renovation.....	-	1,300,000	-	-	-	1,300,000
	<u>\$ 434,000</u>	<u>\$ 1,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,734,000</u>
<i>Ref.</i>	D	D-16:D-12				D

CITY OF HACKENSACK

Part II

Government Auditing Standards

Independent Auditors' Report

Honorable Mayor and Members of the Board of Commissioners  
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, 2018, 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, 2019, 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.



Independent Auditors' Report (Continued)

Compliance and Other Matters

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

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

Purpose of this Report

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

DI MARIA & DI MARIA LLP  
Accountants and Consultants

*Frank Di Maria*

Frank Di Maria  
Registered Municipal Accountant  
RMA No. CR00463

June 30, 2019

CITY OF HACKENSACK  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED DECEMBER 31, 2018

Log of Federal Domestic Assistance Program	Federal C.F.D.A. Number	State Aid/Grant Program Titles	State Project Number	Award Amount	Grant Period		Balance December 31, 2017	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) December 31, 2018	Deferred Revenue December 31, 2018	Due to Grantor at December 31, 2018
					From	To									

NOT APPLICABLE

CITY OF HACKENSACK  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 YEAR ENDED DECEMBER 31, 2018

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance December 31, 2017	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) December 31, 2018	Deferred Revenue December 31, 2018	Due to Grantor at December 31, 2018
			From	To									

NOT APPLICABLE

CITY OF HACKENSACK  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2018

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Note 1 - General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity 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 as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is further described in Note 2 to the basic financial statements. The information in these schedules are 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.

CITY OF HACKENSACK  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2018

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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.

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, 2018 to December 31, 2018.

CITY OF HACKENSACK  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2018

---

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's federal and state loans outstanding at of December 31, 2018 are as follows:

N.J.E.I.T Trust & Fund Loans - Sewer Overflow Projects	\$2,984,876
Green Trust Loans - Various Park Improvements	<u>\$333,073</u>
Total	<u>\$3,317,449</u>

Note 6 - Contingencies

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

CITY OF HACKENSACK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2018

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Section I -- Summary of Auditors' Results

Financial Statements

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

CITY OF HACKENSACK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2018

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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: \_\_\_\_\_

- 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, 2018

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Section II -- Financial Statement Findings

None

CITY OF HACKENSACK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2018

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

Current Year

Federal Awards:

There were no findings or questioned costs identified.

State Awards:

There were no findings or questioned costs identified.

Prior Year

Federal Awards:

There were no prior year findings or questioned costs.

State Awards:

There were no prior year findings or questioned costs.

CITY OF HACKENSACK  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2018

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Not Applicable - None in 2017

CITY OF HACKENSACK

Part III

Part III - Supplementary Data and Letter of Comments and Recommendations

CITY OF HACKENSACK  
 SUPPLEMENTARY DATA  
 TAX REQUIREMENT AND RATE DATA  
 (UNAUDITED)

	2018	2017	2016**	2015	2014	2013	2012	2011**	2010	2009
<b><u>TAX REQUIREMENTS</u></b>										
County.....	\$ 12,806,081	\$ 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
County Open Space.....	555,609	544,268	138,681	137,700	132,819	140,180	143,669	137,935	153,262	653,342
District School.....	82,711,318	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
Municipal.....	85,875,294	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
Library.....	1,892,409	1,862,066	1,979,628	1,845,832	1,758,254	1,867,718	2,000,208	1,976,806	-	-
Total Tax Requirements.....	<u>\$ 183,840,711</u>	<u>\$ 179,608,304</u>	<u>\$ 174,343,543</u>	<u>\$ 170,576,036</u>	<u>\$ 164,104,718</u>	<u>\$ 159,263,876</u>	<u>\$ 154,581,413</u>	<u>\$ 149,639,315</u>	<u>\$ 139,967,663</u>	<u>\$ 134,989,203</u>

<b><u>TAX RATES</u></b>										
County.....	0.238	0.232	0.245	0.253	0.235	0.255	0.243	0.214	0.196	0.192
County Open Space.....	0.010	0.011	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.011
District School.....	1.536	1.537	1.491	1.551	1.478	1.424	1.363	1.300	1.038	1.015
Municipal.....	1.594	1.600	1.601	1.655	1.571	1.498	1.446	1.395	1.091	0.997
Library.....	0.035	0.035	0.038	0.038	0.035	0.037	0.040	0.039	-	-
Total Tax Rates.....	<u>3.413</u>	<u>3.415</u>	<u>3.378</u>	<u>3.500</u>	<u>3.322</u>	<u>3.217</u>	<u>3.095</u>	<u>2.951</u>	<u>2.328</u>	<u>2.215</u>

\*\*Reassessment Year

Source: County of Bergen, Board of Taxation

CITY OF HACKENSACK  
 SUPPLEMENTARY DATA  
 TAX LEVY AND COLLECTION DATA  
 (UNAUDITED)

	2018	2017	2016	2015***	2014	2013	2012	2011	2010	2009
<b><u>CURRENT YEAR % COLLECTION RATES</u></b>										
Current Tax Levy.....	\$ 183,255,295	\$ 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
Current Collections.....	\$ 183,167,560	\$ 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
Percentage of Collections.....	99.95%	99.96%	99.97%	100.00%	98.25%	98.12%	97.95%	97.20%	96.35%	97.35%

**DELINQUENT TAX %**

Delinquent Taxes.....	\$ 8,616	\$ 182,063	\$ 121,689	\$ 171,495	\$ 3,181,888	\$ 3,363,414	\$ 3,560,005	\$ 3,113,812	\$ 3,307,479	\$ 3,272,990
Tax Title Liens.....	-	-	-	-	-	-	-	-	-	-
Total Delinquent.....	\$ 8,616	\$ 182,063	\$ 121,689	\$ 171,495	\$ 3,181,888	\$ 3,363,414	\$ 3,560,005	\$ 3,113,812	\$ 3,307,479	\$ 3,272,990
Tax Levy.....	\$ 183,255,295	\$ 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
Percentage of Tax Levy.....	0.00%	0.10%	0.07%	0.10%	1.98%	2.14%	2.29%	2.08%	2.36%	2.42%

\*\*\* 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	\$ 1,311,800	\$ 1,184,600	\$ 1,184,600
----------------------------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

CITY OF HACKENSACK  
 SUPPLEMENTARY DATA  
 FUND BALANCE SUMMARY  
 (UNAUDITED)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<i><u>CURRENT FUND</u></i>										
Fund Balance, Beginning.....	\$ 10,303,909	\$ 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
Generated Current Year.....	8,831,769	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
Utilized Current Year.....	(3,300,000)	(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)
Fund Balance, Ending.....	<u>\$ 15,835,678</u>	<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>
<i><u>PUBLIC PARKING UTILITY FUND</u></i>										
Fund Balance, Beginning.....	\$ 732,749	\$ 695,727	\$ 834,055	\$ 983,040	\$ 895,797	\$ 851,366	\$ 869,588	\$ 868,204	\$ 865,682	\$ 1,005,142
Generated Current Year.....	782,756	397,022	221,672	331,015	687,243	770,931	558,278	785,884	850,022	636,270
Utilized Current Year - Utility Fund.....	(360,000)	(360,000)	(360,000)	(480,000)	(600,000)	(150,000)	-	(208,000)	(271,000)	(275,730)
Utilized Current Year - Current Fund.....	-	-	-	-	-	(576,500)	(576,500)	(576,500)	(576,500)	(500,000)
Fund Balance, Ending.....	<u>\$ 1,155,505</u>	<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>



CITY OF HACKENSACK  
 SUPPLEMENTARY DATA  
 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	
Monica Villafana.....	Qualified Purchasing Agent	
Elisa Coccia.....	Tax Collector	
	Tax Search Officer	
Art Carlson, Jr.....	Tax Assessor	
Cassandra Seshadri.....	Personnel Director (Acting)	
Lisamarie Schieli.....	Recycling Coordinator	
Captain Peter Busciglio.....	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	
Richard Heinbuch.....	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	
Suburban 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  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2018

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Cash Cycle

Ref.

None

CITY OF HACKENSACK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2018

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Revenues/Receipts Cycle

Ref.

None

CITY OF HACKENSACK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2018

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Expenditures/Disbursements Cycle

Ref.

None

CITY OF HACKENSACK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2018

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Fixed Assets

Ref.

None

CITY OF HACKENSACK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2018

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Payroll Cycle

Ref.

None

CITY OF HACKENSACK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2018

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Public Parking Utility

Ref.

None

Rates, rents, fees, etc. should be evaluated at the beginning of each fiscal year to project liquidity of the utility.

CITY OF HACKENSACK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2018

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Other Significant Matters

Ref.

Trust Fund:

#1.

Significant progress was noted in this area; Remaining tasks include 1) comparison of Edmunds system trust ledgers to individual bank accounts, and 2) required cancellations by resolution and remittance to Current Fund.



CITY OF HACKENSACK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2018

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Recommendations

1. That balances in dormant developer's escrows be cancelled by resolution, and remitted to the Current Fund.

CITY OF HACKENSACK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2018

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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 Advisors

*Frank Di Maria*

Frank Di Maria  
Registered Municipal Accountant  
RMA No. CR00463

June 30, 2019