CITY OF HACKENSACK

Financial Statements with
Supplementary Information
December 31, 2025

(With Independent Auditor's Reports Thereon)

CITY OF HACKENSACK
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CITY OF HACKENSACK

PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2025

WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Hackensack
Hackensack, NJ 07061

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

We have audited the accompanying balance sheets – regulatory basis of the various funds and account groups of the City of Hackensack, as of December 31, 2025, 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 the statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. The financial statements for the year ended December 31, 2024, were audited by other auditors whose report dated June 30, 2025, expressed an unmodified opinion.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the City of Hackensack as of December 31, 2025, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Hackensack, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.

As described in Note 1 of the financial statements, the financial statements are prepared by the City of Hackensack on the basis of the financial reporting provisions 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 requirements of New Jersey.

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Finding 2025-001, the City does not maintain a fixed asset accounting system or a current fixed asset inventory report as required by N.J.A.C. 5:30-5.6.; as described in Finding 2025-002, the City did not obtain an updated valuation of its Other Post-Employment Benefits (OPEB) liability in accordance with GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.*

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matters described in the "*Basis for Qualified Opinion on Regulatory Basis of Accounting*" paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account groups as of December 31, 2025, the regulatory basis statements of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2025, in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Hackensack's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

W&CO

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hackensack's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 25-12, and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

W&Co

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2026 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 over financial reporting and compliance.

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

August 18, 2026

Exhibit A

CITY OF HACKENSACK, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2025 and 2024

	Ref.	2025	2024
Assets			
Current Fund:			
Cash and Investments	A-4	$ 29,008,105	32,206,717
Change Fund	A-5	450	450
		29,008,555	32,207,167
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	1,332	32,637
Tax Title Liens Receivable	A-8	8,965	6,246
Property Acquired for Taxes - Assessed Valuation	A-9	1,311,800	1,311,800
Revenue Accounts Receivable	A-10	117,261	
Interfunds Receivable	A-13		174,244
		1,439,358	1,524,927
Deferred Charges:			
Special Emergency	A-11	80,000	160,000
		30,527,913	33,892,094
Federal and State Grant Fund:			
Interfunds Receivable	A-26	1,433,662	290,700
Grants Receivable	A-27	2,475,357	2,955,141
		3,909,019	3,245,841
		$ 34,436,932	37,137,935

Exhibit A

CITY OF HACKENSACK, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2025 and 2024

	Ref.		2025	2024
Liabilities, Reserves and Fund Balance				
Current Fund:				
Appropriation Reserves	A-3/A-11	$	3,688,277	4,670,563
Encumbrances Payable	A-3/A-14		1,298,926	909,148
Due to State of New Jersey:				
Senior Citizens and Veterans Deductions	A-6		2,622	
Interfunds Payable	A-13		1,434,252	290,700
Accounts Payable	A-15		490,616	1,004,509
County Taxes Payable	A-16		17,087	15,009
Tax Overpayments	A-18		52,322	141,858
Prepaid Taxes	A-21		1,444,359	907,075
Reserve for:				
Tax Appeals	A-20			574,231
Sale of Municipal Assets	A-22		1,732,296	1,732,296
Re-assessment Expenditures	A-23		63,197	63,197
Due to State of New Jersey	A-24		29,185	136,849
Tax Map Expenditures	A-25		45,252	45,252
			10,298,391	10,490,687
Reserve for Receivables	Contra		1,439,358	1,524,927
Fund Balance	A-1		18,790,164	21,876,480
			30,527,913	33,892,094
Federal and State Grant Fund:				
Interfunds Payable	A-26		533,252	
Appropriated Reserves for Grants	A-28		3,262,971	3,199,524
Unappropriated Reserves for Grants	A-29		112,796	46,317
			3,909,019	3,245,841
		$	34,436,932	37,137,935

See accompanying notes to financial statements.

CITY OF HACKENSACK, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Years Ended December 31, 2025 and 2024

	2025	2024
Revenues and Other Income:		
Fund Balance Utilized	$ 6,770,000	7,270,000
Miscellaneous Revenue Anticipated	30,930,262	33,157,606
Receipts from Delinquent Taxes	33,653	107
Receipts from Current Taxes	208,654,510	202,038,664
Non-Budget Revenue	342,266	808,399
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	3,054,768	1,212,237
Cancellation of Appropriated Grant Reserves	110,000	
Tax Overpayments Cancelled	89,536	
Total Revenues and Other Income	249,984,995	244,487,013
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	46,604,100	46,021,700
Other Expenses	62,510,022	73,298,144
Judgements		
Capital Improvement Fund	450,000	300,000
Municipal Debt Service	6,449,134	5,884,360
Deferred Charges and Statutory Expenditures - Municipal	14,183,540	3,553,400
Local District School Tax	95,313,290	91,270,735
County Taxes including Added Taxes	19,032,347	16,547,729
Local Open Space Taxes	654,642	1,423,510
Special Improvement District Taxes	708,021	600,284
Interfunds Advanced		174,244
Shortfall in SID Levy		5,103
Grant Receivable Cancellations	110,000	
Outside Lien Adjustment	53,221	
Cancellation of Prior Year Reconciling Items	230,422	
Revenue Refunds	2,572	
Total Expenditures	246,301,311	239,079,209
Excess (Deficit) Revenue Over Expenditures	3,683,684	5,407,804

Exhibit A-1

CITY OF HACKENSACK, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Years Ended December 31, 2025 and 2024

	2025	2024
Statutory Excess to Surplus	3,683,684	5,407,804
Fund Balance, January 1,	21,876,480	23,738,676
	25,560,164	29,146,480
Decreased by:		
Fund Balance Utilized as Budget Revenue	6,770,000	7,270,000
Fund Balance, December 31,	$ 18,790,164	21,876,480

See accompanying notes to the financial statements.

CITY OF HACKENSACK, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	$ 6,770,000	6,770,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	99,000	96,017	(2,983)
Other	39,000	49,590	10,590
Fees and permits:			
Other	2,690,000	2,020,971	(669,029)
Fines and costs municipal court	1,311,000	1,616,097	305,097
Interest and costs on taxes	231,000	229,164	(1,836)
Interest on investments and deposits	1,738,000	1,037,208	(700,792)
Anticipated Operating Surplus - Parking	500,000	500,000	
Sewer Service Fees	435,000	486,938	51,938
Energy Receipts Tax	4,347,819	4,332,192	(15,627)
Uniform Construction Code Fees	1,831,000	2,120,732	289,732
Public and Private Revenues offset by Appropriations:			
Body Armor Replacement Grant	7,883	7,883	
Municipal Alliance on Alcoholism & Drug Abuse	5,754	5,754	
Recycling Tonnage Grant	58,156	58,156	
National Opioid Settlement Award	111,135	111,135	
Arbor Day Foundation	16,800	16,800	
ANJEC Grant	3,000	3,000	
Public Health Infrastructure Grant	168,049	168,049	
NJDEP Clean Communities Grant	100,651	100,651	
Neighborhood Preservation Program	125,000	125,000	
200 Club of Bergen Co. Fire Dept. Grant	5,000	5,000	
NJDCA Recreation Opportunities Grant	9,466	9,466	
Summer Food Program - 2023	144,116	144,116	
Summer Food Program - 2024	139,944	139,944	
Safe & Secure Communities	32,400	32,400	
Firehouse Subs Firefighter Grant	14,850	14,850	
NJDCA Recreation Improvement Grnat	87,000	87,000	
Firehouse Subs Firefighter Grant Supplemental	2,428	2,428	
Summer Food Program - 2025	191,822	191,822	
Uniform Fire Safety Act	284,000	274,294	(9,706)
Verizon Franchise Fee	180,099	180,100	1
Cablevision Franchise Fee	234,567	234,567	
HUMC Payment Air Rights	200,000	200,000	
Hackensack Board of Education - School Resource Officers	192,000	116,115	(75,885)
Hackensack Housing Authoriy Payment	232,000	227,125	(4,875)
Administrative Fee - Outside Employment of Police Officers	423,000	414,847	(8,153)
HUMC Payment - 2018 Settlment	4,000,000	4,000,000	
Johnson Public Library Pension Payment	203,000	264,458	61,458
Hackensack Board of Education - Special Law Enforcement Officers	138,000	146,950	8,950
Hackensack Board of Education - Nursing Services	8,000	11,960	3,960

CITY OF HACKENSACK, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Budget	Realized	Excess or (Deficit)
Due from General Capital	174,000	174,000	
HUMC 2nd St. Payment Air Rights 2022 Agreement	441,000	450,465	9,465
Reserve to Pay Notes	67,926	67,926	
Cannabis Tax	183,000	362,182	179,182
Teaneck Fire Dispatch	250,000	250,000	
Payment in Lieu of Taxes -			
100 State Street	611,000	630,024	19,024
240 Main Street	318,000	328,804	10,804
395 Main Street	255,000	250,000	(5,000)
18 East Camden Street	770,000	776,137	6,137
2010-2014 Main St.	339,000	326,349	(12,651)
150-170 Main St.	833,000	1,111,387	278,387
22 Sussex Str.	222,000	257,703	35,703
2 Kinderkamack Road (Hackensack Jefferson)	2,318,000	2,000,000	(318,000)
50 Main St.	55,000	104,559	49,559
22 West Camden St.	24,000	69,715	45,715
150 River St. - Phase A	1,709,000	1,000,944	(708,056)
150 River St. - Phase B	218,000	622,044	404,044
76 Main Street	19,000	16,815	(2,185)
Midtown Bridge (Lot C)	701,000	834,971	133,971
77 River St.	48,000	46,111	(1,889)
435-439 Main St.	278,000	530,235	252,235
321 Main Street	352,000	299,873	(52,127)
400 Main Street	166,000	163,190	(2,810)
359 Main Street	78,000	209,825	131,825
19 Mercer Street	45,000	57,298	12,298
Anderson St. (Block 419)	143,000	140,244	(2,756)
Essex Green	46,224	66,682	20,458
Total Miscellaneous Revenues	31,204,089	30,930,262	(273,827)
Receipts from Delinquent Taxes		33,653	33,653
Subtotal General Revenues	37,974,089	37,733,915	(240,174)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	94,848,073	94,446,210	(401,863)
Budget Totals	132,822,162	132,180,125	(642,037)
Non-Budget Revenue		342,266	342,266
	$ 132,822,162	132,522,391	(299,771)

Adopted Budget	132,391,326
Added by: N.J.S.A. 40A:4.87	430,836
	$ 132,822,162

CITY OF HACKENSACK, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2025

Analysis of Realized Revenues

Revenue from Current Tax Collections		$ 208,654,510
Less: Reserve for Tax Appeals Pending		
Allocated to Municipal Open Space		654,642
Allocated to Special Improvement District		708,021
Allocated to County and Local and Regional School Taxes		114,345,637
Balance for Support of Municipal Budget Appropriations		92,946,210
Add : Appropriation - Reserve for Uncollected Taxes		1,500,000
Amount for Support of Municipal Budget Appropriations		$ 94,446,210
Receipts from Delinquent Taxes: Delinquent Taxes		$ 33,653

Analysis of Non-budget Revenues

Tax Sale Premium Escheats to Current	$ 141,700	
Refund of Attorney Fees for Court Reversal (2022 Case)	48,661	
Electronic Death Reporting System	39,070	
Cancel Stale / Outstanding Checks by Resolution	29,146	
Recycling Revenue	16,964	
State of NJ - Unclaimed Property	13,149	
Rental Income	12,000	
Inter-Local Agreement - Teaneck Health Officer	9,000	
Inter-Local Agreement - Wood-Ridge Health Services	3,333	
Advertising - Bus Benches	3,129	
PILOT Application Fee - Prior Year 2023	2,500	
Advertising - Recycling Bins	2,437	
NJMVC Inspection Fines	3,100	
Budget Refund - Prior Year	2,017	
Sr. Citizens / Vets Admin Fee	1,456	
Restitution	1,346	
Showmobile Rental	1,300	
2024 JIF Safety Incentive Award	975	
Sale of City Equipment	823	
Miscellaneous	10,160	
		$ 342,266

See accompanying notes to the financial statements.

CITY OF HACKENSACK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
General Government:					
General Administration					
Salaries and Wages	$ 498,000	638,000	623,435	14,565	
Other Expenses	283,900	283,900	194,297	89,603	
Mayor and Council:					
Salaries and Wages	79,600	79,600	79,600		
Human Resources:					
Salaries and Wages	166,000	193,000	192,627	373	
Other Expenses	11,150	11,150	5,293	5,857	
Municipal Clerk:					
Salaries and Wages	328,000	328,000	317,146	10,854	
Other Expenses	186,200	176,200	158,786	17,414	
Financial Administration:					
Salaries and Wages:	659,000	639,000	635,409	3,591	
Other Expenses	143,200	143,200	139,805	3,395	
Audit Services:					
Other Expenses	105,000	105,000	103,300	1,700	
Computerized Data Processing:					
Salaries and Wages	205,000	205,000	204,438	562	
Other Expenses	183,000	183,000	171,663	11,337	
Revenue Administration (Tax Collector)					
Salaries and Wages	348,000	331,000	328,293	2,707	
Other Expenses	62,400	62,400	50,291	12,109	
Tax Assessment Administration:					
Salaries and Wages	333,000	333,000	332,160	840	
Other Expenses	581,000	481,000	449,578	31,422	

CITY OF HACKENSACK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
General Government:					
Legal Services - Other Expenses	520,000	490,000	447,434	42,566	
Legal Codification of Ordinances - Other Expenses	5,000	500	-	500	
Project Management:					
Salaries and Wages	255,000	185,000	180,058	4,942	
Other Expenses	743,700	563,700	522,711	40,989	
Economic Development					
Salaries and Wages	147,000	147,000	138,882	8,118	
Other Expenses	386,000	356,000	349,359	6,641	
Planning Board:					
Other Expenses	49,200	39,200	31,556	7,644	
Board of Adjustment					
Other Expenses	82,700	47,700	28,181	19,519	
Rent Stabilization Board					
Other Expenses	7,500	7,500	2,000	5,500	
Property Maintenance:					
Salaries and Wages	540,000	540,000	538,951	1,049	
Other Expenses	600	600		600	
Insurance:					
General Liability	1,938,000	1,728,000	1,707,272	20,728	
Workers Compensation	1,396,000	1,186,000	1,066,010	119,990	
Group Insurance for Employees	30,517,760	32,095,760	30,762,751	1,333,009	
Health Benefit Waiver	250,000	250,000	250,000		

CITY OF HACKENSACK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
General Government:					
Public Safety:					
Police Department:					
Salaries and Wages	17,015,000	16,995,000	16,723,222	271,778	
Other Expenses	784,000	764,000	673,829	90,171	
Police Dispatch					
Salaries and Wages	1,188,000	1,158,000	1,106,848	51,152	
Other Expenses	12,000	12,000	11,076	924	
Public Safety - Traffic Control					
Other Expenses	59,000	49,000	14,963	34,037	
Public Safety - School Crossing Guards					
Salaries and Wages	767,000	809,500	809,428	72	
Office of Emergency Management					
Salaries and Wages	8,500	9,500	9,500		
Other Expenses	18,850	10,850	7,193	3,657	
Fire Department:					
Salaries and Wages	14,811,000	14,984,000	14,845,842	138,158	
Other Expenses	356,750	344,750	340,181	4,569	
Fire Prevention:					
Salaries and Wages	653,000	518,000	514,136	3,864	
Other Expenses	13,750	13,750	13,620	130	
Emergency Medical Services:					
Salaries and Wages	8,500	500	-	500	
Other Expenses	5,000	5,000	689	4,311	
Municipal Prosecutor - Other Expenses	90,000	90,000	85,733	4,267	
Municipal Public Defender - Other Expenses	40,000	40,000	39,213	787	

CITY OF HACKENSACK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
General Government:					
Department of Public Works:					
Salaries and Wages	1,281,000	1,299,000	1,290,796	8,204	
Other Expenses	85,350	76,350	50,682	25,668	
Streets and Roads Maintenance:					
Salaries and Wages	200,000	210,000	209,400	600	
Other Expenses	69,100	59,100	27,836	31,264	
Sewer Maintenance:					
Salaries and Wages	132,000	132,000	123,847	8,153	
Other Expenses	257,200	257,200	127,559	129,641	
Public Buildings and Grounds:					
Salaries and Wages	664,000	624,000	601,006	22,994	
Other Expenses	252,500	232,500	177,846	54,654	
Vehicle Maintenance:					
Salaries and Wages	397,000	387,000	378,755	8,245	
Other Expenses	63,150	63,150	41,938	21,212	
Shade Tree Maintenance:					
Salaries and Wages	130,000	105,000	91,453	13,547	
Other Expenses	115,650	115,650	56,568	59,082	
Snow Removal:					
Salaries and Wages	70,000	70,000	63,518	6,482	
Other Expenses	125,500	125,500	120,691	4,809	
Solid Waste Collection:					
Salaries and Wages	1,742,000	1,824,000	1,823,681	319	
Other Expenses	375,250	362,250	292,789	69,461	

CITY OF HACKENSACK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
General Government:					
Recycling					
Salaries and Wages	72,000	72,000	68,278	3,722	
Other Expenses	229,000	194,000	143,502	50,498	
Street Cleaning					
Salaries and Wages	109,000	101,000	94,825	6,175	
Other Expenses	35,300	40,300	31,505	8,795	
Hazard Act (PEOSHA)					
Other Expenses	190,000	180,000	159,416	20,584	
Public Health Clinics:					
Other Expenses	9,000	9,000	1,238	7,762	
Public Health Services:					
Salaries and Wages	835,000	862,000	861,107	893	
Other Expenses	72,000	72,000	48,982	23,018	
Animal Control Services					
Other Expenses	17,010	17,010	1,721	15,289	
Welfare/Admin of Public Services:					
Other Expenses	1,000	1,000	-	1,000	
Department of Recreation:					
Salaries and Wages	454,000	599,000	597,281	1,719	
Other Expenses	148,030	98,030	87,172	10,858	
Cultural Arts:					
Salaries and Wages	90,000	90,000	89,501	499	
Other Expenses	107,000	107,000	106,258	742	

CITY OF HACKENSACK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
General Government:					
Parks and Playground Maintenance:					
Salaries and Wages	496,000	526,000	525,183	817	
Other Expenses	147,800	147,800	108,106	39,694	
Street Lighting	550,000	550,000	453,824	96,176	
Electricity & Natural Gas	560,000	560,000	516,095	43,905	
Telecommunications	227,000	227,000	196,354	30,646	
Water	190,000	223,000	219,245	3,755	
Fire Hydrants	390,000	390,000	389,684	316	
Petroleum Products (Gasoline)	600,000	500,000	364,136	135,864	
Sewerage Processing and Disposal	42,000	42,000	41,100	900	
Landfill Costs - Solid Waste Disposal	2,000,000	2,000,000	1,907,948	92,052	
Municipal Court:					
Salaries and Wages	697,000	617,000	603,063	13,937	
Other Expenses	54,900	54,900	45,914	8,986	
Uniform Construction Code:					
Construction Code Official:					
Salaries and Wages	650,000	664,000	662,315	1,685	
Other Expenses	375,650	315,650	313,992	1,658	
Unclassified:					
Boys & Girls Club - Local Match	5,000	5,000	5,000		
Excess Municipal Alliance - Local Match	1,000	1,000	1,000		
Accumulated Leave Compensation:					
Salaries and Wages	800,000	300,000	296,657	3,343	
Celebration of Public Events:					
Salaries and Wages	26,000	29,000	27,310	1,690	

CITY OF HACKENSACK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
General Government:					
Other Expenses	85,000	70,000	51,557	18,443	
Total Operations within "CAPS"	93,066,650	93,240,650	89,704,393	3,536,257	
B. Contingent	7,500	7,500		7,500	
Total Operations Including Contingent-within "CAPS"	93,074,150	93,248,150	89,704,393	3,543,757	
Detail:					
Salaries & Wages	46,854,600	46,604,100	45,987,951	616,149	
Other Expenses (Including Contingent)	46,219,550	46,644,050	43,716,442	2,927,608	
	93,074,150	93,248,150	89,704,393	3,543,757	
(E) Deferred Charges and Statutory Expenditures-Municipal within "CAPS"					
(2) STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	2,116,909	2,116,909	2,116,909		
Social Security System (O.A.S.I.)	1,750,000	1,591,000	1,573,241	17,759	
Police and Firemen's Retirement System of NJ	10,235,631	10,235,631	10,235,631		
Defined Contribution Retirement Program (DCRP)	40,000	40,000	29,841	10,159	
Unemployment Compensation Insurance	120,000	120,000	83,929	36,071	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	14,262,540	14,103,540	14,039,551	63,989	
Total General Appropriations for Municipal Purposes within "CAPS"	107,336,690	107,351,690	103,743,944	3,607,746	

CITY OF HACKENSACK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
General Government:					
Operations - Excluded from "CAPS":					
Bergen County Utilities Authority - Sewerage Disposal	6,800,000	6,785,000	6,779,469	5,531	
Maintenance of Johnson Free Public Library	2,896,472	2,896,472	2,896,472		
Tax Appeal Refunds	2,000,000	2,000,000	2,000,000		
Group Health Benefits	2,832,240	2,832,240	2,832,240		
Total Other Operations - Excluded from "CAPS"	14,528,712	14,513,712	14,508,181	5,531	
Shared Service Agreements					
Fire Vehicle Repair - Paramus Borough					
Health Services - Bloomfield Board of Education Nursing					
Other Expenses	5,000	5,000		5,000	
Bergen County ADA Ramp Compliance					
Other Expenses	70,000	70,000		70,000	
Total Interlocal Municipal Service Agreements	75,000	75,000	-	75,000	
Public and Private Programs Offset by Revenues					
Matching Funds for Grants	53,806	53,806	53,806		
Body Armor Replacement Grant	7,883	7,883	7,883		
Municipal Alliance on Alcoholism & Drug Abuse	5,754	5,754	5,754		
Recycling Tonnage Grant	58,156	58,156	58,156		
National Opioid Settlement Award	111,135	111,135	111,135		
Arbor Day Foundation	16,800	16,800	16,800		

CITY OF HACKENSACK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
General Government:					
ANJEC Grant	3,000	3,000	3,000		
Public Health Infrastructure Grant	168,049	168,049	168,049		
NJDEP Clean Communities Grant	100,651	100,651	100,651		
Neighborhood Preservation Program	125,000	125,000	125,000		
200 Club of Bergen Co. Fire Dept. Grant	5,000	5,000	5,000		
NJDCA Recreation Opportunities Grant	9,466	9,466	9,466		
Summer Food Program - 2023	144,116	144,116	144,116		
Summer Food Program - 2024	139,944	139,944	139,944		
Safe & Secure Communities	32,400	32,400	32,400		
Firehouse Subs Firefighter Grant	14,850	14,850	14,850		
NJDCA Recreation Improvement Grnat	87,000	87,000	87,000		
Firehouse Subs Firefighter Grant Supplemental	2,428	2,428	2,428		
Summer Food Program - 2025	191,822	191,822	191,822		
Total Public and Private Programs Offset by Revenues	1,277,260	1,277,260	1,277,260		
Total Operations-Excluded from "CAPS"	15,880,972	15,865,972	15,785,441	80,531	
Detail:					
Salaries and Wages	-	-	-		
Other Expenses	15,880,972	15,865,972	15,785,441	80,531	
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	450,000	450,000	450,000		
Total Capital Improvements Excluded from "CAPS"	450,000	450,000	450,000		

CITY OF HACKENSACK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
General Government:					
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	3,675,000	3,675,000	3,675,000		
Interest on Bonds	2,160,000	2,160,000	2,156,888		3,112
Green Trust Loan Program:					
Principal and Interest	37,500	37,500	35,874		1,626
Wastewater Treatment Loans:'					
Principal and Interest	702,000	702,000	581,372		120,628
Total Municipal Debt Service-Excluded from "CAPS"	6,574,500	6,574,500	6,449,134		125,366
Deferred Charges and Statutory Expenditures- Municipal excluded from "CAPS"					
(1) DEFERRED CHARGES:					
Special Emergency Authorization - 5 Years (N.J.S. 40A:4-55)	80,000	80,000	80,000		
Deferred Charge to Future Taxation - Unfunded	1,000,000	1,000,000			1,000,000
Total Deferred Charged and Statutory Expenditures-Municipal exclude from "CAPS"	1,080,000	1,080,000	80,000		1,000,000
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	23,985,472	23,970,472	22,764,575	80,531	1,125,366
Subtotal General Appropriations	131,322,162	131,322,162	126,508,519	3,688,277	1,125,366

CITY OF HACKENSACK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
General Government:					
Reserve for Uncollected Taxes	1,500,000	1,500,000	1,500,000		
Total General Appropriations	$ 132,822,162	132,822,162	128,008,519	3,688,277	1,125,366

See accompanying notes to the financial statements.

Adopted Budget	$	132,391,326
Added by 40A:4-87		430,836
	$	132,822,162

Reserve for Uncollected Taxes	$ 1,500,000
Federal and State Grant Fund	1,277,260
Deferred Charges	80,000
Encumbrances	1,298,926
Cash	123,852,333
	$ 128,008,519

Exhibit B

CITY OF HACKENSACK

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2025 and 2024

	Ref.	2025	2024
Assets			
Animal License Trust Fund:			
Cash - Treasurer	B-1	$ 11,783	16,301
		11,783	16,301
Municipal Open Space Trust Fund:			
Cash - Treasurer	B-1	2,674,594	1,954,215
Interfund Accounts Receivable	B-2	590	
		2,675,184	1,954,215
Other Trust Funds:			
Cash - Treasurer	B-1	20,014,240	19,009,932
		20,014,240	19,009,932
Community Development Trust Fund:			
Cash	B-1	1	1
		1	1
		$ 22,701,208	19,026,234

Exhibit B

CITY OF HACKENSACK

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2025 and 2024

	Ref.	2025	2024
Liabilities, Reserves & Fund Balance			
Animal License Trust Fund:			
Reserve for Animal Trust Fund Expenditures	B-3	11,783	16,301
		11,783	16,301
Municipal Open Space Trust Fund:			
Interfund Accounts Payable	B-2	500,000	
Reserve for Open Space Expenditures	B-4	2,175,184	1,549,144
		2,675,184	1,549,144
Other Trust Fund:			
Net Payroll Payable	B-5		129,670
Payroll Deductions Payable	B-5		426,343
Reserve for Trust Fund Expenditures	B-5	20,014,240	18,453,919
		20,014,240	19,009,932
Community Development Trust Fund:			
Reserve for Grant Expenditures	B-6	1	1
		1	1
		$ 22,701,208	19,026,234

See accompanying notes to financial statements.

Exhibit C

CITY OF HACKENSACK

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2025 and 2024

	Ref.	2025	2024
Assets			
Cash	C-2/C-3	$ 7,439,333	8,255,573
Deferred Charges to Future Taxation:			
Funded	C-4	69,389,205	65,840,504
Unfunded	C-5	68,849,713	74,655,583
Grants Receivable	C-6	35,995,483	36,668,248
Interfunds Receivable	C-7	1,033,252	
		$ 182,706,986	185,419,908
Liabilities, Reserves and Fund Balance			
Interfunds Payable	C-7	$	174,244
General Serial Bonds	C-8	53,869,000	57,544,000
NJ Infrastructure Bank Loans Payable	C-9	15,142,873	8,100,488
Green Acres Loan Payable	C-10	377,332	196,016
Improvement Authorizations:			
Funded	C-11	34,381,352	26,832,328
Unfunded	C-11	41,115,938	79,072,697
Contracts Payable	C-11	26,455,393	
Capital Improvement Fund	C-12	118,165	3,095
Reserve for Grants Receivable	C-13	6,556,775	4,668,248
Reserve for Payment of Debt	C-14	1,026,868	67,926
Reserve for Capital Projects	C-15	37,111	91,489
Reserve for Ibank Loan Proceeds	C-16	3,182,770	8,283,063
Fund Balance	C-1	443,409	386,314
		$ 182,706,986	185,419,908

There were $68,849,713 and $74,655,583 of Bonds and Notes Authorized But Not Issued on, December 31, 2025 and 2024 respectively (Exhibit C-17).

See accompanying notes to the financial statements.

Exhibit C-1

CITY OF HACKENSACK

Comparative Statement of Changes in Fund Balance - Regulatory Basis

General Capital Fund

For the Years Ended December 31, 2025 and 2024

		2025	2024
Balance - December 31, 2024	$	386,314	927,974
Increased By:			
Premiums Received:			
General Improvement Bonds			7,859
Cancelled Liabilities		54,378	
Cancelled Improvement Authorizations		2,717	61,481
		57,095	69,340
		443,409	997,314
Decreased By:			
Budget Revenue - Interfund			611,000
Balance - December 31, 2025	$	443,409	386,314

See accompanying notes to the financial statements.

Exhibit D

CITY OF HACKENSACK

Balance Sheet - Regulatory Basis

Parking Utility Fund

December 31, 2025 and 2024

Assets	Ref.		2025	2024
Operating Fund:				
Cash	D-5	$	2,163,737	2,432,368
Change Fund			130	130
Total Parking Utility Operating Fund			2,163,867	2,432,498
Capital Fund:				
Cash	D-5,D-6		3,150,224	3,241,705
Fixed Capital	D-8		8,469,084	8,541,084
Fixed Capital Authorized and Uncompleted	D-9		6,550,000	
Total Parking Capital Fund			18,169,308	11,782,789
		$	20,333,175	14,215,287

Exhibit D

CITY OF HACKENSACK

Balance Sheet - Regulatory Basis

Parking Utility Fund

December 31, 2025 and 2024

Liabilities, Reserves and Fund Balance	Ref.	2025	2024
Operating Fund:			
Appropriation Reserves	D-4	$ 100,215	271,678
Reserve for Encumbrances	D-4/D-12	91,162	60,584
Accrued Interest on Bonds	D-13	19,101	
		210,478	332,262
Fund Balance	D-1	1,953,389	2,100,236
Total Parking Utility Operating Fund		2,163,867	2,432,498
Capital Fund:			
Serial Bonds Payable	D-16	4,560,000	4,740,000
Improvement Authorizations:			
Funded	D-17	2,556,201	2,856,832
Contracts Payable	D-14	209,150	
Deferred Reserve for Amortization	D-15	1,000,000	
Reserve for Amortization	D-18	9,459,084	3,801,084
Capital Improvement Fund	D-19	141,000	141,000
Fund Balance	D-2	243,873	243,873
Total Parking Utility Capital Fund		18,169,308	11,782,789
		$ 20,333,175	14,215,287

There were $-0- and $-0- of Bonds and Notes Authorized But Not Issued on December 31, 2025 and December 31, 2024 respectively.

See accompanying notes to financial statements.

Exhibit D-1

CITY OF HACKENSACK

Statement of Operations and Changes in Fund Balance - Regulatory Basis

Parking Utility Operating Fund

For the Year ended December 31, 2025 and 2024

		2025	2024
Revenue and Other Income:			
Fund Balance Utilized	$	1,000,000	1,500,000
Parking Rents		2,297,730	2,489,258
Miscellaneous		123,990	
Other			
Unexpended Balance of Appropriation Reserves		237,433	224,546
Total Revenue and Other Income		3,659,153	4,213,804
Expenditures:			
Operating		1,216,000	1,243,000
Capital Improvements		500,000	1,100,000
Debt Service		500,000	300,000
Deferred Charges and Statutory Expenditures		90,000	90,000
Surplus - General Budget		500,000	500,000
Total Expenditures		2,806,000	3,233,000
Excess(Deficit) in Revenues		853,153	980,804
Statutory Excess to Surplus		853,153	980,804
Fund Balance, January 1		2,100,236	2,619,432
Decreased by:			
Anticipated as Current Fund Revenue		1,000,000	1,500,000
Balance, December 31,	$	1,953,389	2,100,236

See accompanying notes to financial statements.

Exhibit D-2

CITY OF HACKENSACK

Statement of Changes in Fund Balance - Regulatory Basis

Parking Utility Capital Fund

For the Years ended December 31, 2025 and 2024

		2025	2024
Balance, December 31	$	243,873	147,905
Increased By:			
Premium on Bond Sale			95,968
Balance, December 31	$	243,873	243,873

See accompanying notes to the financial statements.

Exhibit D-3

CITY OF HACKENSACK

Statement of Revenues - Regulatory Basis

Parking Utility Operating Fund

Year ended December 31, 2025

		Anticipated	Realized	Excess (deficit)
Operating Surplus Anticipated	$	1,000,000	1,000,000	
Parking Rents		1,806,000	2,297,730	491,730
Miscellaneous			123,990	123,990
	$	2,806,000	3,421,720	615,720

Analysis of Realized Revenue	
Off Street Parking	$ 1,073,684
On Street Parking	918,896
Garage Parking Permits	305,150
	$ 2,297,730

Analysis of Miscellaneous Revenue	
Interest on Investments	$ 74,545
PILOT Revenue	42,550
Interest on Investments - Due from Parking Utility Capital	6,895
	$ 123,990

See accompanying notes to financial statements.

CITY OF HACKENSACK

Statement of Expenditures - Regulatory Basis

Parking Utility Operating Fund

Year ended December 31, 2025

	Appropriations			
	Budget	Budget After Modification	Paid or Charged	Reserved
Operating:				
Salaries and Wages	$ 510,000	510,000	481,052	28,948
Other Expenses	706,000	706,000	693,561	12,439
Total Operating	1,216,000	1,216,000	1,174,613	41,387
Capital Improvements:				
Capital Outlay	500,000	500,000	500,000	
Total Capital Improvements	500,000	500,000	500,000	
Debt Service:				
Payment of Bond Principal	180,000	180,000	180,000	
Interest on Bonds	320,000	320,000	320,000	
Total Debt Service	500,000	500,000	500,000	
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures - Contribution to:				
Public Employees' Retirement System	50,000	50,000		50,000
Social Security System (O.A.S.I.)	40,000	40,000	31,172	8,828
Total Deferred Charges and Statutory Expenditures	90,000	90,000	31,172	58,828
Surplus in Operations	500,000	500,000	500,000	
	$ 2,806,000	2,806,000	2,705,785	100,215

Cash Disbursed	$ 2,294,624
Reserve for Encumbrances	91,162
Accrued Interest on Bonds	320,000
	$ 2,705,785

See accompanying notes to financial statements.

Exhibit F

CITY OF HACKENSACK

Comparative Balance Sheet-Regulatory Basis

Payroll Account

December 31, 2025 and 2024

	2025	2024
Assets		
Cash - Payroll Agency	$ 652,289	426,343
Cash - Net Payroll	17,991	129,670
	$ 670,280	556,013
Reserves		
Reserve for:		
Net Payroll	17,991	129,670
Payroll Deductions and Withholdings	652,289	426,343
	$ 670,280	556,013

See accompanying notes to financial statements.

Exhibit G

CITY OF HACKENSACK

Comparative Statement of General Fixed Assets - Regulatory Basis

December 31, 2025 and 2024

		2025	2024
General Fixed Assets:			
Land	$	9,539,800	9,539,800
Land Improvements		5,113,888	5,113,888
Buildings		22,537,040	22,537,040
Machinery and Equipment		5,004,724	5,004,724
Infrastructure		2,744,478	2,744,478
	$	44,939,930	44,939,930
Investment in Fixed Assets	$	44,939,930	44,939,930

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the City of Hackensack have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the Division) which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 City accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The City of Hackensack (the City) operates under the New Jersey Municipal Manager Law of 1923. This form of government separates policy making (the work of the Mayor and City Council) from the execution of policy (the work of the City Manager). This maintains professional management and a City-wide perspective through nonpartisan election, at large representation, concentration of executive responsibility in the hands of a professional manager accountable to the Mayor and Council and the concentration of policy making power in one body – a five-person Mayor and Council. The City's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component units board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. 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, volunteer ambulance squad or redevelopment agency, which are considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

The City uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain City functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The City has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the City as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the City as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Municipal Open Space Trust Fund - This fund is used to account for taxes raised to finance the acquisition and preservation of property.

Animal License Trust Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

Community Development Block Grant Trust Fund - This fund is used to account for the award of and subsequent receipt and disbursements related to Community Development Block Grants and Section 8 Voucher Program.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Parking Utility Operating Fund - This fund is used to account for all revenues and expenditures applicable to the operations of the parking utility.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Parking Utility Capital Fund - This fund is used to account for financial resources to be used for the acquisition or improvement of parking capital facilities. The major resources are derived from the issuance of debt.

General Fixed Assets Account Group - To account for all fixed assets of the city. The City's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the City of Hackensack. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar years levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments in total are determined as one half of the total tax levied against the property for the preceding year. The installment due for the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of $1,500. Additionally, a 6% penalty is assessed for balances over $10,000 if not paid by the end of the calendar year. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the City. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month of the current calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the City. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax's receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the City's Current Fund and Parking Utility Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the City's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund and Parking Utility Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The City is not required to adopt budgets for the following funds:

General Capital Fund
Trust Funds
Parking Utility Capital Fund

The governing body shall introduce and approve the annual budget not later than March 31, of the fiscal year. The budget shall be adopted not later than April 30, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. 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. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

During the years ended December 31, 2025, and 2024, the Governing Body approved additional revenues and appropriations of $430,836 and $1,993,664, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the Governing Body in 2025 and 2024.

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 an encumbrance accounting system. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation, sick pay, compensatory time and certain types of sabbatical leave are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation. Because of the implementation of GASB Statement 101, the City has updated the measurement of compensated absences in accordance with the Statement (note10)

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Interfunds - 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.

Inventories - 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.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value which approximates cost and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the City establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the City may levy taxes on all taxable property within the local unit to repay the debt. Annually, the City raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The City of Hackensack has developed a fixed assets accounting and reporting system, as promulgated by N.J.A.C. 5:30-5.6 and the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

General Fixed Assets - 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.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates - The preparation of financial statements requires management of the City 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.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Recently Issued Accounting Pronouncements

The following GASB statement became effective for the fiscal year ended December 31, 2025:

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires the government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Recently Issued Accounting Pronouncements, (continued)

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its' effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. Management is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.

In September 2024, the Government Accounting Standards Board issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement will provide users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025. Management is currently reviewing the provisions of this Statement and its effect on the financial statements of the City.

In December 2025, the Government Accounting Standards Board issued GASB Statement No. 105, *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. The City is determining what effects, if any, this pronouncement will have on future financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The City presents the financial statements listed in the table of contents which are required by the Division, and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

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's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2025, and 2024, $0 of the City's bank balance of $63,304,534 and $67,502,488, respectively, was exposed to custodial credit risk.

Investments

Investment Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer.

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2025 and 2024 consisted of the following:

	Balance Dec. 31, 2024	Additions	Reductions	Balance Dec. 31, 2025	Amounts Due Within One Year
Bonds Payable - General					
General Capital Fund	$ 57,544,000		$ 3,675,000	$ 53,869,000	$ 3,790,000
Parking Utility Capital Fund	4,740,000		180,000	4,560,000	240,000
Other Liabilities:					
New Jersey Infrastructure				-	
Bank Loans Payable	8,100,488	7,569,682	527,297	15,142,873	650,734
Green Trust Loan Payable	196,016	210,226	28,910	377,332	33,969
Pension Deferral		418,233 (1)		418,233	418,233
Compensated Absences Payable	20,116,882	-	9,045,948 *	11,070,934	-
	$ 90,697,386	$ 8,198,141	$ 13,457,155	$ 85,438,372	$ 5,132,936

* - Prior Year Compensated Absences Payable included amounts that were accumulated but not required to be paid out per employee contract.
(1) - Adjustment was made to incorporate the liability related to the pension deferral per Chp. 19, PL. 2009.

	Balance Dec. 31, 2023	Additions	Reductions	Balance Dec. 31, 2024	Amounts Due Within One Year
Bonds Payable - General					
General Capital Fund	$ 45,584,000	$ 14,870,000	$ 2,910,000	$ 57,544,000	$ 3,675,000
Parking Utility Capital Fund		4,740,000		4,740,000	180,000
Other Liabilities:					
NJEIT Loan Payable	6,483,250	2,035,971	418,733	8,100,488	466,880
Green Trust Loan Payable	220,011		23,995	196,016	28,910
Compensated Absences Payable	19,726,182	1,351,079	960,379	20,116,882	-
	$ 72,013,443	$ 22,997,050	$ 4,313,107	$ 90,697,386	$ 4,350,790

NOTE 3. MUNICIPAL DEBT, (continued)

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The City's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	Year 2025	Year 2024	Year 2023
Issued:			
General - Bonds, Notes and Loans	$ 69,389,205	$ 65,840,504	$ 66,211,261
Parking Utility - Bonds, Notes and Loans	4,560,000	4,740,000	3,884,000
	73,949,205	70,580,504	70,095,261
Authorized not Issued			
General - Bonds, Notes and Loans	68,849,713	74,655,583	69,167,111
Parking Utility - Bonds, Notes and Loans	-	-	-
	68,849,713	74,655,583	69,167,111
Total Bond, Notes and Loans Issued and Authorized But Not Issued	142,798,918	145,236,087	139,262,372
Less:			
Self-Liquidating Parking Utility	4,560,000	4,740,000	3,884,000
Reserve for payment of debt	1,026,868	67,926	1,058,224
	5,586,868	4,807,926	4,942,224
Net Bonds and Notes Issued and Authorized But Not Issued	$ 137,212,050	$ 140,428,161	$ 134,320,148

NOTE 3. MUNICIPAL DEBT, (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.675% for 2025.

2025	Gross Debt	Deductions	Net Debt
School District Debt	$ 9,760,000	$ 9,760,000	$ -
General Debt	138,238,918	1,026,868	137,212,050
Parking Utility Debt	4,560,000	4,560,000	-
	$ 152,558,918	$ 15,346,868	$ 137,212,050

Net debt of $137,212,050 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of $8,192,509,543 equals 1.675%.

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.838% for 2024.

2024	Gross Debt	Deductions	Net Debt
School District Debt	$ 10,105,000	$ 10,105,000	$ -
General Debt	140,496,087	67,926	140,428,161
Parking Utility Debt	4,740,000	4,740,000	-
	$ 155,341,087	$ 14,912,926	$ 140,428,161

Net debt of $140,496,087 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of $7,642,676,346 equals 1.838%.

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

	2025	2024
3 1/2% of Equalized Valuation Basis (Municipal)	$ 286,737,834	$ 267,493,672
Net Debt	137,212,050	140,428,161
Remaining Borrowing Power	$ 149,525,784	$ 127,065,511

NOTE 3. MUNICIPAL DEBT, (continued)

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

	2025	2024
Cash receipts from fees, rents or other charges for year	$ 3,421,720	$ 3,989,258
Deductions:		
Operating and Maintenance Cost	1,306,000	1,190,000
Debt Service	500,000	300,000
Surplus in Operations	500,000	500,000
Total Deductions	2,306,000	1,990,000
Excess (Deficit) in Revenue - Self Liquidating	$ 1,115,720	$ 1,999,258

The City's long-term debt consisted of the following at December 31, 2025 and 2024:

General Obligation Bonds - Paid by Current Fund	2025	2024
$6,170,000, 2013A General Improvement Bonds, due in annual installments of $235,000 to $470,000 through May 2028, interest at 2.00% to 3.00%	$ 1,410,000	$ 1,880,000
$3,679,000, 2013B General Improvement Bonds, due in annual installments of $140,000 to $280,000 through May 2028, interest at 2.80% to 3.40%	829,000	1,099,000
$21,820,000, 2018 General Improvement Bonds, due in annual installments of $785,000 to $1,535,000 through April 2037, interest at 3.00% to 5.00%	15,320,000	16,350,000
$26,805,000, 2021 General Improvement Bonds, due in annual installments of $1,145,000 to $1,535,000 through September 2041, interest at 2.00% to 4.00%	22,150,000	23,345,000
$14,870,000, 2024 General Improvement Bonds, due in annual installments of $710,000 to $1,420,000 through May 2037, interest at 4.00% to 5.00%	14,160,000	14,870,000
	$ 53,869,000	$ 57,544,000

Parking Utility Bonds - Paid by Parking Utility Fund	2025	2024
$4,740,000, 2024 Parking Utility Bonds, due in annual installments of $180,000 to $360,000 through May 2040, interest at 4.00% to 5.00%	$ 4,560,000	$ 4,740,000

NOTE 3. MUNICIPAL DEBT, (continued)

Aggregate debt service requirements during the next five years and thereafter are as follows:

	General Capital Debt						
	Serial Bonds		Green Acres Loans		NJ Infrastructure Bank Loan		
Year	Principal	Interest	Principal	Interest	Principal	Interest	Total
2026	$ 3,790,000	$ 1,689,960	$ 33,971	$ 5,786	$ 650,733	$ 290,830	$ 6,461,280
2027	3,870,000	1,536,067	34,652	5,447	662,831	279,032	6,388,029
2028	4,009,000	1,377,112	35,349	5,009	673,952	269,256	6,369,678
2029	3,595,000	1,224,294	36,059	4,563	681,115	258,108	5,799,139
2030	3,685,000	1,092,119	36,784	4,108	692,544	246,470	5,757,025
2031-2035	20,025,000	3,582,766	93,334	14,676	2,998,505	1,067,206	27,781,487
2036-2040	13,360,000	821,081	57,170	8,759	2,195,520	775,580	17,218,110
2041-2045	1,535,000	30,700	50,013	2,772	2,006,034	588,503	4,213,022
2046-2050	-	-	-	-	2,213,259	392,719	2,605,978
2051-2055	-	-	-	-	2,027,551	156,824	2,184,375
2056-2057	-	-	-	-	340,829	11,750	352,579
	$ 53,869,000	$ 11,354,099	$ 377,332	$ 51,120	$ 15,142,873	$ 4,336,278	$ 79,987,770

	Parking Utility Capital Serial Bonds		Total Debt Service
Year	Principal	Interest	
2026	$ 240,000	$ 192,050	$ 432,050
2027	245,000	179,925	424,925
2028	255,000	167,425	422,425
2029	265,000	154,425	419,425
2030	275,000	140,925	415,925
2031-2035	1,505,000	510,525	2,015,525
2036-2040	1,775,000	179,300	1,954,300
	$ 4,560,000	$ 1,524,575	$ 6,084,575

General capital serial bonds and loans payable and parking utility capital serial bonds payable are direct obligations of the City for which its full faith and credit are pledged and are payable from taxes levied on all taxable property located within the City and/or parking utility revenues and special assessments.

NOTE 4. INTERGOVERNMENTAL LOANS PAYABLE

The City has two outstanding Garden State Green Acres Preservation Trust Fund loans with the State of New Jersey, Department of Environmental Trust as follows:

	2025	2024
Second Ward Park Improvement Project loan at a rate of 2% for a term of 20 years; repayments made January 13 and July 13 of each year through March 2032.	$ 171,540	$ 196,017
Multi-Park Improvement Project loan at a rate of 2% for a term of 20 years; repayments made April 15 and October 15 of each year through October 2044.	205,792	-
	$ 377,332	$ 196,017

The City received temporary loan proceeds from the New Jersey Infrastructure Bank in anticipation of finalizing loans related to stormwater/sanitary infrastructure and combined sewer separation improvements. Repayment of these loan proceeds will be offset by loan agreements entered into with the New Jersey Environmental Infrastructure Bank when project costs are finalized. The City finalized Project S340923-13 and S340923-15 in the amount of $7,569,682 related to combined sewer separation improvements which also included principal forgiveness of $3,714,831, in August of 2025. Temporary loan proceeds at December 31, 2025 of $3,182,770 are related to sanitary stormwater infrastructure improvements.

The City has entered into eleven loans with the New Jersey Environmental Infrastructure Bank with the State of New Jersey, Department of Environmental Trust as follows:

	2025	2024
Series 2010B, S340923-11 Fund Loan entered into on September 30, 2010, in the amount of $527,500 at 0% interest payable in semi annual installments of $8,941 to $17,881.	$ 134,110	$ 160,932
Series 2010B, S340923-11 Trust Loan entered into on December 10, 2010, in the amount of $980,000 at 5% interest payable in annual installments of $59,000 to $68,000.	316,000	410,000

NOTE 4. INTERGOVERNMENTAL LOANS PAYABLE, (continued)

Series 2015A-1, S340923-10 Trust Loan entered into on May 28, 2015, in the amount of $760,000 at 4% to 5% interest payable in annual installments of $40,000 to $55,000.	440,000	480,000
Series 2015A-1, S340923-10 Fund Loan entered into on May 28, 2015, in the amount of $1,459,650 at 0% interest payable in annual installments of $24,740 to $49,480.	667,976	742,196
Series 2022A-2, S340923-14 Trust Loan entered into on August 1, 2023, in the amount of $1,335,000 at 5% interest payable in annual installments of $15,000 to $80,000.	1,305,000	1,320,000
Series 2022A-2, S340923-14 Fund Loan entered into on August 1, 2023, in the amount of $3,221,024 at 0% interest payable in semi-annual installments of $30,971 to $61,943.	2,973,254	3,066,168
Series 2023DL, TB0223-001 Trust Loan entered into on November 1, 2023, in the amount of $2,035,970 at 3.19% to 4.684% interest payable in semi-annual installments of $614 to $165,211	1,787,743	1,921,192
Series 2025A-SW1/C-SW1, S340923-13 Trust Loan entered into on May 15, 2025, in the amount of $3,627,378 at interest of 3.71% - 5.00% payable in annual installments of $70,000 to $180,549.	3,627,378	-
Series 2025A-SW1/C-SW1, S340923-13 Fund Loan entered into on May 15, 2025, in the amount of $3,657,135 at 0% interest payable in semi-annual installments of $24,794 to $111,574.	3,607,547	-
Series 2025A-SW1/C-SW1, S340923-15 Trust Loan entered into on May 15, 2025, in the amount of $202,015 at interest of 3.71% - 5.00% payable in annual installments of $5,000 to $10,649.	202,015	-
Series 2025A-SW1/C-SW1, S340923-15 Trust Loan entered into on May 15, 2025, in the amount of $83,154 at 0% interest payable in semi-annual installments of $652 to $2,934.	81,850	-
	$ 15,142,873	$ 8,100,488

NOTE 5. BOND ANTICIPATION NOTES

The City issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2024, and 2023, the City had $-0- and $-0-, respectively, in outstanding General Capital bond anticipation notes, and $-0- and $-0-, respectively, in outstanding Parking Utility Capital bond anticipation notes.

There were bonds and notes authorized but not issued in the following amounts at December 31, 2025 and 2024:

	Balance Dec. 31, 2025	Balance Dec. 31, 2024
General Capital Fund:		
General Improvements	$ 68,849,713	$ 74,655,583
Parking Utility Capital Fund:		
General Improvements	$ -	$ -

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NOTE 6. PENSION PLANS

Description of Plans:

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007, and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008, and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010, and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of $1/55^{th}$ of final average salary for each year of service credit are available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{th}$ of final average salary for each year of service credit are available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

NOTE 6. PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's annual financial Report statement, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010, and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program

Empower jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

NOTE 6. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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 the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey, and in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The City's contribution to the various plans, equal to the required contributions for each year, were as follows:

Year	PERS	PFRS	DCRP
2025	9,764,545	2,126,082	29,841
2024	9,849,065	2,054,389	-
2023	8,896,703	2,005,542	36,166

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

NOTE 6. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS)

At June 30, 2025, the City had a liability of $19,132,545 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2025, the City's proportion was .1555662161 percent, which was an increase of .0045881832 percent from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the City recognized pension expense of $2,126,082.

At June 30, 2025, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 545,505	$ 20,446
Changes of assumptions	3,021	220,424
Net difference between projected and actual earnings on pension plan investments		1,595,402
Changes in proportion and differences between the City's contributions and proportionate share of contributions	614,507	1,173,387
	$ 1,163,033	$ 3,009,659

NOTE 6. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2025) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2026	354,356
2027	(739,621)
2028	(570,736)
2029	(334,088)
2030	2,343

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.15, 5.08, 5.08, 5.04, 5.13, and 5.16 years for 2025 ,2024, 2023, 2022, 2021, and 2020, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2025 and June 30, 2024 are as follows:

	June 30, 2025	June 30, 2024
Collective deferred outflows of resources	$ 1,093,964,592	$ 1,079,580,780
Collective deferred inflows of resources	1,921,744,319	1,611,322,898
Collective net pension liability	12,298,650,125	13,588,045,796
Township's Proportion	0.1555662161%	0.1509780329%

NOTE 6. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2025, measurement date was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. This actuarial valuation used the following assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	3.25%-7.75% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2016 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2016 General Below-Median Income Healthy Retiree mortality table with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2016 Non-Safety Disabled Retiree mortality table with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Mortality improvement based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2024.

NOTE 6. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.55%
Non-U.S. Developed Markets Equity	12.75%	8.77%
International Small Cap Equity	1.25%	8.77%
Emerging Markets Equity	5.50%	10.30%
Private Equity	13.00%	12.00%
Real Estate	8.00%	10.78%
Real Assets	3.00%	7.90%
High Yield	4.50%	6.63%
Private Credit	8.00%	9.00%
Investment Grade Credit	7.00%	5.47%
Cash Equivalents	2.00%	3.61%
U.S. Treasuries	4.00%	3.61%
Risk Mitigation Strategies	3.00%	7.26%

NOTE 6. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2025, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2025		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
City's proportionate share of the pension liability	$26,252,211	$19,132,545	$13,064,699

Pension Plan Fiduciary Net Position

Detailed information about the pension plans fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS)

At June 30, 2025, the City had a liability of $68,540,062 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2025, the City's proportion was .068341644 percent, which was a decrease of .02861251 percent from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the City recognized pension expense of $9,764,545.

At June 30, 2025, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 5,615,253	$ 1,302,662
Changes of assumptions	3,428,357	866,480
Net difference between projected and actual earnings on pension plan investments		3,357,606
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,119,662	4,133,344
	$ 10,163,272	$ 9,660,092

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2025) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2026	$ 3,831,405
2027	(1,096,024)
2028	(566,504)
2029	300,980
2030	1,047,006

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.86, 6.09, 6.16, 6.22, 6.17, and 5.90 years for 2025, 2024, 2023, 2022, 2021, and 2020 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2025 and June 30, 2024 are as follows:

	June 30, 2025	June 30, 2024
Collective deferred outflows of resources	$ 1,956,190,968	$ 1,350,355,724
Collective deferred inflows of resources	1,441,590,785	1,421,121,200
Collective net pension liability	10,029,033,268	10,326,599,453
City's Proportion	0.6834164400%	0.7120289500%

Actuarial Assumptions

The collective total pension liability for the June 30, 2025, measurement date was determined by an actuarial valuation as of July 1, 2024, which rolled forward to June 30, 2025. This actuarial valuation used the following actuarial assumptions

Inflation Rate:	
Price	2.50%
Wage	3.00%
Salary Increases:	
All future years	4.00-17.50% (based on years of service)
Investment Rate of Return	7.00%

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Mortality Rates

Employee mortality rates were based on the Pub-2016 Safety Employee mortality tables projected generationally from 2016 with Scale MP-2021. 5% of deaths are assumed to be accidental. Healthy annuitants, mortality rates were 100% of the Pub-2016 Safety Retiree Below Median amount-weighted mortality tables for males and 98% of the Pub-2016 Safety Retiree Below Median amount-weighted mortality tables for females, projected generationally from 2016 with Scale MP-2021 mortality projection. For contingent annuitants, mortality rates were 100% of the Pub-2016 Contingent Survivor Below Median amount-weighted mortality tables for males and 102% Pub-2016 Contingent Survivor Below Median amount-weighted mortality tables for females, projected generationally from 2016 with Scale MP-2021. Disability mortality rates were 134% of the Pub-2016 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2016 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2016 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2021, to June 30, 2024.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025) is determined by the State Treasurer, after consultation with the PFRS Board of Trustees, and the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2025, are summarized in the following table:

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Long-Term Rate of Return, (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large-Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plans fiduciary net position was projected to be available to make all projected fiuture benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2025, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2025		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
City's proportionate share of the pension liability	$106,035,429	$68,540,062	$37,257,113

Special Funding Situation - PFRS

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 201, P.L. 2001. 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 June 30, 2025 and 2024, the State proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is $13,913,449 and $14,495,962, respectively. For the years ended June 30, 2025, and 2024, 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 $1,649,151 and $1,667,645, respectively, which is less and more than the actual contributions the State made on behalf of the City of $1,649,152 and $1,667,643, respectively. 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.

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Special Funding Situation - PFRS

Detailed information about the pension plans fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to the pension benefits described in Note 7, the City provides post-employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost.

General Information about the OPEB Plan

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).

Base plan costs effective January 1, 2023, for pre-65 and post-65 retirees for the self-funded medical plans by unit are outlined in the actuarial assumptions section of this note disclosure. The 2023 retiree rates are based on the combined weighted average pre-65/post-65 costs for each unit derived from the self-funded fully insured equivalency rates included in the census for each individual as provided by the City. The rates include medical, prescription drug, and vision benefits and were developed by Horizon BC/BS and are based on 100% before retiree contributions and assumed to include all administrative expenses, stop loss premiums and PPACA fees.

The rates provided for each employee assume a combined pre-65/post-65, active/retiree cost structure. The City integrates with Medicare for post-65 retiree benefits and is therefore secondary payer to Medicare. Plan costs for post-65 retirees were derived from the combined weighted average cost for each unit using an assumed pre-65/post-65 relationship of 50%, i.e., the post-65 costs are assumed to be 50% of pre-65 costs.

In addition, the City reimburses 100% of the Standard Medicare Part B premium to retirees only (excluding spouses) that are over age 65 and eligible for the benefits.

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

The following information is from an actuarial valuation date of January 1, 2023 with a year end reporting and measurement date of December 31, 2023. The City has not had an updated actuarial valuation performed in accordance with GASB 75.

Employees Covered by Benefit Terms: At January 1, 2023, the following employees were covered by the benefit terms:

Actives	384
Retirees	253
Total	637

Total OPEB Liability

The City's financial statements for the fiscal year ended December 31, 2023 report a total Net OPEB liability of $327,886,987, which is based on the projected pay-as-you-go results for fiscal year January 1, 2023, to December 31, 2023.

Actuarial Assumptions and Other Inputs

The Total OPEB liability in the January 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Valuation Date	January 1, 2023
Initial Implementation Year for GASB 75	January 1, 2018 to December 31, 2018
Assets	Not Applicable. Assets are Zero.
Expected Return on Assets	Not Applicable. Assets are Zero.
Discount Rate	3.88% - End of Year Measurement Date. The selected discount rate is based on the prescribed discount interest rate methodology under GASB No. 74/75 using an average of two 20-year municipal bond indices as of December 31, 2023.
Information for Valuation	All information was provided by the City.

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Retirement Benefits	Coverage for pre-65 and post-65 retirement benefits. This valuation is provided to a single employer plan.
Covered Benefits	Employees who retire from the City may be eligible for post-employment medical, pharmacy, and vision benefits. Dental benefits are provided to Cobra beneficiaries only with zero subsidy from the City.
Insurance Coverage and Funding Basis	Pre-65 and post-65 retiree medical benefits including pharmacy and vision benefits, provided by the City operate on a self-funded basis through Horizon Blue Cross Blue Shield of NJ.
Actuarial Cost Method	Entry Age Normal as a Level Percentage of Payroll
Health Care Cost Trend Assumption	The following assumptions are used for annual healthcare cost inflation (trend):

	Year	Pre-65	Post-65
Year 1 Trend	January 1, 2024	7.25%	7.25%
Ultimate Trend	January 1, 2035 & Later	4.50%	4.50%
Grading Per Year		0.25%	0.25%

Starting Claim Cost	Base plan costs for pre-65 and post-65 retirees are based on the combined weighted average pre-65/post 65 costs for each unit derived from the self-funded fully insured equivalency rates included in the census for each individual as provided by the City. The rates include medical, prescription drug and vision benefits and were developed by Horizon BCBS and are based on 100% before retiree contributions and assumed to include all administrative expenses, stop loss premiums and PPACA fees.
Projected Benefit Costs	The City's's plan costs are experience rated and therefore adjusted for aging. Actuarial Standards of Practice No. 6 requires age adjusted costs be measured by estimating the expected costs by age whether or not a pooling or community rating applies. The current valuation contemplates an assumption for aging, which is consistent with the prior valuation.
Medicare Part D Reimbursements	The City does not reimburse Medicare Part D premiums to retirees and/or spouses that are eligible.

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Medicare Part B Reimbursements	Valuation reflects the reimbursement of Medicare Part B premium to retirees onky (excluding spouses) over age 65 that are eligible for the benefit. For valuation purposes, it is assumed the City reimburses at the standard Medicare Part B premium level and that there is no additional reimbursement due to income level surcharge.
Implicit Subsidy	This reflects the difference between the premium rate or cost charged to a retiree for a particular benefit as compared to the estimated rate of cost to the retiree, if those benefits were calculated reflecting retirees as a separate group (rather than their costs bundled with the active population). The results in this valuation reflect an implicit subsidy in the cost projections.
Health Care Reform Impact	The Patient Protection and Affordable Care Act (PPACA) enacted in March 2010 (Healthcare Reform) includes several fees and/or taxes levied on employer groups either directly (e.g., self-funded employer groups which calculates and pays the fees directly) or indirectly (e.g., fully insured employer groups in which the health insurer pays and passes on to the group in their premium rates.) The fees included in this valuation are 1) Comparative Effectiveness Research fee (aka PCORI), 2) Health Insurance Industry fee, and 3) High Cost Plans Excise Tax ("Cadillac tax"). The Reinsurance Assessment, also initiated with the passing of the PPACA. was a short-term fee levied on fully insured and self-funded employer groups between 2014 - 2016. The Comparative Effectiveness Research fee runs through 2029 and is tax deductibe. The initial fee was $1 per participant per year increasing to $2 in the next year. Subsequent years are increased based on medical inflation. The fee applies to post-65 retirees where Medicare is the primary payer. Initially, this fee was to expire in 2019, however, legislation signed into law by President Trump on December 20, 2019 HR 1865 "Further Consolidated Appropriations Act, 2020" extended the fee 10 years. The Health Insurance Industry fee is based on targeted fixed fees to be paid by the health insurance industry and is not tax deductible. The total fee amount to be paid by health insurers starts at $8 billion in 2014 and increases to $14.3 billion in 2018. After 2018, the fee increases annually based on premium growth. The fee was suspended for the 2017 plan year and resumed in 2018 with the estimated fee to be approximately 3.0% to 4.0% of premium. The fee applies to fully insured plans including Medicare Advantage plans and excludes self-funded employer sponsored group health plans. Effective with legislation passed on January 22, 2018, this fee was suspended again for the 2019 plan year and will resume in 2020, however has been repealed beginning 2021 and beyond based on 12/20/19 HR 1865 "Further Consolidated Appropriations Act, 2020".

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Health Care Reform Impact, (cont.)	The High Cost Plans Excise tax included a 40% tax ("Cadillac tax") on high cost plans to be levied on insurers and third party administrators (TPA) beginning in 2022 and was to be tax deductible. The calculation was to be done separately for single and family coverage and was equal to 40% of the excess of per employee plan costs, net of patient cost sharing, over the 2022 stated cost limits of: o - $10,200 single / $27,500 family o - $11,850 single / $30,950 family for retirees age 55-64 This valuation excludes the Cadillac tax in its entirety based on legislation signed into law by President Trump on 12/20/19, HR 1865 "Further Consolidated Appropriations Act, 2020" repealing the "Cadillac Tax".
COVID-19 Pandemic	No special adjustments or considerations were made to valuation results due to the COVID-19 pandemic. Since the City is not funding this benefit in a separate OPEB trust, no special considerations were made for the impact on assets. Similarily, no special adjustments were made to the OPEB liability calculations. The impact of COVID-19 will be reviewed in future years including the potential impact on selected assumptions (e.g., mortality, morbidity, etc.).
Plan Design Changes	Valuation assumes no changes in future plan design from current benefits offered for the current plan year. It is assumed that the current level of benefits will remain, with no modifications to avoid the potential excise tax imposed by the Patient Protection and Affordable Care Act.
% Future Retirees Opting Out	It is assumed that 100% of future retirees (active employees) eligible for coverage will elect benefits in retirement. All eligible active and retiree employee records provided by the City were valued.
Census Information	Participant data was provided by the City in December 2024. We relied on information as being accurate and we have not conducted any data audits.

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

New Hires	This valuation is based on a closed group and does not reflect the impact of future new entrants (e.g., new hires after date of data collection, i.e., December 2024) into the plan.
Payroll Information	Payroll information was supplied by the City and reflected in the valuation for use in determining retiree contribution rates as well as the actuarial cost method. Contribution rates for future retirees with less than (20) years of service prior to implementation of Chapter 78 on June 28, 2011 will have their contribution for healthcare benefits based on base salary at retirement with a minimum of 1.5% of base salary. Average salary increase used in the valuation for the Entry Age Normal (EAN) actuarial cost method is assumed to be 3.0% Annual salary is based on a contribution of current salary along with salary used in the prior valuation for those active employees missing salary.
Retirement System	Valuation is based on the New Jersey Public Employees' Retirement System (PERS), and the New Jersey Police and Firemen's Retirement System (PFRS). Decrement tables used in this valuation are from the July 1, 2020 Annual Report of the Actuary for both PERS and PFRS.
Retirement Eligibility Assumptions	Eligibility for retirement is based on meeting a minimum years of service requirement. For this valuation, retirees are eligible for subsidized healthcare benefits based on achieving twenty-five years of service in the NJPERS/NJPFRS.
Retiree Contribution Rates	Contribution rates for future retirees will be based on the State of New Jersey's contribution formula per implementation of Chapter 78. Contributions are calculated using a varying formula based on the retirees' base salary at retirement with a minimum contribution of 1.5% of base salary. Active employees hired prior to implementation of Chapter 78 (June 28, 2011) with less than twenty years of service at implementation had their contribution phased in over a four-year period. Employees with twenty (20) or more years of service at June 28, 2011 are 0% (non-contributory). Employees hired on or after June 28, 2011 will have their contribution contribution set at the highest four year contribution level. As the four-year phase in period has expired, all active employees' contribution level is set at the highest level. Contributions for current retirees are based on actual contributions as reported by the City.

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Mortality	Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.
Turnover Assumptions	This reflects rate of separation from the active plan and excludes retirement and disability. Turnover table varies by age and years of service with rates of turnover based on the NJ PERS and NJ PFRS.
Disability Assumptions	This reflects disability assumptions from the active plan for ordinary and accidental disability and is based on age.
Retirement Assumptions	This reflects the rate of retirement from the active plan and is based on age and years of service.
Surviving Spouses & Surviving Dependents	Four (4) surviving spouses currently elect coverage and received the same subsidy as retirees including their Medicare Part B premium reimbursement.
Valuation of Spouses & Marital Status	Spouses are valued for benefits similar to retired employees. Employees with spouses are assumed to be married to those spouses at and throughout retirement. Employees that are without spouses (or not covering a spouse) are assumed to be single at and throughout retirement. Based on the contribution rates for future retirees, it is assumed that active employees with dependent coverage will elect dependent coverage in retirement 100% of the time.
Spouse Age Assumptions	It is assumed that female spouses are three years younger than male employees and male spouses are three years older than female employees unless actual spouse date of birth information was provided.
Waivers & Buyouts	Valuation includes 49 active employees that currently waive coverage. For valuation purposes, it is assumed that 100% of these individuals elect medical coverage in retirement at the coverage tier indicated in the census listing. Plan costs for these individuals are based on the enrollment weighted average pre-65 and post-65 costs.

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Vested & Leave of Absence	No individuals were listed as vested in benefits or on leave of absence.
COBRA & Terminated Participants	No individuals were listed on COBRA or terminated from the plan.
Eligible Population	Population reflects all benefit eligible employees provided. Any new hires after date of data collection are not reflected herein.
Medicare Tax Subsidy	The Medicare tax subsidy is not reflected in valuation. There is no offset in premium rates charged to employer and post-65 costs are illustrated gross of subsidy.
Special Adjustments	No other special adjustments were provided since client data was complete for purposes of completing the valuation. All active and retired employees provided were valued.

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NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the City recognized OPEB expense of $16,884,946 based on actuarial estimates at December 31, 2023. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		
Changes of assumptions	$ 28,663,095	$ 150,422,360
Total	$ 28,663,095	$ 150,422,360

Changes in Net OPEB Liability FYE 2023

Discount Rate (Proj.)	**3.88%** FYE 12/31/2023
Investment Return Rate (Proj.)	**N/A; Index will apply**

Changes in Total OPEB Liability During the Year

Total OPEB Liability at beginning of year	$ 460,360,228
Service Cost	3,646,210
Interest Cost	17,654,865
Benefit Payments	(10,675,881)
Changes to assumptions	(143,098,435)
Total OPEB Liability at the end of year	$ 327,886,987

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

TOTAL GASB #75 Expense for FYE 2023

1. Service Cost with Interest - Period January 1, 2023, to December 31, 2023	$3,646,210
2. Interest Cost - Period January 1, 2023, to December 31, 2023	
(a) Discount Rate	3.88%
(b) Total OPEB Liability as of January 1, 2023	460,360,228
(c) Actual Benefit Payments - Illustrated as Projected for Period January 1, 2023, to December 31, 2023	10,675,881
(d) Interest Cost: (2a)x[(2b)-(2c)/2]	17,654,865
3. Investment Return - Period January 1, 2023, to December 31, 2023	-0-
4. Employee Contributions - Period January 1, 2023, to December 31, 2023 (Amount is illustrated as zero since employer contributions are illustrated net of employee contributions)	-0-
5. Administrative expenses	-0-
6. Plan Changes	-0-
7. Amortization of Unrecognized Amounts	
(a) Liability (Gain)/Loss	(4,416,129)
(b) Asset (Gain)/Loss	-
(c) Net (Gain)/Loss: (7a)-(7b)	$(4,416,129)
8. Total Expense - Period January 1, 2023, to December 31, 2023	
(1)+(2)(d)-(3)+(4)+(5)+(6)+(7)	$16,884,946

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Sensitivity of Total OPEB Liability to Changes in Healthcare Trend Rate

The following presents the City's total OPEB liability as well as what the City's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	At Current Discount Rate	1% Increase
City's Total OPEB Liability	$392,961,821	$327,886,987	$278,417,952

Special Funding Situation PFRS with State Health Local Government Retired Employees Plan

The following other postemployment information is as of June 30, 2024, which is the latest information available. This information is eighteen months prior to December 31, 2025. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis statements of Municipal, County and Library's to be issued with unmodified opinions until such time current other postemployment benefit information is available.

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred inflows of resources or deferred outflows of resources to report in the financial statements of the local participating employers related to this legislation.

At June 30, 2024, the States proportionate share of the net OPEB liability attributable to the City for the PFRS special funding situation is $49,112,838 and the States proportionate share of OPEB expense for the PFRS special funding situation is $(4,758,204).

NOTE 8. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2025 and 2024 which has been appropriated as revenue in the 2026 and 2025 budgets is as follows:

	2026		2025
Current Fund	$ 13,270,000	(1)	$ 6,770,000
Parking Utility Operating	$ 750,000		$ 1,000,000

(1) Includes a one-time payment to the Board of Education of $6,500,000

NOTE 9. FIXED ASSETS

The following is a summary of General Fixed Assets Account Group as of December 31, 2025, and 2024:

	Balance Dec. 31, 2023	Additions	Deletions	Balance Dec. 31, 2024
Land	$ 9,539,800	$ -	$ -	$ 9,539,800
Land Improvements	5,113,888	-	-	5,113,888
Buildings	22,537,040	-	-	22,537,040
Machinery & Equipment	5,004,724	-	-	5,004,724
Infrastructure	2,744,478	-	-	2,744,478
	$ 44,939,930	$ -	$ -	$ 44,939,930

The City has not updated its fixed asset report for any asset additions or disposals in a number of years.

	Balance Dec. 31, 2024	Additions	Deletions	Balance Dec. 31, 2025
Land	$ 9,539,800	$ -	$ -	$ 9,539,800
Land Improvements	5,113,888	-	-	5,113,888
Buildings	22,537,040	-	-	22,537,040
Machinery & Equipment	5,004,724	-	-	5,004,724
Infrastructure	2,744,478	-	-	2,744,478
	$ 44,939,930	$ -	$ -	$ 44,939,930

NOTE 10. ACCRUED SICK AND VACATION BENEFITS

The City has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate $11,070,934 as of December 31, 2025. The amount is not reported either as an expenditure or liability.

NOTE 11. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2025 consist of the following:

$ 1,433,662	Due to the Federal and State Grant Fund from the Current Fund for grants received, budget match appropriations, less reimbursement for expenditures paid.
590	Due to the Municipal Open Space Trust Fund from the Current Fund for added taxes not paid over.
533,252	Due to the General Capital Fund from the Federal and State Grant Fund for grant proceeds posted to the Grant Fund in error less reimbursement for expenses charged to the Grant fund that should have been reflected against an improvement authorization.
500,000	Due to the General Capital from the Municipal Open Space Trust Fund for the funding of Improvement Authorization 21-2025.
$ 2,467,504	

NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has obtained insurance coverage to guard against these events which will provide minimum exposure to the City should they occur. During the 2025 calendar year, the City did not incur claims in excess of their coverage, and the amount of coverage did not significantly decrease.

The City of Hackensack is a member of the South Bergen Municipal Joint Insurance Fund (SBMJIF) and the 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. The SBMJIF & MEL coverage amounts are on file with the City.

NOTE 12. RISK MANAGEMENT, (continued)

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 insurance funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were 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.

There has been no significant reduction in insurance coverage from the previous year, nor have there been any settlements in excess of insurance coverages in any of the prior three years.

The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The City is billed quarterly for amounts due to the State.

The following is a summary of City contributions, and reimbursements to the State for benefits paid at the ending balance of the City's unemployment compensation trust fund for the current year:

Year Ended	Township Contributions	Employee Contributions	Amount Reimbursed	Interest Earnings	Ending Balance
2025	$ -	$ 48,215	$ 102,073	$ 452	$ 138,283

NOTE 13. SELF-INSURANCE WORKER'S COMPENSATION PLAN

The City has established a workers' compensation plan for its employees, which is administered through the City's membership in the South Bergen Municipal Joint Insurance Fund (SBMJIF) and the Municipal Excess Liability Joint Insurance Fund (MEL). The cost of the plan is funded through annual assessments to the funds, and claims are paid from the pooled resources of the funds. As a member, the City is contractually obligated to fund its proportionate share of any deficit attributable to a membership year in which it participated.

Workers' compensation losses are funded through the following layers for the fund year ended December 31, 2025:

Worker's Compensation	$5,000,000 of which the first $500,000 is the City's responsibility; amounts in excess of $500,000 is covered by South Bergen Municipal JIF.

The reserve balance in the Workers Compensation Trust Fund for 2025 and 2024, respectively, are $115,180 and $88,394 as reflected on Exhibit B-5.

There has been no provision included in the financial statements for claims incurred but not reported as of December 31, 2025.

NOTE 14. SELF-INSURANCE HEALTH BENEFITS PLAN

The City has established and maintains a self-insured health benefits plan for its employees, which is funded entirely by the City. The plan is administered by Horizon Blue Cross Blue Shield of New Jersey, which serves as the third-party claims administrator and processes claims on the City's behalf. Claims are paid directly by the plan up to the maximum of $175,000 per employee per year. Reinsurance for benefits above the $175,000 per employee per year limit are provided through Sun-Life.

Reserve balances for 2025 and 2024, respectively, are $389,677 and $389,677 as reflected on Exhibit B-5. There has been no provision included in the financial statements for claims incurred but not reported at December 31, 2025.

NOTE 15. SELF-INSURANCE LIABILITY

The City maintains a self-insurance liability account to cover legal settlements and other miscellaneous expenses not covered by its policies under the South Bergen Municipal Joint Insurance Fund.

Auto Policy	The first $200,000 is the City's responsibility; Amounts in excess of $200,000 are covered through the South Bergen Municipal JIF and Municipal Excess Joint Insurance Fund.
Public Officials Liability	The first $85,000 is the City's responsibility; Amounts in excess of $85,000 are covered through the South Bergen Municipal JIF and Municipal Excess Joint Insurance Fund.
Employment Practices Liability	The first $150,000 is the City's responsibility; Amounts in excess of $150,000 are covered through the South Bergen Municipal JIF and Municipal Excess Joint Insurance Fund.
General Liability	The first $200,000 is the City's responsibility; Amounts in excess of $200,000 are covered through the South Bergen Municipal JIF and Municipal Excess Joint Insurance Fund.

Reserve balances for 2025 and 2024, respectively, are $111,724 and $88,394 as reflected on Exhibit B-5.

NOTE 16. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance Dec 31, 2025	Balance Dec 31, 2024
Prepaid Taxes	$1,444,359	$907,075
Cash Liability for Taxes Collected in Advance	$1,444,359	$907,075

NOTE 17. LITIGATION

The City is a defendant in various legal proceedings where insurance (self-insurance or excess) will likely cover any loss or settlement. There are, however, cases where punitive damages are alleged and if ultimately awarded will likely not be covered by insurance. These cases, if decided against the City, would be raised by future taxation.

There are various tax appeals cases that were also pending at December 31, 2025. The City is defending its assessments in each case. Under the accompanying principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the City does not recognize a liability until the cases are adjudicated. Funding of any liability would be provided for in succeeding years' budgets or through a refunding bond ordinance, which would allow the City to fund these liabilities over several years.

NOTE 18. DEFERRED CHARGES

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheets of the City of Hackensack:

	Balance Dec. 31,	Subsequent Year Budget Appropriation	Balance to Succeeding Year Budget
2025			
Current Fund:			
Special Emergency Authorizations, N.J.S.A. 40A:4-53			
City-Wide Re-Assessment	80,000	80,000	-
Total Deferred Charges - Current Fund	$ 80,000	$ 80,000	$ -

	Balance Dec. 31,	Subsequent Year Budget Appropriation	Balance to Succeeding Year Budget
2024			
Current Fund:			
Special Emergency Authorizations, N.J.S.A. 40A:4-53			
City-Wide Re-Assessment	160,000	80,000	80,000
Total Deferred Charges - Current Fund	$ 160,000	$ 80,000	$ 80,000

NOTE 19. TAX ABATEMENTS

The City of Hackensack has long-term tax abatement agreements with 22 entities, as of December 31, 2025.

The full amount to be raised by taxes for support of each Government's budget is levied on properties not subject to such agreements, therefore there is no aggregate reduction of tax revenue to the Governments as a result of the abatement.

These agreements were negotiated under the Long-Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the "Law"), which authorizes municipalities to enter into financial agreements with Urban Renewal Entities. An Urban Renewal Entity is a limited-dividend entity or a nonprofit entity which undertakes redevelopment projects (both commercial and residential), relocation projects for residents displaced by the redevelopment area, and low- and moderate-income housing projects in return for tax exemptions, or payments in lieu of taxes referred to as "annual service charges".

The Law allows annual service charges to be calculated as a percentage of either gross revenue from each unit of the project or from total project cost, if the project is not undertaken in units.

In the case of low- and moderate-income housing projects, the annual service charge shall not exceed 15% of annual gross revenue or 2% of total project cost. For all other projects, the annual service charge shall not be less than 10% of annual gross revenue or 2% of total project cost. The City's abatements are across in multiple categories. There are a total of five stages in the abatement period. The final four phases require the Urban Renewal Entity to remit the greater of the agreed upon annual service charge or 20%, 40%, 60% and 80%, respectively, of the amount of taxes otherwise due on the value of the land and improvements. The City shall remit to the County of Bergen 5% of the annual service charge received each year.

Under the Law, abatements may provide for an exemption period of less than 30 years from the completion of the entire project or less than 35 years from the execution of the financial agreement. Further, Urban Renewal Entity profits are restricted, and any excess profits are payable to the municipality as an additional annual service charge.

The Law only allows for taxes on improvements to be abated. Taxes on land are billed quarterly to the Urban Renewal Entity and are credited against the annual service charges due. To administer the billing, the land value and improvement value of the abated property are separate line items in the tax assessment and collection records. The land value is billed quarterly at the total property tax rate. The improvement value is classified as exempt property (Class 15F), generating no bill.

NOTE 19. TAX ABATEMENTS, (continued)

The Law does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement. However, in the event of default, the City has the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1 and/or may terminate the agreement. The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities.

The City recognized revenue in the amount of $9,842,910 from Long-Term Payment in Lieu of Taxes agreements, which is recorded as an anticipated revenue in the Current Fund. The City has made payments of $223,075 related to the 5% owed to the County as of December 31, 2025.

NOTE 20. SUBSEQUENT EVENTS

The City has evaluated subsequent events through August 18, 2026, the date which the financial statements were available to be issued, and the following items were noted for disclosure.

- Permanent financing through the New Jersey Infrastructure Bank was finalized for project 2026A-1 S340923-16 in the amount of $11,616,829. Of this amount, loans payable of $2,352,981 were issued with principal forgiveness of $9,263,848.

- Permanent financing through the New Jersey Infrastructure Bank was finalized for project 2026A-1 S340923-22 in the amount of $1,208,075. Of this amount, loans payable of $1,208,075 were issued.

SUPPLEMENTARY DATA

CITY OF HACKENSACK

Supplementary Data

Comparative Schedule of Tax Rate Information

		2025	2024	2023
Tax rate - general	$	3.209	3.056	2.852
Apportionment of tax rate:				
Municipal		1.408	1.374	1.300
Municipal Open Space		0.010	0.010	0.005
Library		0.041	0.038	0.034
County		0.279	0.249	0.233
County Open Space		0.013	0.012	0.011
Local School		1.458	1.373	1.269

Assessed valuation:

2025	$	209,885,345
2024		203,150,841
2023		196,187,918

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

			Currently	
		Tax levy	Cash collections	Percentage of collection
2025	$	210,780,806	208,654,510	98.99%
2024		203,945,788	202,038,664	99.06%
2023		196,863,571	195,317,515	99.21%

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total delinquent taxes and tax title, in relation to the tax levies of the last three years.

Year		Amount of delinquent taxes	Amount of tax title liens	Total delinquent	Percentage of tax levy
2025	$	1,332	8,965	10,297	0.00%
2024		32,637	6,246	38,883	0.02%
2023		150	3,938	4,088	0.00%

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2025 by foreclosure or deed as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

Year		Amount
2025	$	1,311,800
2024		1,311,800
2023		1,311,800

Comparative Schedule of Fund Balances

	Year		Balance, Dec. 31	Utilized in budget of succeeding year	
Current Fund:	2025	$	18,790,164	13,270,000	(1)
	2024		21,876,478	6,770,000	
	2023		23,738,676	7,270,000	
	2022		26,935,513	6,270,000	
	2021		22,382,202	727,000	
Parking Utility Operating Fund:	2025	$	1,953,389	750,000	
	2024		2,100,236	1,000,000	
	2023		2,619,432	1,500,000	
	2022		2,271,136	500,000	
	2021		2,087,111	400,000	

(1) - Includes a one-time payment to the Board of Education of $6,500,000

CITY OF HACKENSACK

Supplementary Data

Officials in Office and Surety Bonds

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

Name	Title	Amount of bond	Type of bond
Caseen Gaines	Mayor - from 7/1/25		
John Labrosse	Mayor - to 6/30/25		
Agatha Toomey	Deputy Mayor - from 7/1/25		
Kathleen Canestrino	Deputy Mayor - to 6/30/25		
Sonya Clark Collins	Councilmember - from 7/1/25		
Stephanie Von Rudenborg	Councilmember - to 6/30/25		
Phil Carroll	Councilmember - from 7/1/25		
Leonardo Battaglia	Councilmember - to 6/30/25		
Roberto Diaz	Councilmember - from 7/1/25		
Gerard Carroll	Councilmember - to 6/30/25		
Vincent Caruso	City Manager - to 8/4/25		
Thomas Freeman	City Manager - from 8/4/25		
Timothy Hoffman	City Clerk - from 12/11/25		
James Manglin	Director of Finance/CMFO	1,500,000	A
Sussana Eisenmann	Treasurer		
Monica Villafana	Qualified Purchasing Agent, Director of Purchasing		
Art Carlson, Jr.	Tax Assessor		
Christine Bahney	Tax Collector - from 6/1/25	1,300,000	B
Cassandra Seshadri	Personnel Director/Officer		
Michael Antista	Police Chief		
Karen Gwynn	Municipal Court Judge	2,000,000	(1)
Richard Takvorian	Municipal Court Judge	2,000,000	(1)
Giuseppe Randazzo	Municipal Court Judget - to 11/30/25	2,000,000	(1)
Andrea Infante	Municipal Court Administrator	2,000,000	(1)
Ernest Sisco	Construction Code Official		
Keith Rosazza	Fire Chief		
Susan McVeigh	Health Officer		
Maria Nunez	Registrar of Vital Statistics		
Jesse D'Amore	Public Works Superintendent		
Steven Andre Savage	Recreation Superintendent (Acting)		

(1) - Municipal court statutory positions are covered through a policy with the South Bergen Jointure Commission, JIFCRIME_SBER654 ($50,000) and the Municipal Excess Liability Joint Insurance Fund, XS Crine Endorsement (1,950,000).
A - Selective Insurance Co. of America - B1153431
B - Selective Insurance Co. of America - B1335953

Exhibit A-4

CITY OF HACKENSACK, N.J.

Schedule of Cash and Investments

Current Fund

Year Ended December 31, 2025

		Current Fund
Balance - December 31, 2024		$ 32,206,717
Increased by Receipts:		
Nonbudget Revenue	$ 342,266	
Taxes Receivable	207,710,402	
Prepaid Taxes	1,444,359	
Revenue Accounts Receivable	29,706,808	
Reserve for Tax Appeals	2,000,000	
Due from State - Senior Citizen and Veteran Deductions	73,308	
Due to the State of NJ - Licenses	135,413	
Grants Receivable	1,551,814	
Interfunds	630,680	
Unappropriated Reserves	107,903	
		243,702,953
		275,909,670
Decreased by Disbursements:		
Current Year Budget Appropriations	123,852,333	
Interfunds	654,052	
Appropriation Reserves	2,524,943	
Reserve for Tax Appeals	2,574,231	
Local District School Taxes	95,313,290	
Special Improvement District Taxes	708,021	
County Taxes Payable	19,030,269	
Due to the State of NJ - Licenses	243,077	
Accounts Payable	513,893	
Outside Lien Adjustment	53,221	
Cancellation of Prior Year Reconciling Items	230,422	
Revenue Refunds	2,572	
Appropriated Grant Reserves	1,201,241	
		246,901,565
Balance - December 31, 2025		$ 29,008,105

Exhibit A-5

CITY OF HACKENSACK, N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	450
Balance - December 31, 2025	$	450
Analysis of Balance:		
Tax Collector	$	300
Municipal Court		100
Unknown		50
	$	450

Exhibit A-6

CITY OF HACKENSACK, N.J.

Schedule of Amount Due (to)/from State of New Jersey for Senior Citizens' and Veterans' Deductions - CH. 129 P.L. 1976

Current Fund

Year Ended December 31, 2025

Decreased by:			
Senior Citizens' Deductions Per Tax Billing	$	17,500	
Veterans' Deductions Per Tax Billing		53,500	
Senior Citizen's and Veteran's Allowed - 2025		1,000	
			72,000
			72,000
Increased by:			
Senior Citizen's and Veteran's Disallowed - 2025	$	1,314	
State Share of Senior Citizens and Veteran Deductions Received in Cash		73,308	
			74,622
Balance - December 31, 2025			$ (2,622)

CITY OF HACKENSACK, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2025

Year	Balance, Dec. 31, 2024	Levy	Added Taxes	Collected 2024	Collected 2025	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2025
2023	$ 43						43		
2024	32,594		1,105		33,653		46		
	32,637		1,105		33,653		89		
2025		210,593,370	187,436	907,075	207,676,749	70,686	2,471	2,122,493	1,332
	$ 32,637	210,593,370	188,541	907,075	207,710,402	70,686	2,560	2,122,493	1,332

Cash Receipts		$ 207,710,402
Analysis of Tax Levy		
Tax yield:		
General Purpose Tax		$ 209,885,349
Special District Taxes		708,021
Added Tax (R.S. 54:4-63.1 et seq.)		188,541
		$ 210,781,911
Tax Levy:		
Local District School Tax		$ 95,313,290
Local Open Space Taxes		654,642
Special District Tax		708,021
County Tax	$ 18,184,984	
County Open Space Preservation	830,276	
County Added and Omitted Taxes	17,087	
		19,032,347
Local Tax for Municipal Purposes	$ 94,848,073	
Add: Additional Taxes Levied	225,538	
Local Tax for Municipal Purposes		95,073,611
		$ 210,781,911

Exhibit A-8

CITY OF HACKENSACK, N.J.

Schedule of Tax Title Liens Receivable

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024		$ 6,246
Increased by:		
2023 Taxes	$ 43	
2024 Taxes	46	
2025 Taxes	48	
2025 Tax Sale - Interest and Costs	159	
Transfer from Taxes Receivable	2,423	
		2,719
Balance - December 31, 2025		$ 8,965

Exhibit A-9

Schedule of Property Acquired for Taxes - Assessed Valuation

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$ 1,311,800
Balance - December 31, 2025	$ 1,311,800

CITY OF HACKENSACK, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2025

	Balance Dec. 31, 2024	Accrued	Collected	Balance Dec. 31, 2025
Clerk:				
Licenses:				
Alcoholic beverages	$	96,017	96,017	
Other		49,590	49,590	
Fees and Permits		2,020,971	2,020,971	
Municipal Court :				
Fines and Costs		1,733,358	1,616,097	117,261
Interest and Costs on Taxes		229,164	229,164	
Interest on Investments and Deposits		1,037,208	1,037,208	
Anticipated Utility Operating Surplus - Parking		500,000	500,000	
Sewer Service Fees		486,938	486,938	
Energy Receipts Tax		4,332,192	4,332,192	
Uniform Construction Code Fees		2,120,732	2,120,732	
Uniform Fire Safety Act		274,294	274,294	
Verizon Franchise Fee		180,100	180,100	
Cablevision Franchise Fee		234,567	234,567	
HUMC Payment Air Rights		200,000	200,000	
Hackensack BOE - School Resource Officers		116,115	116,115	
Hackensack Housing Authority Payment		227,125	227,125	
Administrative Fee - Outside Employment of Police		414,847	414,847	
HUMC Payment - 2018 Settlement		4,000,000	4,000,000	
Johnson Public Library - Pension Payment		264,458	264,458	
Hackensack BOE - Special Law Enforcement Officers		146,950	146,950	
Hackensack BOE - Nursing Services		11,960	11,960	
Due from General Capital		174,000	174,000	
HUMC 2nd Payment Air Rights 2022 Agreement		450,465	450,465	
Reserve to Pay Debt		67,926	67,926	
Cannabis Tax		362,182	362,182	
Teaneck Fire Dispatch		250,000	250,000	
Payment in Lieu of Taxes -				
100 State Street		630,024	630,024	
240 Main Street		328,804	328,804	
395 Main Street		250,000	250,000	
18 East Camden Street		776,137	776,137	
2010-2014 Main St.		326,349	326,349	
150-170 Main St.		1,111,387	1,111,387	
22 Sussex Str.		257,703	257,703	
2 Kinderkamack Road (Hackensack Jefferson)		2,000,000	2,000,000	
50 Main St.		104,559	104,559	
22 West Camden St.		69,715	69,715	
150 River St. - Phase A		1,000,944	1,000,944	
150 River St. - Phase B		622,044	622,044	
76 Main Street		16,815	16,815	

CITY OF HACKENSACK, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2025

	Balance Dec. 31, 2024	Accrued	Collected	Balance Dec. 31, 2025
Payment in Lieu of Taxes -				
Midtown Bridge (Lot C)		834,971	834,971	
77 River St.		46,111	46,111	
435-439 Main St.		530,235	530,235	
321 Main Street		299,873	299,873	
400 Main Street		163,190	163,190	
359 Main Street		209,825	209,825	
19 Mercer Street		57,298	57,298	
Anderson St. (Block 419)		140,244	140,244	
Essex Green		66,682	66,682	
	$	29,824,069	29,706,808	117,261
			Cash $	29,706,808

CITY OF HACKENSACK, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2025

	Balance, Dec. 31, 2024	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Salaries and Wages Within "CAPS":				
General Administration	$ 20,139	5,139		5,139
Human Resources	1,560	1,560		1,560
City Clerk	5,680	5,680		5,680
Financial Administration	291	291		291
Computerized Data Processing	331	331		331
Revenue Administration (Collection of Taxes)	971	971		971
Tax Assessment Administration	1,112	1,112		1,112
Project Management	2,937	2,937		2,937
Economic Development	255	255		255
Property Maintenance	12,101	4,101		4,101
Police Department	2,764	2,764	2,764	-
Communication Center	2,274	12,274	9,971	2,303
School Crossing Guards	10,435	3,435		3,435
Office of Emergency Management	1,014	1,014		1,014
Fire Department	357,991	351,589	(20,895)	372,484
Fire Prevention	19,865	14,267		14,267
Public Works Administration	40,413	12,413		12,413
Streets & Roads	7,143	7,143		7,143
Sewer System	34,865	11,865		11,865
Public Building & Grounds	80,554	24,554		24,554
Vehicle Maintenance	90,791	27,791		27,791
Shade Tree	29,890	9,890		9,890
Snow Removal	30,867	30,866		30,866
Garbage and Trash Removal	65,404	20,404		20,404
Street Cleaning	3,216	3,216		3,216
Department of Health Administration	173	173		173
Recreation	5,708	5,708		5,708
Cultural Arts	2,280	2,280		2,280
Parks & Playground Maintenance	45,089	14,089		14,089
Municipal Court	32,646	10,646		10,646
Construction Official	2,295	2,295		2,295
Accumulated Absences	1	-		-
Celebration of Public Events	156	156		156
Total Salaries and Wages Within "CAPS"	911,211	591,209	(8,160)	599,369
Other Expenses Within "CAPS":				
General Administration	2,267	42,625	34,851	7,774
Human Resources	881	1,290	1,052	238
City Clerk	20,285	23,674	6,079	17,595
Financial Administration	11,442	41,981	28,739	13,242
Audit Services	5,000	5,000		5,000
Computerized Data Processing	36,369	71,599	37,940	33,659

CITY OF HACKENSACK, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2025

	Balance, Dec. 31, 2024	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Other Expenses Within "CAPS":				
Revenue Administration (Collection of Taxes)	11,285	29,725	20,529	9,196
Tax Assessment Administration	51,670	70,907	56,819	14,088
Legal Services	127	45,888	29,701	16,187
Project Management	59,902	128,042	54,446	73,596
Economic Development	71,028	62,549	1,326	61,223
Planning Board	13,009	16,010	3,194	12,816
Zoning Board of Adjustment	17,799	23,954	3,806	20,148
Rent Stabilization Board	2,021	5,421		5,421
Property Maintenance	600	600		600
Insurance:				
General Liability Insurance & Surety Bond	66,332	93,127	11,253	81,874
Workers Compensation	200,761	205,224		205,224
Group Insurance for Employees	1,856,484	2,195,951	1,181,243	1,014,708
Police Department	52,619	85,888	53,900	31,988
Communication Center	924	924		924
Police - Traffic Control	7,971	11,501	3,341	8,160
Office of Emergency Management	2,774	5,675	2,897	2,778
Fire Department	7,441	32,276	27,670	4,606
Fire Prevention	7,299	29,763	20,238	9,525
Emergency Medical Service	4,892	4,892		4,892
Municipal Prosecutor	22,150	24,083	8,633	15,450
Public Defender	9,850	15,650	8,000	7,650
Public Works Administration	35,423	37,102	7,392	29,710
Streets & Roads	25,510	38,034	15,266	22,768
Sewer System	5,694	10,583	5,513	5,070
Public Building & Grounds	57,345	91,463	42,669	48,794
Vehicle Maintenance	9,501	13,104	5,863	7,241
Shade Tree	10,018	14,591	3,193	11,398
Snow Removal	13,604	69,644	43,004	26,640
Garbage and Trash Removal	94,357	114,486	55,153	59,333
Recycling	39,443	46,419	31,913	14,506
Street Cleaning	1,134	2,783	1,793	990
Hazard Act (PEOSHA)	24,035	26,701	14,609	12,092
Public Health Clinics	6,454	11,266	3,092	8,174
Department of Health Administration	23,539	68,429	18,386	50,043
Animal Control	14,782	14,782	16	14,766
Human Services	1,000	1,000		1,000
Recreation	15,840	23,628	6,602	17,026
Cultural Arts	12,849	14,971	14,219	752
Parks & Playground Maintenance	65,950	70,259	6,284	63,975
Street Lighting	90,941	90,942	90,942	-
Electricity & Natural Gas	195,381	185,381	147,428	37,953
Telecommunications	41,510	62,907	21,451	41,456

CITY OF HACKENSACK, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2025

	Balance, Dec. 31, 2024	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Other Expenses Within "CAPS":				
Water	47,647	47,647	14,292	33,355
Fire Hydrants	384	384		384
Petroleum Products (Gasoline)	91,706	173,763	58,495	115,268
Sewerage Processing & Disposal	6,482	6,482		6,482
Landfill Costs - Solid Waste Disposal	187,526	253,628	170,438	83,190
Municipal Court	9,426	18,042	8,425	9,617
Construction Official	29,883	146,557	142,766	3,791
Municipal Alliance Local Match	1,000	1,000		1,000
Celebration of Public Events	14,676	15,175	563	14,612
Total Other expenses Within "CAPS"	3,716,222	4,945,372	2,525,424	2,419,948
Contingent	7,500	7,500	-	7,500
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security System (O.A.S.I.)	19,821	19,821		19,821
Police and Firemen's Retirement System	100	100		100
Unemployment Compensation Insurance	7,680	7,680	7,679	1
Consolidated Police and Fireman's Pension Fund	2,620	2,620		2,620
Total Deferred Charges and Statutory Expenditures Within "CAPS"	30,221	30,221	7,679	22,542
Other Expenses Excluded From "CAPS":				
BCUA Sewerage Disposal	409	409		409
Borough of Paramus - Fire Vehicle Repairs	5,000	5,000		5,000
Total Other Expenses Excluded from "CAPS"	5,409	5,409	-	5,409
Total Reserves	$ 4,670,563	5,579,711	2,524,943	3,054,768
	Appropriation Reserves	4,670,563		
	Encumbrances	909,148		
		$ 5,579,711		
		Cash Disbursements	$ 2,524,943	

Exhibit A-12

CITY OF HACKENSACK, N.J.

Schedule of Deferred Charges N.J.S.A. 40A:4-53 - Special Emergency

Current Fund

Year Ended December 31, 2025

Date Authorized	Purpose	Amount Authorized	1/5 of Net Amount Authorized	Balance, Dec. 31, 2024	Reduced in 2025	Balance, Dec. 31, 2025
Sept. 19, 2021	City-Wide Re-Assessment	400,000	80,000	160,000	80,000	80,000
				$ 160,000	80,000	80,000
				Budget Appropriation $	80,000	

CITY OF HACKENSACK, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2025

Fund	Due from/(to) Balance Dec. 31, 2024	Increased	Decreased	Due from/(to) Balance Dec. 31, 2025
Federal and State Grant Fund	$ (290,700)	1,311,241	2,454,203	(1,433,662)
Open Space Trust Fund		654,052	654,642	(590)
General Capital Fund	174,244	22,898	197,142	
	$ (116,456)	1,988,191	3,305,987	(1,434,252)
Due to Current Fund	$ 174,244	22,898	197,142	
Due from Current Fund	(290,700)	1,965,293	3,108,845	(1,434,252)
	$ (116,456)	1,988,191	3,305,987	(1,434,252)

Cash Disbursements	$ 654,052	
Cash Receipts		630,680
Interest on Investments	22,898	23,142
Budget Revenue		174,000
Municipal Open Space Levy		654,642
Appropriated Grant Reserve Expenditures	1,201,241	
Grants Receivable		1,551,814
Local Match		53,806
Grant Balance Cancellations	110,000	110,000
Unappropriated Grant Reserves		107,903
	$ 1,988,191	3,305,987

Exhibit A-14

CITY OF HACKENSACK, N.J.

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	909,148
Increased by:		
Transferred from Current Year Budget		1,298,926
		2,208,074
Decreased by:		
Transferred to Appropriation Reserves		909,148
Balance - December 31, 2025	$	1,298,926

Exhibit A-15

CITY OF HACKENSACK, N.J.

Schedule of Accounts Payable

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024		$ 1,004,509
Decreased by:		
Cash Disbursements		513,893
Balance - December 31, 2025		$ 490,616

Exhibit A-16

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024			$ 15,009
Increased by:			
2025 Levy	$ 18,184,984		
2025 Open Space	830,276		
2024 Added/Omitted Assessments	1,057		
2025 Added Assessments	16,030		
		19,032,347	
		19,047,356	
Decreased by:			
Payments		19,030,269	
Balance - December 31, 2025			$ 17,087

Exhibit A-17

CITY OF HACKENSACK, N.J.

Schedule of Local School District Tax Payable

Current Fund

Year Ended December 31, 2025

Increased by:	
2025 Levy	$ 95,313,290
Decreased by:	
Payments	$ 95,313,290

Exhibit A-18

CITY OF HACKENSACK, N.J.

Schedule of Tax Overpayments

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	141,858
Decreased by:		
Liabilities Cancelled		89,536
Balance - December 31, 2025	$	52,322
	Prior Years	
	2025 $	52,322

Exhibit A-19

Schedule of Special Improvement District Taxes

Current Fund

Year Ended December 31, 2025

Increased by:		
2025 Levy	$	708,021
Decreased by:		
Cash Disbursements	$	708,021

Exhibit A-20

CITY OF HACKENSACK, N.J.

Schedule of Reserve for Tax Appeals

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	574,231
Increased by:		
Budget Appropriation		2,000,000
Decreased by:		
Tax Appeals Settled - Cash Disbursements	$	2,574,231

Exhibit A-21

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	907,075
Increased by:		
Collections - Collector		1,444,359
		2,351,434
Decreased by:		
Applied to 2025 Taxes Receivable		907,075
Balance - December 31, 2025	$	1,444,359

Exhibit A-22

CITY OF HACKENSACK, N.J.

Schedule of Reserve for Sale of Municipal Assets

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$ 1,732,296
Balance - December 31, 2025	$ 1,732,296

Exhibit A-23

Schedule of Reserve for Re-Assessment Expenditures

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$ 63,197
Balance - December 31, 2025	$ 63,197

CITY OF HACKENSACK, N.J.

Schedule of Due to State of New Jersey

Current Fund

Year Ended December 31, 2025

	Balance, Dec. 31, 2024	Increase	Decrease	Balance, Dec. 31, 2025
Due to State of New Jersey -				
DCA Fees	136,849	125,968	235,622	27,195
Burial Permits		295	205	90
Marriage License/ Domestic Partnership Fees		9,150	7,250	1,900
	$ 136,849	135,413	243,077	29,185

Cash Receipts	$ 135,413	
Cash Disbursements		243,077
	$ 135,413	243,077

Exhibit A-25

CITY OF HACKENSACK, N.J.

Schedule of Reserve for Tax Map Expenditures

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	45,252
Balance - December 31, 2025	$	45,252

CITY OF HACKENSACK, N.J.

Schedule of Interfunds

Federal and State Grant Fund

Year Ended December 31, 2025

Fund	Due from/(to) Balance Dec. 31, 2024	Increased	Decreased	Due from/(to) Balance Dec. 31, 2025
Current Fund	$ 290,700	2,454,203	1,311,241	1,433,662
General Capital Fund		97,428	630,680	(533,252)
	$ 290,700	2,551,631	1,941,921	900,410
Due from Federal and State Grant Fund		97,428	630,680	(533,252)
Due to Federal and State Grant Fund	290,700	2,454,203	1,311,241	1,433,662
	$ 290,700	2,551,631	1,941,921	900,410

Grants Receivable	$ 1,551,814	
Cash Receipts	630,680	
Reclass Cash Receipts to General Capital		630,680
Unappropriated Grants	107,903	
Cancellations	110,000	110,000
Appropriated Grant Reserve Expenditures		1,201,241
Reimbursement for Prior Year Expenses Paid	97,428	
Budget Match	53,806	
	$ 2,551,631	1,941,921

CITY OF HACKENSACK, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2025

Grant	Balance, Dec. 31, 2024	2025 Budget Revenue Realized	Received	Canceled	Balance, Dec. 31, 2025
ANJEC Grant	$ 500	3,000	3,000		500
Arbor Day Foundation		16,800	16,800		
ARP - Firefighter Grant - 2024	74,000		74,000		
Assistance to Firefighter's Grant - 2023	278,322				278,322
Bergen County 200 Club		5,000			5,000
Bullet Proof Vest Partnership Program	29,985				29,985
Bullet Proof Vest Partnership Program - 2024	10,751	7,883	15,774		2,860
Child Nutrition Summer Program	126,027	475,882	85,013		516,896
Clean Communities		100,651	100,651		
CDBG Covid Air Purification - Civic Center	110,000			110,000	
CDBG Covid Air Purification - Fire Co #5	32,000				32,000
COVID-19 Vaccine Grant	75,176				75,176
Firehouses Subs Firefighter Grant		17,278	17,278		
Fire - SAFER Grant	722,497		338,806		383,691
Green Acres - Carver & Columbus Park - 2024	843,416				843,416
Municipal Alliance on Alcoholism & Drug Abuse	20,069	5,754	7,998		17,825
NJDCA - Recreation Improvement Grant		87,000			87,000
NJDCA - Recreation Opportunities Grant		9,466	9,466		
NJDOT Local Aid Grant	350,000		350,000		
Neighborhood Preservation Program Grant	67,975	125,000	111,348		81,627
Opioid Settlement Funds		111,135	111,135		
Public Health Infrastructure	214,423	168,049	261,413		121,059
Recycling Tonnage Grant		58,156	58,156		
Safe and Secure Communities Grant		32,400	32,400		
	$ 2,955,141	1,223,454	1,593,238	110,000	2,475,357
Adopted Budget		792,618			
Added by N.J.S.A. 40A:4-87		430,836			
		$ 1,223,454			
Cash Receipts			1,551,814		
Unappropriated Grants			41,424		
			$ 1,593,238		

CITY OF HACKENSACK, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2025

Grant	Balance, Dec. 31, 2024	Transfer From 2025 Budget	Approved via NJSA 40a:4-87	Expended	Cancellation	Balance, Dec. 31, 2025
Alcohol Education and Rehabilitation	$ 295					295
ANJEC Grant	800		3,000	800		3,000
Arbor Day Tree Grant	1,493		16,800	36		18,257
ARP Records Management Grant	27,565			26,806		759
Assistance to Firefighters Grant - 2023	278,322			27,850		250,472
Assistance to Firefighters Grant	3,157					3,157
Bergen 200 Club Fire Grant			5,000	5,000		
Body Armor Replacement Fund		7,883		7,883		
Bulletproof Vest Partnership Program	350					350
CDBG Covid Air Purification - Civic Center	110,000				(110,000)	
CDBG Covid Air Purification - Fire Co #5	32,000					32,000
Chic Fil-A Sports Grant	5,000					5,000
Clean Communities Program Grant	217,167		100,651	183,821		133,997
COPS Technology Grant	51,016					51,016
Covid 19 Vaccine Grant	24,642					24,642
DOT Local Aid Grant	3,435					3,435
Drunk Driving Enforcement Fund	20,151			20,151		
Firehouse Subs Grant		14,850	2,428	17,278		
Green Acres - Carver & Columbus Park - 2024	745,989			(97,428)		843,417
Homeland Security EOC Grant	152,616					152,616
Law & Public Safety Grant	94,290			(668)		94,958
LEAP Grant - Teaneck Dispatch	28,627			6,211		22,416
Municipal Alliance on Alcoholism & Drug Abuse	28,475	5,754		6,085		28,144
Match		1,439		1,439		
National Opioid Settlement	392,571		111,135	49,065		454,641
Neighborhood Preservation Program	42,975	125,000		111,348		56,627
Neighborhood Preservation Program - Match		50,000		25,000		25,000
NJDCA - Recreation Opportunities Grant		9,466				9,466
NJDCA - Recreation Opportunities Grant - Match		2,367				2,367
NJDCA - Recreation Improvement Grant		87,000				87,000
Public Health Infrastructure	186,942	168,049		239,044		115,947
Recycling Tonnage Grant	174,788	58,156		65,000		167,944
Safe and Secure Communities	2,400	32,400		16,000		18,800
Staffing for Adequate Fire and Emergency Response	332,518			332,500		18
Stormwater Assistance	15,000					15,000
Summer Food Service Program for Children	226,940	284,060	191,822	60,592		642,230
	$ 3,199,524	846,424	430,836	1,103,813	(110,000)	3,262,971
Budget		$ 792,618				
Appropriated by 40a:4-87			430,836			
Budget Match		53,806				
		$ 846,424	430,836			
Due from General Capital				(97,428)		
Cash Disbursements				1,201,241		
				$ 1,103,813		

CITY OF HACKENSACK, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2025

Grant		Balance, Dec. 31, 2024	Transfer To 2025 Budget	Received	Balance, Dec. 31, 2025
FD ARP Funding for Future Grants	$	3,028			3,028
NJ DOA Summer Nutrition Program		1,141	1,141		
NJ Body Armor Replacement Program		7,883	7,883		
Safe & Secure Communities Grant		32,400	32,400	71,487	71,487
NJ DCA Community Resources - Water		1,865			1,865
Pedestrian Safety				14,844	14,844
Impaired Driving Countermeasures				8,610	8,610
Body Worn Camera Program				5,962	5,962
Impaired Driving Countermeasures				7,000	7,000
	$	46,317	41,424	107,903	112,796
			Cash Receipts	$ 107,903	

CITY OF HACKENSACK

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2025

	Animal Trust Fund	Municipal Open Space Trust Fund	Other Trust Fund	Community Development Trust Fund
Balance - December 31, 2024	$ 16,301	1,954,215	19,009,932	1
Increase by Receipts:				
Reserve for Expenditures	482	720,379	9,988,038	
	16,783	2,674,594	28,997,970	1
Decreased by Disbursements:				
Reclass to Separate Fund			556,013	
Reserve for Expenditures	5,000		8,427,717	
Total Disbursements	5,000		8,983,730	
Balance - December 31, 2025	$ 11,783	2,674,594	20,014,240	1

Exhibit B-2

CITY OF HACKENSACK

Schedule of Interfunds Receivable/(Payable)

Municipal Open Space Trust Fund

Year Ended December 31, 2025

	Increased	Decreased	Due from/(to) Balance Dec. 31, 2025
Municipal Open Space Trust Fund:			
Current Fund	$ 590		590
General Capital Fund		500,000	(500,000)
Total Municipal Open Space Trust Fund	$ 590	500,000	(499,410)
Appropriated - Ordinance 21-2025	$	500,000	
Municipal Open Space Taxes	590		
	$ 590	500,000	

Exhibit B-3

CITY OF HACKENSACK

Schedule of Reserve for Animal Trust Fund Expenditures

Animal License Trust Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	16,301
Increased by:		
Interest Earnings		482
		16,783
Decreased by:		
Cash Disbursements		5,000
Balance - December 31, 2025	$	11,783

Exhibit B-4

CITY OF HACKENSACK

Schedule of Reserve for Open Space Expenditures

Municipal Open Space Trust Fund

Year Ended December 31, 2025

Balance - December 31, 2024		$ 1,954,215
Increased by:		
Due from Current	$ 590	
Interest	66,327	
Cash Receipts - Open Space Taxes	654,052	
		720,969
		2,675,184
Decreased by:		
Due to General Capital Fund		500,000
Balance - December 31, 2025		$ 2,175,184

Exhibit B-5

CITY OF HACKENSACK

Schedule of Various Reserves and Deposits

Other Trust Funds

Year Ended December 31, 2025

	Balance Dec. 31, 2024	Increased	Decreased	Balance Dec. 31, 2025
Unemployment	$ 191,689	48,667	102,073	138,283
Federal Equitable Sharing	2,757,542	1,913,230	1,082,012	3,588,760
Affordable Housing	5,651,712	1,461,223	77,757	7,035,178
Developers' Escrow	3,178,440	1,139,102	838,729	3,478,813
Self-Insurance General Liability	111,724	612,845	636,175	88,394
Self-Insurance Workers' Comp	120,440	933,845	939,105	115,180
Self-Insurance Dental	14,066	380,453	392,178	2,341
Tax Sale Premiums	1,547,408	1,272,500	1,030,700	1,789,208
Donations - Shade Trees	9,770	1,350	735	10,385
DARE/Municipal Alliance	620	6,830	1,728	5,722
National Night Out	237	500		737
Uniform Fire Safety Act Penalties	33,941	10,350	20,384	23,907
Uniform Fire Safety Act	598,401	206,957	632,194	173,164
Local Code Enforcement (Building)	6,350			6,350
Donations - Fire Dept.	25,952	150	13,752	12,350
POAA - Municipal Court	117,596	21,324	10,131	128,789
Public Defender	48,858	17,859	25,000	41,717
Recreation/Performing Arts Programs	342,870	402,184	436,533	308,521
Snow/Storm Debris Removal	1,504,217	41,433	130,891	1,414,759
Accumulated Absences	1,371,507		475,000	896,507
Outside Police Employment	430,902	1,517,236	1,582,640	365,498
Self-Insurance Employee Benefits	389,677			389,677
Net Payroll Payable	129,670		129,670	
Payroll Deductions Payable	426,343		426,343	
	$ 19,009,932	9,988,038	8,983,730	20,014,240

Cash Receipts	$ 9,988,038	
Cash Disbursements		8,427,717
Reclass to Separate Fund		556,013
	$ 9,988,038	8,983,730

Exhibit B-6

CITY OF HACKENSACK

Schedule of Reserve for Grant Expenditures

Community Development Trust Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$ 1
Balance - December 31, 2025	$ 1

Exhibit C-2

CITY OF HACKENSACK

Schedule of Cash

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024		$ 8,255,573
Increased by Receipts:		
Loans Payable - Green Acres Trust	$ 210,226	
Capital Improvement Fund	450,000	
Grant Receivable	2,737,521	
Interfunds	22,898	
Reserve for Payment of Debt	396,188	
Reserve for Ibank Proceeds	6,184,220	
Unappropriated Grant Proceeds	4,519,972	
		14,521,025
		22,776,598
Decreased by Disbursements:		
Improvement Authorizations	15,072,197	
Interfunds	197,142	
Budget Revenue -		
Reserve for Payment of Debt	67,926	
		15,337,265
Balance - December 31, 2025		$ 7,439,333

Exhibit C-3

CITY OF HACKENSACK

Analysis of Cash

General Capital Fund

Year Ended December 31, 2025

		Balance Dec. 31, 2025
Fund Balance		$ 443,409
Grants Receivable		(35,995,483)
Reserve for Grants Receivable		6,556,775
Reserve for Preliminary Expenses		37,111
Capital Improvement Fund		118,165
Reserve for Payment of Debt		1,026,868
Reserve for Ibank Proceeds		3,182,770
Interfunds Receivable		(1,033,252)
Contracts Payable		26,455,393
Improvement Authorizations:		
Ordinance Number	Improvement Description	
14-2016	Johnson Park Sports Facility	28,975
04-2017	Acq. Of Garbage Trucks/Road Imps.	42,343
40-2017	Foschini Park Improvements	(690,632)
09-2018	Acq. Of Garbage Trucks/Main St. Streetscape	4,505
32-2018	Main St. Adaptive Signal/Sewer Separation	756,154
51-2018	Various Capital Improvements/Acqs.	22,818
28-2019	Main St. Streetscape	294,253
38-2019	Stormwater Infrastructure Improvements	(1,408,150)
39-2019	Court St. Combined Sewer Separation (CSO)	145,455
50-2019	Main St. Combined Sewer Separation (CSO)	(2,302,477)
53-2019	Voorhis Pump Station Improvements	24,354
55-2019	Various Capital Improvements/Acqs.	119,950
14-2020	Main St. CSO Separation - Supplemental	699,562
35-2020	Various Capital Improvements/Acqs.	57,779
41-2020	Various Capital Improvements/Acqs.	138,059
42-2020	Sanitary/Stormwater Imps.	(1,228,819)
11-2021	Various Road & Park Improvements	212,410
25-2021	Johnson Park Sports Facility - Supplemental	421,944
38-2021	Various Public Building & Traffic Imps.	308,100
41-2021	Various Capital Improvements/Acqs.	94,918

Exhibit C-3

CITY OF HACKENSACK

Analysis of Cash

General Capital Fund

Year Ended December 31, 2025

		Balance Dec. 31, 2025
10-2022	Clay St./Anderson St. CSO Separation	(11,811,438)
34-2022	Clay St. CSO Separation - West of Rail	(3,374,435)
36-2022	Foschini Park Imps. - Supplemental	(4,650)
38-2022	Various Capital Improvements/Acqs.	60,000
39-2022	Various Capital Improvements/Acqs.	(818,195)
13-2023	"Record Site" Stormwater Outfall Imp.	400,000
24-2023	Green St. CSO Separation	28,891,321
30-2023	Various Park & Other Imps.	316,440
04-2024	Voorhis Pump/John Earl Bldg Supplementals	5,068
25-2024	Building Dept. Building Renovations	58,580
35-2024	Various Capital Improvements/Acqs.	150,159
41-2024	Johnson Park Sports Facility - Supplemental	1,062,205
44-2024	Various Capital Improvements/Acqs.	(3,787,349)
20-2025	Anderson St. Streetscape Imps.	(186,300)
21-2025	Various Capital Improvements/Acqs.	(2,121,330)
47-2025	Various Capital Improvements/Acqs.	66,000
		$ 7,439,333

CITY OF HACKENSACK

Schedule of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024		$ 65,840,504
Increased by:		
Transferred from Deferred Charges - Unfunded		
Loans Payable - I Bank Infrastructure Trust	$ 7,569,682	
Loans Payable - Green Acres Trust	210,226	
		7,779,908
		73,620,412
Decreased by:		
Current year Budget Appropriations:		
Serial Bond Principal	$ 3,675,000	
I Bank Infrastructure Trust Loans	527,297	
NJ Green Trust Loans	28,910	
		4,231,207
Balance - December 31, 2025		$ 69,389,205

CITY OF HACKENSACK

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2025

Ordinance Number	Improvement Description	Balance Dec. 31, 2024	2025 Authorizations	Decreased	Balance Dec. 31, 2025	Analysis of Balance: Expenditures	Analysis of Balance: Unexpended Improvement Authorization
	General Improvements:						
40-2017	Foschini Park Improvements	700,000			700,000	690,632	9,368
38-2019	Stormwater Infrastructure Improvements	1,550,000			1,550,000	1,408,150	141,850
39-2019	Court Street CSO Improvements	13,162,089		13,162,089			
50-2019	Main Street CSO Improvements	5,663,059		2,575,396	3,087,663	2,302,477	785,186
14-2020	Main Street CSO Separation - Supplemental	630,689			630,689		630,689
42-2020	Sanitary/Stormwater Improvements	3,050,000			3,050,000	1,228,819	1,821,181
41-2021	Various Capital Improvements/Acquisitions	408			408		408
10-2022	Clay Street/Anderson Street CSO Separation	14,500,000			14,500,000	11,811,438	2,688,562
34-2022	Clay Street CSO Separation - West of Rail	13,500,000			13,500,000	3,374,435	10,125,565
36-2022	Foschini Park Improvements - Supplemental	7,866			7,866	4,650	3,216
39-2022	Various Capital Improvements/Acquisitions	1,200,000		176,229	1,023,771	818,195	205,576
24-2023	Green Street CSO Separation	8,000,000			8,000,000		8,000,000
30-2023	Various Park & Other Improvements	1,100,000		277,226	822,774		822,774
25-2024	Various BHLU Building Renovations	2,194,000			2,194,000		2,194,000
41-2024	Johnson Park Sports Facility	3,932,000			3,932,000		3,932,000
44-2024	Various Public Improvements	5,465,472			5,465,472	3,787,349	1,678,123
20-2025	Anderson St. Streetscape Imps.		1,500,000		1,500,000	186,300	1,313,700
21-2025	2025 Various Capital Imps. & Acquisitions		6,411,070		6,411,070	2,121,330	4,289,740
22-2025	Acquisition of Equipment for the DPW		1,220,000		1,220,000		1,220,000
47-2025	Various Capital Improvements/Acquisitions		1,254,000		1,254,000		1,254,000
		$ 74,655,583	10,385,070	16,190,940	68,849,713	27,733,775	41,115,938
					Improvement Authorizations - Unfunded	$	41,115,938

Unappropriated Grant - State of New Jersey, Department of Transportation	$ 176,229
Unappropriated Grant - Bergen County Open Space	67,000
Green Acres Trust Loan Issued	210,226
Senate Grant Received	4,452,972
NJ Ibank Permanent Financing	7,569,682
NJ Ibank Principal Forgiveness	3,714,831
	$ 16,190,940

CITY OF HACKENSACK

Schedule of Grants Receivable

General Capital Fund

Year Ended December 31, 2025

Ordinance number	Improvement description	Original Grant Award	Balance Dec. 31, 2024	Grants Awards	Decreased by: Cash Receipts	Balance Dec. 31, 2025
40-17	Green Acres Grant	1,752,000	600,000	1,152,000		1,752,000
40-17	Bergen County Open Space	100,000	100,000			100,000
28-19	NJ DOT Alternative Aid	1,000,000	1,000,000			1,000,000
11-21	CDBG		18,322			18,322
24-17	Bergen County Open Space Lightning Det.		63,825			63,825
39-22	Green Acres Grant (Columbus & Carver)	1,881,488	1,038,072			1,038,072
39-22	NJ DOT Municipal Aid		266,341		176,229	90,112
30-23	Green Acres - Carver Park		843,416		630,680	212,736
30-23	NJDCA Grant - Baldwin Park	70,000	70,000			70,000
30-23	Bergen County Open Space - West Railford/Lighting		208,272			208,272
30-23	NJDOT Pedestrian - Prospect Avenue	460,000	460,000			460,000
24-23	Green Street CSO	32,000,000	32,000,000		2,561,292	29,438,708
44-24	CDBG - DeWolf	122,952		122,952		122,952
44-24	CDBG - South Newman	115,484		115,484		115,484
20-25	NJ DOT - Anderson St. Streetscapes	1,305,000		1,305,000		1,305,000
			$ 36,668,248	2,695,436	3,368,201	35,995,483

Offset by Reserve for Receivables	$ 6,556,775
Appropriated	29,438,708
	$ 35,995,483

Cash Receipts	$ 2,737,521
Due from Federal and State Grant Fund	630,680
	$ 3,368,201

Exhibit C-7

CITY OF HACKENSACK

Schedule of Interfunds

General Capital Fund

Year ended December 31, 2025

	Due from/(to) Balance Dec. 31, 2024	Increased	Decreased	Due from/(to) Balance Dec. 31, 2025
Current Fund	$ (174,244)	197,142	22,898	
Federal and State Grant Fund		630,680	97,428	533,252
Municipal Open Space Trust Fund		500,000		500,000
	$ (174,244)	1,327,822	120,326	1,033,252
Analysis				
Due from General Capital Fund	$ (174,244)	197,142	22,898	
Due to General Capital Fund		1,130,680	97,428	1,033,252
	$ (174,244)	1,327,822	120,326	1,033,252

Ordinance 21-2025	$ 500,000	
Deposit errors	630,680	
Reimbursement for Expenses Paid		97,428
Interest on Investments		22,898
Cash Disbursements	197,142	
	$ 1,327,822	120,326

CITY OF HACKENSACK

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2025

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Decreased	Balance Dec. 31, 2025
2013 General Obligation Bonds, Series A	April 18, 2013	6,170,000	05/01/26	470,000	3.000%	1,880,000	470,000	1,410,000
			05/01/27	470,000	3.000%			
			05/01/28	470,000	3.000%			
2013 General Obligation Bonds, Series B	April 18, 2013	3,679,000	05/01/26	280,000	3.200%	1,099,000	270,000	829,000
			05/01/27	270,000	3.250%			
			05/01/28	279,000	3.400%			
2018 General Improvement Bonds	April 12, 2018	21,820,000	04/01/26	1,055,000	4.000%	16,350,000	1,030,000	15,320,000
			04/01/27	1,090,000	4.000%			
			04/01/28	1,130,000	4.000%			
			04/01/29	1,165,000	3.000%			
			04/01/30	1,205,000	3.000%			
			04/01/31	1,240,000	3.000%			
			04/01/32	1,285,000	3.000%			
			04/01/33	1,330,000	3.000%			
			04/01/34	1,380,000	3.125%			
			04/01/35	1,425,000	3.125%			
			04/01/36	1,480,000	3.250%			
			04/01/37	1,535,000	3.250%			
2021 General Improvement Bonds	September 1, 2021	26,805,000	09/01/26	1,210,000	4.000%	23,345,000	1,195,000	22,150,000
			09/01/27	1,230,000	4.000%			
			09/01/28	1,255,000	4.000%			
			09/01/29	1,275,000	3.000%			
			09/01/30	1,300,000	3.000%			
			09/01/31	1,330,000	2.000%			
			09/01/32	1,340,000	2.000%			
			09/01/33	1,365,000	2.000%			
			09/01/34	1,390,000	2.000%			
			09/01/35	1,415,000	2.000%			
			09/01/36	1,440,000	2.000%			
			09/01/37	1,485,000	2.000%			
			09/01/38	1,510,000	2.000%			
			09/01/39	1,535,000	2.000%			

CITY OF HACKENSACK

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2025

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Decreased	Balance Dec. 31, 2025
2021 General Improvement Bonds, (cont.)	September 1, 2021	26,805,000	09/01/40	1,535,000	2.000%			
			09/01/41	1,535,000	2.000%			
2024 General Improvement Bonds	May 24, 2024	14,870,000	05/15/26	775,000	5.00%	14,870,000	710,000	14,160,000
			05/15/27	810,000	5.00%			
			05/15/28	875,000	5.00%			
			05/15/29	1,155,000	5.00%			
			05/15/30	1,180,000	5.00%			
			05/15/31	1,205,000	5.00%			
			05/15/32	1,250,000	4.00%			
			05/15/33	1,320,000	4.00%			
			05/15/34	1,340,000	4.00%			
			05/15/35	1,410,000	4.00%			
			05/15/36	1,420,000	4.00%			
			05/15/37	1,420,000	4.00%			
						$ 57,544,000	3,675,000	53,869,000

CITY OF HACKENSACK

Schedule of NJ Infrastructure Bank Loans Payable

General Capital Fund

Year Ended December 31, 2025

Improvement Description	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Issued	Decreased	Balance Dec. 31, 2025
NJEIT Wastewater Treatment Fund Loan - Series 2010A	Aug. 1, 2011	527,500	2/1/26	8,941		160,932		26,822	134,110
			8/1/26	17,881					
			2/1/27	8,941					
			8/1/27	17,881					
			2/1/28	8,941					
			8/1/28	17,881					
			2/1/29	8,941					
			8/1/29	17,881					
			2/1/30	8,941					
			8/1/30	17,881					
NJEIT Wastewater Treatment Trust Loan - Series 2010B	Aug. 1, 2011	980,000	8/1/26	59,000	5.00%	410,000		94,000	316,000
			8/1/27	59,000	5.00%				
			8/1/28	63,000	5.00%				
			8/1/29	68,000	5.00%				
			8/1/30	67,000	5.00%				
NJEIT Wastewater Treatment Trust Loan - Series 2015	Aug. 1, 2015	760,000	8/1/26	40,000	5.00%	480,000		40,000	440,000
			8/1/27	45,000	4.00%				
			8/1/28	45,000	4.00%				
			8/1/29	45,000	4.00%				
			8/1/30	50,000	4.00%				
			8/1/31	50,000	4.00%				
			8/1/32	55,000	4.00%				
			8/1/33	55,000	4.00%				
			8/1/34	55,000	4.00%				
NJEIT Wastewater Treatment Trust Loan - Series 2015	Aug. 1, 2015	1,459,650	2/1/26	24,740		742,196		74,220	667,976
			8/1/26	49,480					
			2/1/27	24,740					
			8/1/27	49,480					

CITY OF HACKENSACK

Schedule of NJ Infrastructure Bank Loans Payable

General Capital Fund

Year Ended December 31, 2025

Improvement Description	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Issued	Decreased	Balance Dec. 31, 2025
NJEIT Wastewater Treatment Trust Loan - Series 2015, (continued)	Aug. 1, 2015	1,459,650	2/1/28	24,740					
			8/1/28	49,480					
			2/1/29	24,740					
			8/1/29	49,479					
			2/1/30	24,740					
			8/1/30	49,480					
			2/1/31	24,740					
			8/1/31	49,480					
			2/1/32	24,740					
			8/1/32	49,479					
			2/1/33	24,740					
			8/1/33	49,479					
			2/1/34	24,740					
			8/1/34	49,479					
NJ Infrastructure Bank Trust Loan 2022 A-2 S340 923-14	Aug. 1, 2023	1,335,000	8/1/26	15,000	5.00%	1,320,000		15,000	1,305,000
			8/1/27	20,000	5.00%				
			8/1/28	20,000	5.00%				
			8/1/29	20,000	5.00%				
			8/1/30	20,000	5.00%				
			8/1/31	20,000	5.00%				
			8/1/32	25,000	5.00%				
			8/1/33	25,000	5.00%				
			8/1/34	25,000	5.00%				
			8/1/35	25,000	5.00%				
			8/1/36	30,000	5.00%				
			8/1/37	30,000	5.00%				
			8/1/38	30,000	5.00%				
			8/1/39	35,000	5.00%				
			8/1/40	35,000	5.00%				
			8/1/41	35,000	5.00%				
			8/1/42	35,000	5.00%				
			8/1/43	40,000	5.00%				
			8/1/44	40,000	5.00%				

CITY OF HACKENSACK

Schedule of NJ Infrastructure Bank Loans Payable

General Capital Fund

Year Ended December 31, 2025

Improvement Description	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Issued	Decreased	Balance Dec. 31, 2025
NJ Infrastructure Bank Trust Loan			8/1/45	45,000	5.00%				
2022 A-2 S340 923-14, (continued)	Aug. 1, 2023	1,335,000	8/1/46	45,000	5.00%				
			8/1/47	50,000	5.00%				
			8/1/48	50,000	5.00%				
			8/1/49	55,000	5.00%				
			8/1/50	55,000	5.00%				
			8/1/51	60,000	5.00%				
			8/1/52	60,000	5.00%				
			8/1/53	65,000	5.00%				
			8/1/54	70,000	5.00%				
			8/1/55	70,000	5.00%				
			8/1/56	75,000	5.00%				
			8/1/57	80,000	5.00%				
NJ Infrastructure Bank Fund Loan									
2022 A-2 S340 923-14	Aug. 1, 2023	3,221,024	2/1/26	30,971		3,066,168		92,914	2,973,254
			8/1/26	61,943					
			2/1/27	30,972					
			8/1/27	61,943					
			2/1/28	30,971					
			8/1/28	61,943					
			2/1/29	30,971					
			8/1/29	61,943					
			2/1/30	30,971					
			8/1/30	61,943					
			2/1/31	30,972					
			8/1/31	61,943					
			2/1/32	30,971					
			8/1/32	61,943					
			2/1/33	30,971					
			8/1/33	61,943					
			2/1/34	30,972					
			8/1/34	61,943					
			2/1/35	30,971					
			8/1/35	61,943					

CITY OF HACKENSACK

Schedule of NJ Infrastructure Bank Loans Payable

General Capital Fund

Year Ended December 31, 2025

Improvement Description	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Issued	Decreased	Balance Dec. 31, 2025
NJ Infrastructure Bank Fund Loan			2/1/36	30,971					
2022 A-2 S340 923-14, (continued)	Aug. 1, 2023	3,221,024	8/1/36	61,943					
			2/1/37	30,971					
			8/1/37	61,943					
			2/1/38	30,972					
			8/1/38	61,943					
			2/1/39	30,971					
			8/1/39	61,943					
			2/1/40	30,971					
			8/1/40	61,943					
			2/1/41	30,971					
			8/1/41	61,943					
			2/1/42	30,972					
			8/1/42	61,943					
			2/1/43	30,971					
			8/1/43	61,943					
			2/1/44	30,971					
			8/1/44	61,943					
			2/1/45	30,971					
			8/1/45	61,943					
			2/1/46	30,971					
			8/1/46	61,943					
			2/1/47	30,971					
			8/1/47	61,943					
			2/1/48	30,971					
			8/1/48	61,943					
			2/1/49	30,971					
			8/1/49	61,943					
			2/1/50	30,971					
			8/1/50	61,943					
			2/1/51	30,971					
			8/1/51	61,943					
			2/1/52	30,971					
			8/1/52	61,943					
			2/1/53	30,971					

CITY OF HACKENSACK

Schedule of NJ Infrastructure Bank Loans Payable

General Capital Fund

Year Ended December 31, 2025

Improvement Description	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Issued	Decreased	Balance Dec. 31, 2025
NJ Infrastructure Bank Fund Loan			8/1/53	61,943					
2022 A-2 S340 923-14, (continued)	Aug. 1, 2023	3,221,024	2/1/54	30,971					
			8/1/54	61,943					
			2/1/55	30,971					
			8/1/55	61,943					
			2/1/56	30,971					
			8/1/56	61,943					
			2/1/57	30,971					
			8/1/57	61,943					
NJ Infrastructure Bank Trust Loan									
2023 DL TB0223-01	Nov. 1, 2023	2,035,971	5/1/26	8,131	3.30%	1,921,192		133,449	1,787,743
			11/1/26	127,415	3.30%				
			5/1/27	7,617	3.23%				
			11/1/27	130,027	3.23%				
			5/1/28	6,959	3.19%				
			11/1/28	132,806	3.19%				
			5/1/29	6,322	3.47%				
			11/1/29	135,606	3.47%				
			5/1/30	5,661	3.40%				
			11/1/30	138,695	3.40%				
			5/1/31	5,016	3.38%				
			11/1/31	141,801	3.38%				
			5/1/32	4,250	3.37%				
			11/1/32	145,097	3.37%				
			5/1/33	3,366	3.44%				
			11/1/33	148,588	3.44%				
			5/1/34	2,555	4.069%				
			11/1/34	152,152	4.069%				
			5/1/35	1,894	4.306%				
			11/1/35	156,179	4.306%				
			5/1/36	1,248	4.503%				
			11/1/36	160,533	4.503%				
			5/1/37	614	4.684%				
			11/1/37	165,211	4.684%				

Exhibit C-9

CITY OF HACKENSACK

Schedule of NJ Infrastructure Bank Loans Payable

General Capital Fund

Year Ended December 31, 2025

Improvement Description	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Issued	Decreased	Balance Dec. 31, 2025
NJ Infrastructure Bank Trust Loan 2025A-SW1/C-SW1 S340923-13	May 15, 2025	3,627,378	8/1/26	70,000	5.00%		3,627,378		3,627,378
			8/1/27	70,000	5.00%				
			8/1/28	75,000	5.00%				
			8/1/29	75,000	5.00%				
			8/1/30	80,000	5.00%				
			8/1/31	80,000	5.00%				
			8/1/32	90,000	5.00%				
			8/1/33	95,000	5.00%				
			8/1/34	95,000	5.00%				
			8/1/35	100,000	5.00%				
			8/1/36	100,000	5.00%				
			8/1/37	110,000	5.00%				
			8/1/38	115,000	5.00%				
			8/1/39	123,461	3.71%				
			8/1/40	127,805	3.71%				
			8/1/41	132,675	3.71%				
			8/1/42	132,541	3.71%				
			8/1/43	137,337	3.71%				
			8/1/44	137,062	3.71%				
			8/1/45	141,711	3.71%				
			8/1/46	151,283	3.71%				
			8/1/47	155,775	3.71%				
			8/1/48	160,119	3.71%				
			8/1/49	169,373	3.71%				
			8/1/50	173,536	3.71%				
			8/1/51	177,539	3.71%				
			8/1/52	186,440	3.71%				
			8/1/53	185,172	3.71%				
			8/1/54	180,549	3.71%				

CITY OF HACKENSACK

Schedule of NJ Infrastructure Bank Loans Payable

General Capital Fund

Year Ended December 31, 2025

Improvement Description	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Issued	Decreased	Balance Dec. 31, 2025
NJ Infrastructure Bank Fund Loan 2025A-SW1/C-SW1 S340923-13	May 15, 2025	3,657,135	2/1/26	24,794			3,657,135	49,588	3,607,547
			8/1/26	99,177					
			2/1/27	24,794					
			8/1/27	99,177					
			2/1/28	24,794					
			8/1/28	99,177					
			2/1/29	24,794					
			8/1/29	99,177					
			2/1/30	24,794					
			8/1/30	99,177					
			2/1/31	24,794					
			8/1/31	99,177					
			2/1/32	24,794					
			8/1/32	99,177					
			2/1/33	24,794					
			8/1/33	99,177					
			2/1/34	24,794					
			8/1/34	99,177					
			2/1/35	24,794					
			8/1/35	99,177					
			2/1/36	24,794					
			8/1/36	99,177					
			2/1/37	24,794					
			8/1/37	99,177					
			2/1/38	24,794					
			8/1/38	99,177					
			2/1/39	24,794					
			8/1/39	99,177					
			2/1/40	24,794					
			8/1/40	99,177					
			2/1/41	24,794					
			8/1/41	99,177					
			2/1/42	24,794					
			8/1/42	99,177					

CITY OF HACKENSACK

Schedule of NJ Infrastructure Bank Loans Payable

General Capital Fund

Year Ended December 31, 2025

Improvement Description	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Issued	Decreased	Balance Dec. 31, 2025
NJ Infrastructure Bank Fund Loan			2/1/43	24,794					
2025A-SW1/C-SW1 S340923-13, (continued)	May 15, 2025	3,657,135.00	8/1/43	99,177					
			2/1/44	24,794					
			8/1/44	99,177					
			2/1/45	24,794					
			8/1/45	99,177					
			2/1/46	24,794					
			8/1/46	99,177					
			2/1/47	24,794					
			8/1/47	99,177					
			2/1/48	24,794					
			8/1/48	99,177					
			2/1/49	24,794					
			8/1/49	99,177					
			2/1/50	24,794					
			8/1/50	99,177					
			2/1/51	24,794					
			8/1/51	99,177					
			2/1/52	24,794					
			8/1/52	99,177					
			2/1/53	24,794					
			8/1/53	99,177					
			2/1/54	24,794					
			8/1/54	111,574					
NJ Infrastructure Bank Fund Loan									
2025A-SW1/C-SW1 S340923-15	May 15, 2025	202,015	8/1/26	10,000	5.00%		202,015		202,015
			8/1/27	10,000	5.00%				
			8/1/28	10,000	5.00%				
			8/1/29	10,000	5.00%				
			8/1/30	10,000	5.00%				
			8/1/31	10,000	5.00%				
			8/1/32	10,000	5.00%				
			8/1/33	10,000	5.00%				
			8/1/34	10,000	5.00%				

CITY OF HACKENSACK

Schedule of NJ Infrastructure Bank Loans Payable

General Capital Fund

Year Ended December 31, 2025

Improvement Description	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Issued	Decreased	Balance Dec. 31, 2025
NJ Infrastructure Bank Fund Loan			8/1/35	5,000	5.00%				
2025A-SW1/C-SW1 S340923-15, (continued)	May 15, 2025	202,015	8/1/36	5,000	5.00%				
			8/1/37	5,000	5.00%				
			8/1/38	5,000	5.00%				
			8/1/39	10,024	3.71%				
			8/1/40	5,894	3.71%				
			8/1/41	5,863	3.71%				
			8/1/42	5,831	3.71%				
			8/1/43	5,797	3.71%				
			8/1/44	5,762	3.71%				
			8/1/45	5,726	3.71%				
			8/1/46	5,688	3.71%				
			8/1/47	10,649	3.71%				
			8/1/48	10,544	3.71%				
			8/1/49	10,435	3.71%				
			8/1/50	9,802	3.71%				
NJ Infrastructure Bank Fund Loan									
2025A-SW1/C-SW1 S340923-15	May 15, 2025	83,154	2/1/26	652			83,154	1,304	81,850
			8/1/26	2,609					
			2/1/27	652					
			8/1/27	2,609					
			2/1/28	652					
			8/1/28	2,609					
			2/1/29	652					
			8/1/29	2,609					
			2/1/30	652					
			8/1/30	2,609					
			2/1/31	652					
			8/1/31	2,609					
			2/1/32	652					
			8/1/32	2,609					
			2/1/33	652					
			8/1/33	2,609					
			2/1/34	652					

CITY OF HACKENSACK

Schedule of NJ Infrastructure Bank Loans Payable

General Capital Fund

Year Ended December 31, 2025

Improvement Description	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Issued	Decreased	Balance Dec. 31, 2025
NJ Infrastructure Bank Fund Loan			8/1/34	2,609					
2025A-SW1/C-SW1 S340923-15, (continued)	May 15, 2025	83,154	2/1/35	652					
			8/1/35	2,609					
			2/1/36	652					
			8/1/36	2,609					
			2/1/37	652					
			8/1/37	2,609					
			2/1/38	652					
			8/1/38	2,609					
			2/1/39	652					
			8/1/39	2,609					
			2/1/40	652					
			8/1/40	2,609					
			2/1/41	652					
			8/1/41	2,609					
			2/1/42	652					
			8/1/42	2,609					
			2/1/43	652					
			8/1/43	2,609					
			2/1/44	652					
			8/1/44	2,609					
			2/1/45	652					
			8/1/45	2,609					
			2/1/46	652					
			8/1/46	2,609					
			2/1/47	652					
			8/1/47	2,609					
			2/1/48	652					
			8/1/48	2,609					
			2/1/49	652					

CITY OF HACKENSACK

Schedule of NJ Infrastructure Bank Loans Payable

General Capital Fund

Year Ended December 31, 2025

Improvement Description	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Issued	Decreased	Balance Dec. 31, 2025
NJ Infrastructure Bank Fund Loan			8/1/49	2,609					
2025A-SW1/C-SW1 S340923-15, (continued)	May 15, 2025	83,154	2/1/50	652					
			8/1/50	2,934					
						$ 8,100,488	7,569,682	527,297	15,142,873

Prior Year Savings Credits	39,000
Current Year Budget Appropriation	488,297
	$ 527,297

CITY OF HACKENSACK

Schedule of New Jersey Green Acres Trust Loan Payable

General Capital Fund

Year Ended December 31, 2025

Improvement Description	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Issued	Decreased	Balance Dec. 31, 2025
Second Wark Park Imp. Project	Dec. 4, 2012	445,113	03/07/26	12,422	2.00%	196,016		24,476	171,540
			09/07/26	12,546					
			03/07/27	12,672					
			09/07/27	12,799					
			03/07/28	12,926					
			09/07/28	13,056					
			03/07/29	13,186					
			09/07/29	13,318					
			03/07/30	13,451					
			09/07/30	13,586					
			03/07/31	13,722					
			09/07/31	13,859					
			03/09/32	13,997					
Multi-Park Improvements 023-19-055	Apr. 10, 2025	210,226	04/15/26	4,478	2.00%		210,226	4,434	205,792
			10/15/26	4,523					
			04/15/27	4,568					
			10/15/27	4,614					
			04/15/28	4,660					
			10/15/28	4,707					
			04/15/29	4,754					
			10/15/29	4,801					
			04/15/30	4,849					
			10/15/30	4,898					
			04/15/31	4,947					
			10/15/31	4,996					
			04/15/32	5,046					
			10/15/32	5,098					
			04/15/33	5,148					
			10/15/33	5,199					

CITY OF HACKENSACK

Schedule of New Jersey Green Acres Trust Loan Payable

General Capital Fund

Year Ended December 31, 2025

Improvement Description	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Issued	Decreased	Balance Dec. 31, 2025
Multi-Park Improvements	Apr. 10, 2025	210,226	04/15/34	5,251					
023-19-055, (continued)			10/15/34	5,304					
			04/15/35	5,357					
			10/15/35	5,410					
			04/15/36	5,464					
			10/15/36	5,519					
			04/15/37	5,574					
			10/15/37	5,630					
			04/15/38	5,686					
			10/15/38	5,743					
			04/15/39	5,801					
			10/15/39	5,859					
			04/15/40	5,917					
			10/15/40	5,976					
			04/15/41	6,036					
			10/15/41	6,097					
			04/15/42	6,158					
			10/15/42	6,219					
			04/15/43	6,281					
			10/15/43	6,344					
			04/15/44	6,408					
			10/15/44	6,472					
						$ 196,016	210,226	28,910	377,332

CITY OF HACKENSACK

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2025

Ordinance Number	Improvement Description	Date Authorized	Ordinance Amount	Balance Dec. 31, 2024 Funded	Balance Dec. 31, 2024 Unfunded	2025 Authorizations	Paid or Charged	Authorization Canceled	Balance Dec. 31, 2025 Funded	Balance Dec. 31, 2025 Unfunded
	General Improvements:									
21-2015	Various Capital Improvements/Acqs.	Jun. 9, 2015	473,000	$ 910				910		
14-2016	Johnson Park Sports Facility	Apr. 4, 2016	7,000,000		3,752,528		3,723,553		28,975	
04-2017	Acq. Of Garbage Trucks/Road Imps.	Apr. 11, 2017	1,790,000	56,843			14,500		42,343	
24-2017	City Hall Complex Improvements	Sept. 12, 2017	455,000	4				4		
40-2017	Foschini Park Improvements	Dec. 18, 2017	1,350,000		708,875		699,507			9,368
09-2018	Acq. Of Garbage Trucks/Main St. Streetscape	Mar. 13, 2018	800,000	6,308				1,803	4,505	
32-2018	Main St. Adaptive Signal/Sewer Separation	Jul. 23, 2018	1,900,000	787,260			31,106		756,154	
51-2018	Various Capital Improvements/Acqs.	Oct. 30, 2018	3,800,000	52,263			29,445		22,818	
25-2019	Various Capital Improvements/Acqs.	Jun. 11, 2019	400,000	40,763			40,763			
28-2019	Main St. Streetscape	Jun. 25, 2019	6,600,000		531,157		236,904		294,253	
38-2019	Stormwater Infrastructure Improvements	Sept. 10, 2019	1,550,000		228,631		86,781			141,850
39-2019	Court St. Combined Sewer Separation (CSO)	Sept. 10, 2019	14,630,000		206,021		60,566		145,455	
50-2019	Main St. Combined Sewer Separation (CSO)	Oct. 29, 2019	6,500,000		941,065		155,879			785,186
53-2019	Voorhis Pump Station Improvements	Nov. 12, 2019	1,200,000	9,170	16,000		816		24,354	
55-2019	Various Capital Improvements/Acqs.	Dec. 3, 2019	4,000,000	260,956			141,006		119,950	
14-2020	Main St. CSO Separation - Supplemental	Mar. 10, 2020	1,500,000		1,330,251				699,562	630,689
35-2020	Various Capital Improvements/Acqs.	Sept. 22, 2020	402,000	60,000			2,221		57,779	
41-2020	Various Capital Improvements/Acqs.	Oct. 20, 2020	5,365,000	236,604			98,545		138,059	
42-2020	Sanitary/Stormwater Imps.	Oct. 20, 2020	3,050,000		2,484,520		663,339			1,821,181
11-2021	Various Road & Park Improvements	Mar. 23, 2021	2,590,000	725,378			512,968		212,410	
25-2021	Johnson Park Sports Facility - Supplemental	Jun. 15, 2021	11,500,000	10,269,402	344,700		10,192,158		421,944	
38-2021	Various Public Building & Traffic Imps.	Aug. 16, 2021	1,760,000	308,709			609		308,100	
41-2021	Various Capital Improvements/Acqs.	Aug. 16, 2021	3,600,000	466,952	1,025,024		1,396,650		94,918	408
10-2022	Clay St./Anderson St. CSO Separation	Mar. 8, 2022	14,500,000		5,634,039		2,945,477			2,688,562
34-2022	Clay St. CSO Separation - West of Rail	Aug. 15, 2022	13,500,000		10,766,809		641,244			10,125,565
36-2022	Foschini Park Imps. - Supplemental	Sept. 6, 2022	6,500,000	4,357,715	1,657,246		6,011,745			3,216
38-2022	Various Capital Improvements/Acqs.	Sept. 6, 2022	116,000	60,000					60,000	
39-2022	Various Capital Improvements/Acqs.	Sept. 6, 2022	6,565,000	1,799,117			1,593,540			205,577
13-2023	"Record Site" Stormwater Outfall Imp.	Mar. 28, 2023	1,400,000	400,000					400,000	
24-2023	Green St. CSO Separation	May 9, 2023	40,000,000		37,226,729		335,408		28,891,321	8,000,000
30-2023	Various Park & Other Imps.	Jul. 10, 2023	2,700,000	1,116,291	627,630		604,707		316,440	822,774
04-2024	Voorhis Pump/John Earl Bldg Supplementals	Feb. 20, 2024	355,000	73,478			68,410		5,068	
25-2024	Building Dept. Building Renovations	Jun. 25, 2024	2,305,000	30,677	2,194,000		(27,903)		58,580	2,194,000
35-2024	Various Capital Improvements/Acqs.	Sept. 24, 2024	611,000	611,000			460,841		150,159	
41-2024	Johnson Park Sports Facility - Supplemental	Nov. 12, 2024	8,500,000	4,568,000	3,932,000		3,505,795		1,062,205	3,932,000
44-2024	Various Capital Improvements/Acqs.	Dec. 10, 2024	6,000,000	534,528	5,465,472		4,321,878			1,678,122
20-2025	Anderson St. Streetscape Imps.	May 20, 2025	1,500,000			1,500,000	186,300			1,313,700
21-2025	Various Capital Improvements/Acqs.	Jun. 3, 2025	7,180,000			7,180,000	2,890,260			4,289,740

Exhibit C-11

CITY OF HACKENSACK

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2025

Ordinance Number	Improvement Description	Date Authorized	Ordinance Amount	Balance Dec. 31, 2024 Funded	Balance Dec. 31, 2024 Unfunded	2025 Authorizations	Paid or Charged	Authorization Canceled	Balance Dec. 31, 2025 Funded	Balance Dec. 31, 2025 Unfunded
22-2025	Acquisition of Equipment for DPW	May 20, 2025	1,220,000			1,220,000				1,220,000
47-2025	Various Capital Improvements/Acqs.	Dec. 16, 2025	1,320,000			1,320,000			66,000	1,254,000
				$ 26,832,328	79,072,697	11,220,000	41,625,018	2,717	34,381,352	41,115,938

Capital Improvement Fund	$ 334,930	
Due from Municipal Space Open Space Trust Fund	500,000	
Deferred Charges - Unfunded	10,385,070	
	$ 11,220,000	$ 2,717 Fund Balance

Current Year Contracts Payable	$ 26,455,393
Ord. 11-2021 - Due to Federal and State Grant Fund	97,428
Cash Disbursements	15,072,197
	$ 41,625,018

Exhibit C-12

CITY OF HACKENSACK

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024		$ 3,095
Increased by:		
Budget Appropriation		450,000
		453,095
Decreased by:		
Appropriated to Finance Improvement Authorizations		334,930
Balance - December 31, 2025		$ 118,165

Exhibit C-13

Schedule of Reserve for Grants Receivable

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024		$ 4,668,248
Increased by:		
Grant Awards		2,695,436
		7,363,684
Decreased by:		
Grants Received -		
Applied to Authorized not Issued	$ 176,229	
Reserve for Payment of Debt	630,680	
		806,909
Balance - December 31, 2025		$ 6,556,775

Exhibit C-14

CITY OF HACKENSACK

Schedule of Reserve for Payment of Debt

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024		$ 67,926
Increased by:		
Unappropriated Grant Received	$ 396,188	
Unappropriated Grant Received - Due from Federal and State Grant Fund	630,680	
		1,026,868
		1,094,794
Decreased by:		
Budget Revenue - Cash Disbursements		67,926
Balance - December 31, 2025		$ 1,026,868

Analysis of Balance	
Bergen County Open Space Grants	$ 396,188
Ord. 11-2021	630,680
	$ 1,026,868

Exhibit C-15

Schedule of Reserve for Capital Projects

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$ 91,489
Decreased by:	
Cancelled by Reso 495-25	54,378
Balance - December 31, 2025	$ 37,111

Exhibit C-16

CITY OF HACKENSACK

Schedule of Reserve for Ibank Proceeds

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024		$ 8,283,063
Increased by:		
Interim Financing drawdowns		6,184,220
		14,467,283
Decreased by:		
Deferred Charges - Unfunded:		
Permanent Financing - Ord. 39-2019	$ 7,569,682	
Principal Forgiveness - Ord. 39-2019	3,714,831	
		11,284,513
Balance - December 31, 2025		$ 3,182,770

Analysis of Balance	
S340923-13	$ 599,096
S340923-15	1,366,241
S-340923-22	1,217,433
	$ 3,182,770

CITY OF HACKENSACK

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2025

Ordinance Number	Improvement Description	Balance Dec. 31, 2024	2025 Authorizations	Decreased	Balance Dec. 31, 2025
40-2017	Foschini Park Improvements	$ 700,000			700,000
38-2019	Stormwater Infrastructure Improvements	1,550,000			1,550,000
39-2019	Court Street CSO Improvements	13,162,089		13,162,089	
50-2019	Main Street CSO Improvements	5,663,059		2,575,396	3,087,663
14-2020	Main Street CSO Separation - Supplemental	630,689			630,689
42-2020	Sanitary/Stormwater Improvements	3,050,000			3,050,000
41-2021	Various Capital Improvements/Acquisitions	408			408
10-2022	Clay Street/Anderson St. CSO Separation	14,500,000			14,500,000
34-2022	Clay Street CSO Separation - West of Rail	13,500,000			13,500,000
36-2022	Foschini Park Improvements - Supplemental	7,866			7,866
39-2022	Various Capital Improvements/Acquisitions	1,200,000		176,229	1,023,771
24-2023	Green Street CSO Separation	8,000,000			8,000,000
30-2023	Various Park & Other Improvements	1,100,000		277,226	822,774
25-2024	Various BHLU Building Renovations	2,194,000			2,194,000
41-2024	Johnson Park Sports Facility	3,932,000			3,932,000
44-2024	Various Public Improvements	5,465,472			5,465,472
20-2025	Anderson St. Streetscape Improvements		1,500,000		1,500,000
21-2025	2025 Various Capital Improvement & Acquisitions		6,411,070		6,411,070
22-2025	Acquisition of Equipment for DPW		1,220,000		1,220,000
47-2025	Various Capital Improvements & Acquisitions		1,254,000		1,254,000
		$ 74,655,583	10,385,070	16,190,940	68,849,713
	Improvement Authorizations		10,385,070		
			$ 10,385,070		

Unappropriated Grant Proceeds	$ 4,696,201
NJ Ibank Loan Payable	7,569,682
NJ Ibank Principal Forgiveness	3,714,831
Green Acres Loan Payable	210,226
	$ 16,190,940

Exhibit D-5

CITY OF HACKENSACK

Schedule of Cash

Parking Utility Fund

Year ended December 31, 2025

		Operating	Capital
Balance - December 31, 2024	$	2,432,368	3,241,705
Increased by Receipts:			
Anticipated Revenue		2,297,730	
Miscellaneous Revenue		117,095	
Interfunds		6,895	6,895
		2,421,721	6,895
		4,854,089	3,248,600
Decreased by Disbursements:			
2025 Appropriations		2,294,624	
2024 Appropriation Reserves		94,829	
Interfunds			6,895
Accrued Interest on Bonds		300,899	
Improvement Authorizations			91,481
		2,690,352	98,376
Balance - December 31, 2025	$	2,163,737	3,150,224

Exhibit D-6

CITY OF HACKENSACK

Analysis of Cash

Parking Utility Capital Fund

Year ended December 31, 2025

		Balance, Dec. 31, 2025
Fund Balance		$ 243,873
Contracts Payable		209,150
Capital Improvement Fund		141,000
Improvement Authorizations:		
Ordinance Number	General Improvements	
33-2018	Atlantic Street Garage Imps. - Phase I	199,064
33-2019	Atlantic Street Garage Imps. - Phase II	9,212
26-2021	Atlantic Street Garage Imps. - Phase III	42,100
15-2024	Atlantic Street Garage Elevator Renovation	2,305,825
		$ 3,150,224

Exhibit D-7

CITY OF HACKENSACK

Schedule of Interfunds

Parking Utility Operating Fund

Year ended December 31, 2025

		Increased	Decreased
Parking Utility Capital Fund	$	6,895	6,895
	$	6,895	6,895
Cash Receipts	$		6,895
Interest on Investments		6,895	
	$	6,895	6,895

Exhibit D-8

CITY OF HACKENSACK

Schedule of Fixed Capital

Parking Utility Capital Fund

Year ended December 31, 2025

Account		Balance, Dec. 31, 2024	Prior Year Correction	Balance, Dec. 31, 2025
Infrastructure	$	8,541,084	(72,000)	8,469,084
	$	8,541,084	(72,000)	8,469,084

CITY OF HACKENSACK

Schedule of Fixed Capital Authorized and Uncompleted

Parking Utility Capital Fund

Year ended December 31, 2025

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount		Prior Year Correction	Balance, Dec. 31, 2025
33-2018	Atlantic St. Garage Imp. Phase I	Jul. 23, 2018	1,300,000	$	1,300,000	1,300,000
33-2019	Atlantic St. Garage Imp. Phase II	Jul. 22, 2019	2,000,000		2,000,000	2,000,000
26-2021	Atlantic St. Garage Imp. Phase IIII	Jun. 15, 2021	900,000		900,000	900,000
15-2024	Atlantic St. Garage Elevator Renovation	Apr. 2, 2024	2,350,000		2,350,000	2,350,000
				$	6,550,000	6,550,000

Exhibit D-10

CITY OF HACKENSACK

Schedule of Interfunds

Parking Utility Capital Fund

Year ended December 31, 2025

		Increased	Decreased
Parking Utility Operating Fund	$	6,895	6,895
Cash Receipts - Interest on Investments	$	6,895	
Cash Disbursements			6,895
	$	6,895	6,895

Exhibit D-11

CITY OF HACKENSACK

Schedule of 2024 Appropriation Reserves

Parking Utility Operating Fund

Year ended December 31, 2025

	Balance Dec. 31, 2024	Balance After Tranfers and Encumbrances	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	$ 67,694	67,694		67,694
Other Expenses	45,131	105,715	64,417	41,298
Total Operating	$ 112,825	173,409	64,417	108,992
Capital Improvements:				
Capital Outlay	100,000	100,000	30,412	69,588
Statutory Expenditures:				
Public Employee's Retirement System	50,000	50,000		50,000
Social Security System (O.A.S.I.)	8,853	8,853		8,853
Total Statutory Expenditures	58,853	58,853		58,853
	$ 271,678	332,262	94,829	237,433
Appropriation Reserves		$ 271,678		
Encumbrances		60,584		
		$ 332,262		
Cash Disbursements			$ 94,829	

Exhibit D-12

CITY OF HACKENSACK

Schedule of Encumbrances Payable

Parking Utility Operating Fund

Year ended December 31, 2025

Balance - December 31, 2024	$	60,584
Increased by:		
Transferred from Current Year Budget		91,162
		151,746
Decreased by:		
Transferred to Appropriation Reserves		60,584
Balance - December 31, 2025	$	91,162

Exhibit D-13

CITY OF HACKENSACK

Schedule of Accrued Interest on Bonds

Parking Utility Operating Fund

Year ended December 31, 2025

Increased by:		
Budget Appropriation	$	320,000
Decreased by:		
Cash Disbursements		300,899
Balance - December 31, 2025	$	19,101

Analysis of Balance

	Principal Outstanding Dec. 31, 2025	Period (Days)	Interest Rate		Required Amount
$	4,560,000	45	Variable	$	24,756

Exhibit D-14

CITY OF HACKENSACK

Schedule of Contracts Payable

Parking Utility Capital Fund

Year ended December 31, 2025

Increased by:	
Charges to Improvement Authorizations	$ 209,150
Balance - December 31, 2025	$ 209,150

Exhibit D-15

Schedule of Deferred Reserve for Amortization

Parking Utility Capital Fund

Year ended December 31, 2025

Increased by:		
Prior year correction		$ 1,000,000
Balance - December 31, 2025		$ 1,000,000
	Analysis of Balance	
	Ord. 15-2024	$ 1,000,000

CITY OF HACKENSACK

Schedule of Parking Utility Serial Bonds

Parking Utility Capital Fund

Year ended December 31, 2025

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2025 Date	Amount	Interest Rate	Balance, Dec. 31, 2024	Decreased	Balance, Dec. 31, 2025
Parking Utility Bonds	May 9, 2024	4,740,000	May 15, 2026	240,000	5.000	$ 4,740,000	180,000	4,560,000
			May 15, 2027	245,000	5.000			
			May 15, 2028	255,000	5.000			
			May 15, 2029	265,000	5.000			
			May 15, 2030	275,000	5.000			
			May 15, 2031	285,000	4.000			
			May 15, 2032	290,000	4.000			
			May 15, 2033	300,000	4.000			
			May 15, 2034	310,000	4.000			
			May 15, 2035	320,000	4.000			
			May 15, 2036	340,000	4.000			
			May 15, 2037	355,000	4.000			
			May 15, 2038	360,000	4.000			
			May 15, 2039	360,000	4.000			
			May 15, 2040	360,000	4.000			
						$ 4,740,000	180,000	4,560,000
					Paid via Budget Appropriation	$	180,000	

CITY OF HACKENSACK

Schedule of Improvement Authorizations

Parking Utility Capital Fund

Year ended December 31, 2025

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance, Dec. 31, 2024 Funded	Balance, Dec. 31, 2024 Unfunded	Expended	Balance, Dec. 31, 2025 Funded	Balance, Dec. 31, 2025 Unfunded
33-2018	Atlantic Street Garage Imps. - Phase I	Jul. 23, 2018	1,300,000	$ 401,286		202,222	199,064	
33-2019	Atlantic Street Garage Imps. - Phase II	Jul. 22, 2019	2,000,000	19,182		9,970	9,212	
26-2021	Atlantic Street Garage Imps. - Phase III	Jun. 15, 2021	900,000	93,739		51,639	42,100	
15-2024	Atlantic Street Garage Elevator Renovation	Apr. 2. 2024	2,350,000	2,342,625		36,800	2,305,825	
				$ 2,856,832		300,631	2,556,201	

Cash Disbursements	91,481
Contracts Payable	209,150
	$ 300,631

Exhibit D-18

CITY OF HACKENSACK

Schedule of Reserve for Amortization

Parking Utility Capital Fund

Year ended December 31, 2025

Balance - December 31, 2024		$ 3,801,084
Increased by:		
Budget Appropriation		
Serial Bonds	$ 180,000	
Prior Year Correction	5,478,000	
		5,658,000
Balance - December 31, 2025		$ 9,459,084

Exhibit D-19

CITY OF HACKENSACK

Schedule of Capital Improvement Fund

Parking Utility Capital Fund

Year ended December 31, 2025

Balance - December 31, 2024	$ 141,000
Balance - December 31, 2025	$ 141,000

CITY OF HACKENSACK

PART II

LETTER ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2025

WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; 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 City of Hackensack in the County of Bergen as of and for the year ended December 31, 2025 and the related notes to the financial statements, and have issued our report thereon dated August 18, 2026, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for not maintaining and/or updating the fixed assets and having no updated Other Post-Employment Benefit (OPEB) valuation.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the City of Hackensack's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the City of Hackensack's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Hackensack'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Hackensack's financial statements-regulatory basis 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* which are described in the accompanying schedule of financial statement findings (Finding 2025-001 and 2025-002).

We also noted certain immaterial instances of noncompliance that we have reported to the management of the City of Hackensack in the accompanying comments and recommendations section of this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Hackensack'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 of Hackensack's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

August 18, 2026

WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 25-12

Honorable Mayor and
Members of the City Council
City of Hackensack
Hackensack, NJ 07601

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the City of Hackensack's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the N.J. Office of Management and Budget Circular 25-12 Compliance Supplement that could have a direct and material effect on each of the City of Hackensack's major federal and state programs for the year ended December 31, 2025. The City of Hackensack's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Basis for Qualified Opinion on the Equitable Sharing Program ALN# 16.922

As described in the accompanying schedule of findings and questioned costs, the City of Hackensack did not comply with requirements regarding the Equitable Sharing Program as described in Findings 2025-003, 2025-004, and 2025-005 for Equipment and Real Property, Procurement, Suspension, and Debarment, and Reporting.

Compliance with such requirements is necessary, in our opinion, for the City of Hackensack to comply with the requirements applicable to that program.

Qualified Opinion on the Equitable Sharing Program ALN# 16.922

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City of Hackensack complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Equitable Sharing Program for the year ended December 31, 2025.

Unmodified Opinion on Each of the Other Major Federal and State Programs

In our opinion, the City of Hackensack complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance 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 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 25-12. Our responsibilities under those standards, the Uniform Guidance, and N.J. OMB Circular 25-12 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Hackensack and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the City of Hackensack's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Hackensack's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Hackensack's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. OMB Circular 25-12 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Hackensack's compliance with the requirements of each major federal and state program as a whole.



In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. OMB Circular 25-12, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Hackensack's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City of Hackensack's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 25-12, but not for the purpose of expressing an opinion on the effectiveness of the City of Hackensack's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance, and which are described in the accompanying schedule of findings and questioned costs as items 2025-003, 2025-004 and 2025-005. Our opinion on the major federal program is modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Hackensack's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City of Hackensack's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-003, 2025-004 and 2025-005, to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We did not identify any instances of significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and N.J. OMB Circular 25-12. Accordingly, this report is not suitable for any other purpose.

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

August 18, 2026

CITY OF HACKENSACK

Schedule of Expenditures of Federal Financial Assistance

Year ended December 31, 2025

Program	Assistance Listing Number	FAIN Number	Grant period	Award Amount	Revenue/ Cash Received	Expenditures	Adjustment/ Cancelled	MEMO Cumulative Total Expenditures
Department of Agriculture								
Passed through State of NJ Department of Agriculture:								
Summer Nutrition Program	10.559		Prior Year 1/1/25-12/31/25	475,883	85,014	60,592		57,592
					85,014	60,592		57,592
U.S. Department of Housing and Urban Development								
(Passed through Bergen County)	14.218							
South Newman Road Improvements			21-213-75-415-546-15	115,484		115,484		115,484
DeWolf St. Road Improvements			21-213-75-515-546-15	122,952		122,952		122,952
Union St. Road Improvements			21-213-75-615-546-15	137,322				
Special COVID 19 Funding - Air Purification Fire Co. #5			Prior Year	32,000				
						238,436		238,436
U.S. Department of Health and Human Services								
COVID 19 Vaccine Health Grant	93.498		Prior Years					
Opioid Settlement Funds	93.788		Ongoing	111,135	111,135	49,065		49,065
					111,135	49,065		49,065
National Highway Traffic Safety Administration								
Impaired Driving Countermeasures								
Drive Sober or Get Pulled Over - Year End Crackdown (24)	20.616		2024	8,610	8,610			
Drive Sober or Get Pulled Over - Year End Crackdown (25)			2025	7,000	7,000			
					15,610			
U.S. Department of Justice								
Equitable Sharing Program	16.922				1,809,314	1,082,012	128,739	1,082,012
Community Oriented Policing Services								
Technology Grant	16.71		Prior Year					
Bulletproof Vest Partnership Program	16.607							
Prior Years			Prior Years		7,891			
					1,817,205	1,082,012	128,739	1,082,012

CITY OF HACKENSACK

Schedule of Expenditures of Federal Financial Assistance

Year ended December 31, 2025

Program	Assistance Listing Number	FAIN Number	Grant period	Award Amount	Revenue/ Cash Received	Expenditures	Adjustment/ Cancelled	MEMO Cumulative Total Expenditures
U.S. Department of the Treasury								
U.S. Department of the Treasury								
Coronavirus State and Local Fiscal Recovery Funds								
(Passed Through NJ Dept. of Environmental Protection)								
NJ Environmental Infrastructure Fund Project S340923-16	21.027		042-4860-711-003	9,263,848		3,113,988	(6,149,860)	9,263,848
(Passed Through NJ Dept. of Community Affairs)								
ARP Firefighter's Assistance Grant 24-0820	21.027		Prior Year	32,000	74,000			70,843
ARP Firefighter's Assistance Grant			Prior Year (23)	278,322		27,850		27,850
					74,000	3,141,838	(6,149,860)	9,362,541
National Archives and Records Administration								
National Historical Publications & Records Grant - ARP						26,806		26,806
						26,806		26,806
Department of Homeland Security								
Staffing for Adequate Fire and Emergency Response	97.083			722,497	338,806	332,500		722,479
NJ Homeland Security EOC Grant	97.052		Prior Year					
					338,806	332,500		722,479
Total Federal Awards					$ 2,441,770	4,931,249	(6,021,121)	11,538,931

Note: This schedule was subject to an audit in accordance with the Uniform Guidance

CITY OF HACKENSACK

Schedule of Expenditures of State Financial Assistance

Year ended December 31, 2025

	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	Adjustments	MEMO Cumulative Total Expenditures
Federal and State Grant Fund:							
Department of Law and Public Safety							
Division of Criminal Justice							
Safe and Secure Communities Grant	2025-0223	2025	26,337	$ 26,337			
	2024-0223	2024	45,150	45,150			
	2023-223	2023	32,400	32,400	16,000		16,000
Division of Highway Traffic Safety							
Drunk Driving Enforcement Fund	1110-100-066-1110	Prior Year	20,151		20,151		20,151
Pedestrian Safety Enforcement Grant	PEF2025	2025	14,844	14,844			
Various Grants		Prior Year	94,290		(668)		
Alcohol Education and Rehabilitation Fund		Prior Year					
Body Worn Cameras	21-BWC-174	Prior Year	5,962	5,962			
Body Armor Replacement Fund	1020-718-066-1020	2025	7,883	7,883	7,883		7,883
				132,576	43,366		44,034
Department of Health and Senior Services							
Governor's Council on Alcoholism & Drug Abuse:							
Municipal Alliance		2025	5,754	5,754	5,754		5,754
		Prior Year		2,244	331		
				7,998	6,085		5,754

Schedule 2

CITY OF HACKENSACK

Schedule of Expenditures of State Financial Assistance

Year ended December 31, 2025

	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	Adjustments	MEMO Cumulative Total Expenditures
Department of Environmental Protection							
Clean Communities Act	765-042-4900-004-6020	2025	100,651	100,651			
	765-042-4900-004-6020	Prior Year			183,821		183,821
Recycling Grant	765-042-4900-001-6020	2025		58,156			
		Prior Year			65,000		65,000
Stormwater Management Grant							
Water Resources Planning Management		Prior Year					
Green Acres:							
Carver and Columbus Parks	0702-21-084	Prior Year	843,416			97,427	97,427
				158,807	248,821	97,427	346,248
Department of Community Affairs							
Neighborhood Preservation Program		2025	125,000	43,373	68,373		68,373
		Prior Year		67,975	42,975		42,975
Local Efficiency Achievement Program							
Teaneck Dispatch		Prior Year			6,211		
Recreational Opportunities for the Handicapped:		2025	9,466	9,466			
Local Recreation Improvement Grant		2025	87,000				
				120,814	117,559		

Schedule 2

CITY OF HACKENSACK

Schedule of Expenditures of State Financial Assistance

Year ended December 31, 2025

		Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	Adjustments	MEMO Cumulative Total Expenditures
Department of Transportation								
Discretionary Local Aid -								
Plotts Road Resurfacing			2001	350,000	350,000			350,000
Local Aid Grant			Prior Year					
Transportation Alternative Aid -								
Main Street (Sussex to Atlantic)		Ord. 28-2019		1,000,000		74,829	925,171	1,000,000
Anderson St. Streetscape		Ord. 20-2025		1,305,000				
NJ DOT Pedestrian	Ord. 30-2023	Pedestrian Safety - Prospect		460,000		133,925	283,824	417,749
Local Municipal Aid								
Spring Valley Pedestrian Safety			MA24	279,978				
Kennedy St. & Union St. Roadway			MA25	372,223				
					350,000	208,754	1,208,995	1,767,749
NJ Department of Environmental Protection								
NJ Environmental Infrastructure Fund Project								
S340923-22		042-4860-711-003		1,208,075	1,208,075	401,704	(806,371)	1,208,075
S340923-16		042-4860-711-003		2,352,981			(359,590)	2,352,981
Green Acres								
Foschini Park Improvements		0223-17-028	2017	1,752,000		1,752,000		1,752,000
Multi-Park Improvements		0223-19-055	2019	630,680	630,680		(630,680)	630,680
Columbus & Carver Park Improvements		0223-21-020	2021	1,881,488		1,010,527		1,010,527
					1,838,755	3,164,231	(1,796,641)	6,954,263
		Total State Financial Assistance			2,608,950	3,788,816	(490,219)	9,118,048

CITY OF HACKENSACK

Schedule of Expenditures of State Financial Assistance

Year ended December 31, 2025

	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	Adjustments	MEMO Cumulative Total Expenditures
Other Financial Assistance							
New Jersey Association of County & City Health Officials							
Public Health Infrastructure		2025	168,049	46,990	52,102		52,102
Public Health Infrastructure		Prior Year		214,423	186,942		186,942
ANJEC Grant		2025	3,000	3,000			
		Prior Year			800		800
Arbor Day Foundation Grant		2025	16,800	16,800			
		Prior Year			36		36
Local Match							
Municipal Alliance			1,439	1,439	1,439		1,439
Neighborhood Preservation Program			50,000	50,000	25,000		25,000
Recreation Opportunities for the Handicapped			2,367	2,367			
Chic-Fil A Baseball Grant		Prior Year					
Bergen 200 Club Fire Grant		2025	5,000		5,000		5,000
Firehouse Subs Fire Grant		2025	17,278	17,278	17,278		17,278
				352,297	288,597		288,597
Total State and Other Financial Assistance				$ 2,961,247	4,077,413	(490,219)	9,406,645

Note: This schedule was subject to an audit in accordance with N.J. OMB 25-12

CITY OF HACKENSACK
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the City's financial statements.

NOTE 3. INDIRECT COST RATE

The City of Hackensack has not elected to use the 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the City's financial statements. Financial assistance awards are reported in the City's financial statements on a basis of accounting described above as follows:

	Federal	State	Local	Total
General Capital Fund	$ 3,352,424	$ 3,372,985	$ -	$ 6,725,409
Federal/State Grant Fund	496,813	415,831	288,597	1,201,241
Trust Funds - DEA Federal Forfeiture	1,082,012	-	-	1,082,012
	$ 4,931,249	$ 3,788,816	$ 288,597	$ 9,008,662

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree, in all material respects, with the amounts reported in the related federal and state financial reports. However, we noted certain differences which are reported in the accompanying schedule of findings of noncompliance and questioned costs.

NOTE 6. ADJUSTMENTS

Amounts reported in the accompanying schedules were adjusted to report the financial assistance awards as described in Note 2 Basis of Accounting.

NOTE 7. FEDERAL AND STATE LOANS OUTSTANDING

The City's federal and state loans outstanding at December 31, 2025, which are not required to be reported on the schedule of expenditures of federal and state awards, are as follows:

Loan Program	Total
State of New Jersey Green Acres Bond Act	$ 377,332
New Jersey Infrastructure Bank Loans	15,142,873
	$ 15,520,205

CITY OF HACKENSACK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	adverse - USGAAP qualified - OCBOA	
Internal control over financial reporting:		
1. Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	X none reported
2. Material weakness(es) identified?	X yes	_____ no
Noncompliance material to financial statements noted?	_____ yes	X no

Federal Awards Section

Dollar threshold used to distinguish between type A and type B programs:	$1,000,000	
Auditee qualified as low-risk auditee?	_____ yes	X no
Type of auditors report on compliance for major programs:	qualified	
Internal Control over compliance:		
1. Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	X none reported
2. Material weakness(es) identified?	X yes	_____ no
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	X yes	_____ no

CITY OF HACKENSACK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Section I - Summary of Auditor's Results, (continued)

Federal Awards Section, (cont.)

Identification of major programs:

Assistance Listing No.		Name of Federal Program
16.922	(A)	Equitable Sharing Program
21.027	(A)	Coronavirus State and Local Fiscal Recovery Funds

Note: (A) - Tested as Major Type A Program.

State Awards Section

Dollar threshold used to determine type A programs: $ 1,000,000

Auditee qualified as low-risk auditee? _____ yes ___X___ no

Type of auditors report on compliance for major programs: unmodified

Internal Control over compliance:

1. Material weakness(es) identified? _____ yes ___X___ no
2. Were significant deficiencies identified that were not considered to be material weaknesses? _____ yes ___X___ no

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 25-12, as amended? _____ yes ___X___ no

CITY OF HACKENSACK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Section I - Summary of Auditor's Results, (continued)

State Awards Section, (cont.)

Identification of major programs:

GMIS Number(s)		Name of State Program
566-042-4800	(A)	NJ Department of Environmental Protection: Green Acres Program

Note: (A) - Tested as a Major Type A Program.

CITY OF HACKENSACK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of General Auditing Standards.

Finding 2025-001
The City does not maintain a fixed asset accounting system or a current fixed asset inventory report in accordance with the requirements of N.J.A.C. 5:30-5.6.

Criteria or Specific Requirement:
N.J.A.C. 5:30-5.6 requires every municipality to maintain a fixed asset accounting and reporting system that includes a complete and current listing of municipal property, including original cost and useful life information where applicable. Such a system is necessary to safeguard municipal property and comply with statutory reporting requirements.

Condition:
The City did not have a fixed asset inventory report in accordance with the requirements of N.J.A.C. 5:30-5.6.

Context:
N.J.A.C. 5:30-5.6 requires every municipality to maintain a fixed asset accounting and reporting system that includes a complete and current listing of municipal property, including original cost and useful life information where applicable.

Effect:
Without a fixed asset report, the City is not in compliance with the above statute. This condition may also result in inadequate internal controls over capital assets and the risk of misappropriation or unrecorded losses.

Cause:
The City has not implemented a formal process or assigned responsibility for maintaining a fixed asset accounting system and has not updated its fixed asset records in recent years.

Recommendation:
The City should establish and maintain a fixed asset accounting system that complies with N.J.A.C. 5:30-5.6, including procedures to record all additions, deletions, and other changes in municipal property on an annual basis.

Management's Response:
Management will address the finding and the response will be documented and approved in the City's corrective action plan.

Section II – Financial Statement Findings (continued)

Finding 2025-002
The City did not provide an updated actuarial report as required by Government Accounting Standards Board (GASB), Statement No. 75.

Criteria or Specific Requirement:
Government Accounting Standards Board (GASB), Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* requires a State or Local Government to recognize and measure liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures measured as of a date (measurement date) no earlier than the end of the employers' prior fiscal year, consistently applied from period to period.

Local Finance Notice 2007-15 requires disclosure of this information in accordance with N.J.A.C. 5:30-6.1. In addition to the required reporting standards, most local units with outstanding debt obligations have a specific requirement to disclose OPEB liabilities imposed by the U.S. Securities and Exchange Commission. SEC regulations of the sale of debt by bond dealers pursuant to SEC Rule 15c2-12, commonly known as secondary disclosure rules, require the disclosure of all material liabilities.

Condition:
The City has not updated its actuarial calculation since the valuation dated January 1, 2023.

Questioned Costs:
None

Context:
The information that is disclosed in the Notes to the Financial Statements has not been updated for the required period.

Effect:
The information that is disclosed in the Notes to the Financial Statements does not meet the requirements of GASB No. 75.

Cause:
The City did not provide an updated actuarial report at the time of audit.

Recommendation:
The City contract with an actuarial services provider to obtain the necessary other post-employment benefits calculations for disclosure as required by GASB 75.

Management's Response:
The City will contract with an actuarial services provider to obtain the other post-employment benefits calculations as required.

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

Finding 2025-003

Information on the federal program:
Equitable Sharing Program, Assistance Listing No. #16.922, Grant Period 1/1/25 – 12/31/25

Compliance/Internal Control over Compliance:
Equipment and Real Property Management

Criteria or specific requirement:
2 CFR Part 200 Appendix XI Compliance Supplement, Section 3.2F. Equipment and Real Property Management requires, under 2 CFR 200.313, that the City maintain property records for equipment acquired with federal funds that include a description of the property; a serial number or other identification number; the source of funding for the property, including the Federal Award Identification Number (FAIN); who holds title; the acquisition date and cost; the percentage of federal participation in the project cost; the location, use, and condition of the property; and any ultimate disposition data. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. The Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies likewise requires that tangible property purchased with equitable sharing funds be accounted for and maintained on the agency's property records.

Condition:
The City did not maintain a fixed asset report or property listing for equipment acquired under the program. As a result, assets purchased with federal funds could not be traced to a fixed asset listing.

Questioned costs:
Undetermined

Context:
During our review of equipment and real property management, we attempted to trace assets purchased under the program to the City's fixed asset listing. The City was unable to provide a fixed asset report identifying property acquired with federal funds; accordingly, we were unable to verify that equipment purchases were recorded on, and accounted for, a property listing meeting the requirements of 2 CFR 200.313.

Effect:
Equipment acquired with federal funds could not be traced to a fixed asset listing, and the property record elements required under 2 CFR 200.313 (source of funding, acquisition date and cost, location, condition, and disposition) could not be verified. Without a complete property listing and a periodic physical inventory reconciled to those records, there is an increased risk that federally funded assets could be lost, misused, or disposed of without proper accountability, and that the City would be unable to demonstrate compliance with the equipment and real property management requirements.

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

Finding 2025-003, (continued)

Cause:
The City has not established adequate policies and procedures to identify, record, and track equipment acquired with federal funds on a fixed asset listing. A fixed asset report was not prepared, and a periodic physical inventory was not performed and reconciled to property records.

Recommendation:
We recommend that the City establish and implement policies and procedures to maintain a fixed asset listing for equipment acquired with federal funds that captures all elements required by 2 CFR 200.313, including the description, identification number, source of funding (FAIN), title holder, acquisition date and cost, percentage of federal participation, location, condition, and disposition. Assets purchased with federal funds should be added to the listing as acquired, and a physical inventory should be performed and reconciled to the property records at least once every year.

Management's response:
The City should establish fixed asset/property management policies and procedures and provide training to its staff to ensure that equipment acquired with federal funds is recorded on, and periodically reconciled to, a fixed asset listing in compliance with the equipment and real property management requirements of the Equitable Sharing Program.

Finding 2025-004

Information on the federal program:
Equitable Sharing Program, Assistance Listing No. #16.922, Grant Period 1/1/25 – 12/31/25

Compliance/Internal Control over Compliance: Procurement and Suspension and Debarment

Criteria or specific requirement:
2 CFR Part 200 Appendix XI Compliance Supplement, Section 3.2I. Suspension and Debarment requires that non-federal entities, when entering into a covered transaction expected to equal or exceed $25,000 at the lower tier, not contract with or make a subaward to parties that are suspended, debarred, or otherwise excluded from participating in federal programs. Under 2 CFR Part 180 and 2 CFR 200.214/200.215, the City must verify that a vendor is not suspended or debarred before entering into such a transaction. This verification may be accomplished by (1) checking the System for Award Management (SAM.gov) exclusions list, (2) collecting a certification from the vendor, or (3) adding a clause or condition to the covered transaction with the vendor.

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

Finding 2025-004, (continued)

Condition:
The City entered into a covered transaction with a vendor for purchases exceeding $25,000 without verifying that the vendor was not suspended or debarred. The vendor could not be located in SAM.gov, and the City did not maintain documentation that it verified the SAM.gov exclusions list, obtained a certification, or included a suspension and debarment clause in the transaction.

Questioned costs:
Undetermined

Context:
During our review of procurement and suspension and debarment, we tested vendors paid with program funds for covered transactions equal to or exceeding $25,000. For one such vendor, we attempted to confirm that the vendor was not suspended, debarred, or otherwise excluded by searching SAM.gov. The vendor was not registered in SAM.gov, and the City was unable to provide documentation demonstrating that it had verified the vendor's eligibility status at the time the transaction was entered into.

Effect:
Without verifying a vendor's suspension and debarment status before entering into a covered transaction, there is an increased risk that the City could contract with, and disburse federal funds to, a party that has been suspended, debarred, or otherwise excluded from participating in federal programs, resulting in potential noncompliance and questioned costs.

Cause:
The City has not established adequate policies and procedures to verify and document that vendors involved in covered transactions equal to or exceeding $25,000 are not suspended or disbarred prior to entering into those transactions. A verification of the vendor's status through SAM.gov, a certification, or a contract clause was not performed and/or documented.

Recommendation:
We recommend that the City establish and implement policies and procedures requiring that, before entering into any covered transaction expected to equal or exceed $25,000, the vendor's suspension and debarment status be verified through one of the permitted methods — checking the SAM.gov exclusions list, obtaining a certification from the vendor, or including a suspension and debarment clause in the transaction. Documentation of the verification (such as a dated SAM.gov exclusions search record) should be retained in the procurement file to evidence compliance.

Management's response:
The City should establish procurement and suspension and debarment policies and procedures and provide training to its staff to ensure that vendors in covered transactions of $25,000 or more are verified as not suspended or debarred, and that such verification is documented and retained, in compliance with the suspension and debarment requirements of the Equitable Sharing Program.

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

Finding 2025-005

Information on the federal program:
Equitable Sharing Program, Assistance Listing No. #16.922, Grant Period 1/1/25 – 12/31/25

Compliance/Internal Control over Compliance: Reporting

Criteria or specific requirement:
2 CFR Part 200 Appendix XI Compliance Supplement, Section 3.2L. Reporting requires that the recipient submit accurate, complete reports that are supported by, and reconcilable to, the underlying accounting records. The Equitable Sharing Agreement and Certification (ESAC) report, submitted annually to the U.S. Department of Justice in accordance with the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies, requires the City to report the beginning balance, equitable sharing receipts, interest income, expenditures, and the ending balance of equitable sharing funds. The ending balance reported on the ESAC must agree to the City's equitable sharing (federal sharing trust) fund accounting records and supporting reconciled bank balance.

Condition:
The ending balance reported on the ESAC report did not agree to the reconciled balance in the City's federal sharing trust fund bank account

Questioned costs:
Undetermined

Context:
During our review of reporting, we attempted to reconcile the balances reported on the ESAC report to the City's federal sharing trust fund accounting records and bank account. The amount reported on the ESAC report did not agree to the federal sharing trust fund bank account balance, and the City did not maintain a reconciliation supporting the difference between the reported amount and the bank account.

Effect:
Because the ESAC report did not agree to the federal sharing trust fund bank account, the report submitted to the U.S. Department of Justice was not supported by, and could not be reconciled to, the underlying accounting records. This increases the risk that inaccurate financial information is reported to the federal grantor and that misstatements or errors in the equitable sharing fund activity would not be detected and corrected on a timely basis.

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

Finding 2025-005, (continued)

Cause:
The City has not established adequate policies and procedures to reconcile the ESAC report to the federal sharing trust fund accounting records and bank account prior to submission. A reconciliation of the reported ending balance to the bank account balance was not performed and/or documented.

Recommendation:
We recommend that the City establish and implement policies and procedures requiring that the amounts reported on the ESAC report be reconciled to the federal sharing trust fund accounting records and bank account balance prior to submission, and that the reconciliation be documented and retained. Any differences between the reported balance and the bank account should be identified, investigated, and resolved before the report is filed with the U.S. Department of Justice.

Management's response:
The City should establish reporting policies and procedures and provide training to its staff to ensure that the ESAC report is reconciled to the federal sharing trust fund accounting records and bank account balance prior to submission, in compliance with the reporting requirements of the Equitable Sharing Program.

CITY OF HACKENSACK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

STATUS OF PRIOR YEAR FINDINGS

This section identifies the status of prior year audit findings related to the general purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 25-12, as amended.

NONE

CITY OF HACKENSACK

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting units fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest $1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

CITY OF HACKENSACK

GENERAL COMMENTS, CONTINUED

Effective January 1, 2015, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is $17,500 and with a qualified purchasing agent the threshold may be up to $40,000. On July 1, 2020, this amount was increased to $44,000. On July 1, 2025, this amount was increased to $53,000.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the City Council's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

- Baldwin Park ADA Sidewalk Improvements
- Firehouse Engine #2 Improvements
- Grand Avenue Pedestrian Safety Improvements
- Kennedy Street Roadway Improvements
- Lot A Atlantic Street Garage Entrance Improvements
- Johnson Park Sports Complex Utility and Sitework
- Re-Bid Firehouse Engine #2 Improvements
- 2025 Municipal Road Improvement Project

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

The statue provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body, on January 28, 2025, adopted the following amended resolution authorizing interest to be charged on delinquent taxes:

> "NOW THEREFORE BE IT RESOLVED by the Governing Body of the City of Hackensack that the rate of interest on unpaid taxes shall be 8% per annum on the first $1,500 of delinquency and 18% per annum on any amount in excess of $1,500 to be calculated from the date the tax was payable until the date of actual payment, provided that no interest shall be charged if payment of any installment is made on or before the tenth calendar day following the date upon which the same became payable; and,
>
> BE IT FURTHER RESOLVED, that the rate of interest on unpaid sewer bills shall be 8% per annum on the first $1,500 of delinquency and 18% per annum on any amount in excess of $1,500 to be calculated from the date the charge was billed until the date of actual payment, provided that no interest shall be charged if payment of any bill is made within 30 calendar days following the billing date; and,
>
> BE IT FURTHER RESOLVED, that when the 10th day of grace period for taxes, or the 30th day for sewer billings, falls on a Saturday or Sunday, it is due on the following Monday, and if the following Monday is a legal holiday, it will be due and payable on the following Tuesday.
>
> BE IT FURTHER RESOLVED, that in addition to the interest provided above, on all delinquencies in excess of $10,000 and which are not paid prior to the end of the calendar year, the tax collector shall also collect a penalty of 6% of the amount of the delinquency in excess of $10,000.
>
> ALSO, BE IT RESOLVED, that in the event said taxes shall be paid within ten days from the due date the interest shall be waived except in the office of the Tax Collector is closed on the tenth day of February, May, August or November then the grace period shall be extended to include the first business day thereafter; and,
>
> BE IT FURTHER RESOLVED that the interest rates so stated will revert back to the due date of any installment of taxes or assessments received after the expiration of the ten-day grace period or as otherwise provided in the Resolution.

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

An accelerated tax sale was held on December 22, 2025, and was complete.

Inspection of the sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of municipal tax title liens receivable on December 31 of the last three years:

Year	Liens - Tax
2025	6
2024	unknown
2023	unknown

Suggestions to Management:

- The City review its pay-to-play policies and ensure the award of professional service contracts is done in accordance with the law including:
    a. Awarding resolutions include "not to exceed" cost language as required by N.J.A.C. 5:30-5.4a(2).
    b. Formal evaluations of submitted proposals be prepared by the evaluation committee.
- All escrow monies received be deposited within 48 hours as required. Activity within the computerized accounting records is not reflective of the actual receipt and disbursement activity of the escrow trust fund. Monthly adjustments are made to bring the balances in the subsidiary records into agreement with the bank.
- Dedication by Riders be filed for the following Trust Funds:
    a. Animal License Trust Fund
    b. Worker's Compensation Trust Fund

CITY OF HACKENSACK
COMMENTS
DECEMBER 31, 2025

Finance/Accounts Payable

1. *The fixed asset accounting and reporting system was not maintained in accordance with N.J.A.C. 5:30-5.6. (See Financial Statement Finding 2025-001)
2. The City did not provide an updated actuarial valuation of its other post-employment benefits program as required by Governmental Accounting Standards Board (GASB) 75. (See Financial Statement Finding 2025-002)
3. Goods and Services are being ordered and/or paid for prior to encumbrance.
4. The billing and collection of annual service charges to entities with long term tax abatements are not being completed in accordance with N.J.S.A. 40A:20-1.
5. Fees and permits revenue is not segregated by department in the revenue module; departmental revenue could not be reconciled to underlying revenue reports. Detailed miscellaneous revenue is not categorized in the accounting records.
6. The City did not complete and file the annual Uniform Construction Code report (Form UCC-F100) with the New Jersey Department of Community Affairs.
7. The City did not accrue interest on the Parking Utility outstanding debt.
8. The City did not account for animal license fee activity within a dedicated Animal Control Trust Fund as required by N.J.S.A. 4:19-15.11.
9. Capital assets purchased with federal grant monies were not recorded in the City's fixed asset report (See Findings and Questioned Costs 2025-003)
10. Verification of vendor eligibility in SAM.gov was not completed prior to initiating purchases in excess of $25,000 using federal justice forfeiture funds. (See Findings and Questioned Costs 2025-004).
11. The expenditures and reserve balance reported on the 2025 federal Equitable Sharing Agreement and Certification report are not in agreement with City financial records. (See Findings and Questioned Costs 2025-005).
12. There are Capital Improvement authorizations greater than five years old that have unfunded portions outstanding.

Tax Collector

1. *The Special Improvement District levy was not property incorporated into the Edmunds Tax Collection System.

Municipal Court

1. There were instances where posting differences between the computer system and bank records are carried as reconciling items on the bank reconciliation as opposed to being corrected in the computer system.
2. The General (Fines) Account and the Bail Account bank balances did not reconcile to the ACS computer system for the entire year.
3. The General (Fines) Account and Bail Account bank reconciliations include outstanding checks greater than 180 days as reconciling items (N.J.S.A. 40A:5-5).
4. There were instances where monies were not turned over to the proper agencies by the 15th of the month.
5. A review of the December monthly management report indicated a substantial amount of tickets and/or complaints outstanding in the following categories:
    a. Tickets eligible for FTA over 14 days.
    b. Tickets assigned but not issued over 180 days.
    c. Complaints eligible for warrant.

RECOMMENDATIONS

Finance/Accounts Payable

1. The City establish and maintain a record of its fixed assets and update the report on an annual basis for additions and disposals.
2. The City provide an updated actuarial valuation related to its Other Post Employment Benefits.
3. An encumbrance be initiated prior to the ordering of any goods and/or services in accordance with Technical Accounting Directive #1.
4. All long-term tax exemption billings and collections be made in a timely manner and in accordance with N.J.S.A. 40A:20-1.
5. Revenue accounts be updated to allow for segregation of department receipts within the fees and permits revenue module; detailed categories pertaining to miscellaneous revenue be added to the revenue modules in Edmunds and be used to segregate categories of miscellaneous revenue.
6. The annual Uniform Construction Code report be completed and filed with the New Jersey Department of Community Affairs as required.
7. Accruals for interest owed on outstanding debt be incorporated into the City's budget process.
8. That the City account for animal license fees collected within a dedicated Animal Control Trust Fund in accordance with N.J.S.A. 4:19-15.11.
9. Capital assets purchased with federal grant monies be accounted for within a comprehensive fixed asset report.

Finance/Accounts Payable, (continued)

10. Verification of vendor eligibility in SAM.gov be completed prior to the purchase of goods and services exceeding $25,000 using federal forfeiture funds.
11. More care be taken when preparing the annual ESAC report to ensure it is in agreement with city financial records.
12. Unfunded improvement authorizations that are over five years old, where projects have been completed, be funded through either a budget appropriation or through the issuance of temporary or permanent debt.

Tax Collector

1. That the Tax Collector properly incorporates the Special Improvement District Levy into the Edmunds Tax Collection System.

Municipal Court

1. Reconciling items on the Municipal Court bank reconciliations be reviewed and cleared of record.
2. Bank balances be reconciled to the computer system monthly.
3. All stale dated outstanding checks be reviewed and voided as appropriate.
4. Monies should be turned over to the proper agencies by the 15th of the month.
5. Policies and/or procedures be implemented to address the significant number of tickets and complaints that require follow-up.

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all except for the Findings/Recommendations marked with an "*".

CITY OF HACKENSACK

ACKNOWLEDGMENT

We received the complete cooperation of all of the officials of the City and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

August 18, 2026