



**CITY OF HOBOKEN
COUNTY OF HUDSON
FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
AND INFORMATION
YEARS ENDED DECEMBER 31, 2018 AND 2017**

WITH
REPORT OF INDEPENDENT AUDITORS

HODULIK & MORRISON, P.A.

A division of



**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

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HUDSON COUNTY, NEW JERSEY

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**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**PART I
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS – REGULATORY BASIS**

HODULIK & MORRISON, P.A.

A division of



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
City of Hoboken
County of Hudson, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets – regulatory basis of the various funds and governmental fixed assets of the City of Hoboken, County of Hudson, New Jersey, as of and for the years ended December 31, 2018 and 2017 and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the related statement of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the City of Hoboken's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

As described in Note 2, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, United States of America, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These prescribed principles 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. Accordingly, the accompanying financial statements – regulatory basis are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The effect on the financial statements between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial positions of the City of Hoboken, County of Hudson, New Jersey, as of December 31, 2018, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and governmental fixed assets of the City of Hoboken, County of Hudson, New Jersey as of December 31, 2018 and 2017 and the results of operations and changes in fund balance – regulatory basis for the years then ended and the related statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2018, on the basis of accounting described in Note 2.

Emphasis of Matter

As discussed in the notes to the financial statements, during the fiscal year ending December 31, 2018, the City of Hoboken implemented the provisions of Statement Number 75 of the Governmental Accounting Standards Board (GASB 75). GASB 75 changed the measurement criteria and reporting provisions relating to the City’s proportionate share (if any), of the annual expense and net liability of the post-retirement employee benefits other than pensions (OPEB) of plans in which its employees are enrolled. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information as Required by Uniform Guidance and NJ OMB Circular 15-08

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise of the City of Hoboken, County of Hudson, New Jersey. The information included in Part II – the schedule of expenditures of federal awards as required by the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance)*; and the schedule of expenditures of state financial assistance as required by New Jersey OMB’s Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are not a required part of the financial statements. The information included in Part II – the accompanying schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

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

Supplementary Information Required by the Division of Local Government Services in Accordance with the Regulatory Basis of Accounting

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise of the City of Hoboken, County of Hudson, New Jersey. The information included in Part III – Supplementary Schedules and Part IV - Supplementary Data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the City of Hoboken, County of Hudson, New Jersey. The information included in Part III – the accompanying Supplemental Schedules and Part IV – Supplementary Data are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements – regulatory basis taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated August 16, 2019 on our consideration of the City of Hoboken's internal control over financial reporting and 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 the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Accounting Standards* and should be considered in assessing the results of our audit.



HODULIK & MORRISON, P.A.
A division of PKF O'Connor Davies
Certified Public Accountants
Registered Municipal Accountants


Andrew G. Hodulik
Registered Municipal Accountant
No. 406

Highland Park, New Jersey
August 16, 2019

FINANCIAL STATEMENTS

**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2018 and 2017**

ASSETS	Ref.	BALANCE DEC. 31,2018	BALANCE DEC. 31,2017	LIABILITIES, RESERVES AND FUND BALANCE	Ref.	BALANCE DEC. 31,2018	BALANCE DEC. 31,2017
Cash and Investments	A-4	\$ 36,670,004.86	\$ 54,363,576.23	Liabilities:			
Cash - Change Fund	A	300.00	400.00	Appropriation Reserves	A-3,A-9	\$ 2,638,163.55	\$ 6,564,467.23
Due from State of New Jersey:				Reserve for Encumbrances	A-3,A-9	2,673,914.69	2,430,188.33
Sr. Cit. & Vet. Deductions	A-5	45,550.83	45,300.83	Prepaid Taxes	A-7	1,988,947.54	18,862,181.82
Qualified Bond Aid	A-6	-	4,548,059.50	Accounts Payable	A-12	349,791.38	173,078.02
		<u>36,715,855.69</u>	<u>58,957,336.56</u>	Various Reserves	A-12	6,918,162.34	4,924,632.72
				Tax Overpayments	A-10	260,831.96	778,056.35
				Taxes Payable	A-11	835,314.26	1,116,273.37
				Due to Parking Utility	A-13	100,000.00	
Receivables With Offsetting Reserves:							
Taxes Receivable	A-7	931,810.39	881,366.70			15,765,125.72	34,848,877.84
Tax Title Liens Receivable	A-7	431,618.76	437,260.55	Reserve for Receivables			
Property Acquired for Taxes (At Assessed Valuation)	A	2,806,900.00	2,806,900.00	Fund Balance	Reserve	4,536,828.37	4,487,691.49
Water Liens	A-8	1,037.78	1,037.78		A-1	<u>20,950,729.97</u>	<u>24,108,458.72</u>
Revenue Accounts Receivable	A-8	342,094.24	351,607.90				
Interfunds Receivable	A-13	<u>23,367.20</u>	<u>9,518.56</u>				
		<u>4,536,828.37</u>	<u>4,487,691.49</u>				
Total Current Fund		<u>41,252,684.06</u>	<u>63,445,028.05</u>	Total Current Fund		<u>41,252,684.06</u>	<u>63,445,028.05</u>
State and Federal Grant Fund:				State and Federal Grant Fund:			
Cash	A-4	1,195,583.74	1,312,389.26	Reserve for State and Federal Grants:			
Grants Receivable	A-14	<u>5,643,291.28</u>	<u>4,516,005.32</u>	Appropriated	A-15	5,633,932.30	4,824,452.42
				Unappropriated	A-16	5,400.00	38,829.83
Total State and Federal Grant Fund		<u>6,838,875.02</u>	<u>5,828,394.58</u>	Reserve for Encumbrances	A-15	1,199,542.72	965,112.33
				Total State and Federal Grant Fund		<u>6,838,875.02</u>	<u>5,828,394.58</u>
						<u>\$ 48,091,559.08</u>	<u>\$ 69,273,422.63</u>

Note: See Notes to Financial Statements

CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>YEAR 2018</u>	<u>YEAR 2017</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 11,300,000.00	\$ 10,000,000.00
Miscellaneous Revenues Anticipated	47,556,924.76	47,742,668.63
Receipts from Delinquent Taxes	791,852.56	1,045,906.79
Receipts from Current Taxes	183,782,690.75	182,831,366.16
Non-Budget Revenue	597,116.82	220,658.76
Other Credits to Income:		
Unexpended Balances of Approp. Reserves	4,333,628.35	3,943,788.09
Tax Overpayments Canceled		137,112.80
Accounts Payable Canceled		286,212.22
Various Reserves Canceled		46,384.73
Interfunds Returned - Net	1,617.56	26,063.80
Total Revenues	248,363,830.80	246,280,161.98
<u>EXPENDITURES AND OTHER CHARGES</u>		
Budget Appropriations:		
Operating		
Salaries and Wages	47,962,781.00	43,766,418.00
Other Expenses	46,023,199.00	45,388,723.00
State and Federal Programs Off-Set by Revenue	2,065,551.70	2,626,068.03
Municipal Debt Service	8,758,962.88	8,025,080.69
Capital Improvements	445,000.00	425,000.00
Deferred Charges and Statutory Expend.-Mun.	10,768,849.85	11,694,141.24
County Tax (All)	77,801,725.12	76,858,207.28
Local District School Taxes	44,064,809.00	43,857,211.00
Municipal Open Space Taxes	2,330,681.00	2,272,191.00
Refund Prior Year Revenues	7,091.92	
Total Expenditures	240,221,559.55	234,920,132.16
Excess in Revenue	8,142,271.25	11,360,029.82

**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

		<u>YEAR 2018</u>	<u>YEAR 2017</u>
<u>FUND BALANCE</u>	<u>Ref.</u>		
Statutory Excess to Fund Balance (brought forward)		\$ 8,142,271.25	\$ 11,360,029.82
Balance - January 1	A	<u>24,108,458.72</u>	<u>22,748,428.90</u>
		32,250,729.97	34,108,458.72
Decreased by:			
Utilization as Anticipated Revenue		<u>11,300,000.00</u>	<u>10,000,000.00</u>
Balance - December 31	A	<u>\$ 20,950,729.97</u>	<u>\$ 24,108,458.72</u>

Note: See Notes to Financial Statements

CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Anticipated Budget	N.J.S.A. 40A:4-87	Total Budget	Realized	Excess or (Deficit)
Surplus Anticipated	<u>\$ 11,300,000.00</u>	<u>\$ _____</u>	<u>11,300,000.00</u>	<u>\$ 11,300,000.00</u>	<u>\$ _____</u>
Total Surplus Anticipated	<u>11,300,000.00</u>	<u>_____</u>	<u>11,300,000.00</u>	<u>11,300,000.00</u>	<u>_____</u>
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	311,000.00	311,000.00	309,340.00	(1,660.00)	
Other	28,500.00	28,500.00	25,310.00	(3,190.00)	
Fees and Permits	242,000.00	242,000.00	224,609.39	(17,390.61)	
Zoning Boards of Adjustment Fees	200,500.00	200,500.00	209,648.00	9,148.00	
Planning Board Fees	29,500.00	29,500.00	94,546.13	65,046.13	
Rent Leveling Fees	49,000.00	49,000.00	45,160.00	(3,840.00)	
Fines and Costs:					
Municipal Court	4,600,000.00	4,600,000.00	4,479,030.86	(120,969.14)	
Interest and Costs on Taxes	277,000.00	277,000.00	239,441.01	(37,558.99)	
Parking Tax	1,795,000.00	1,795,000.00	1,842,977.26	47,977.26	
Riverview Cablevision Associates	431,990.00	431,990.00	431,990.00	-	
Interest on Investments and Deposits	414,700.00	414,700.00	831,908.91	417,208.91	
Rent on City Owned Properties	61,700.00	61,700.00	177,132.73	115,432.73	
SJP Properties Block A Phase I	1,331,000.00	1,331,000.00	1,406,076.00	75,076.00	
SJP Properties Block A Phase II	1,346,000.00	1,346,000.00	1,406,058.24	60,058.24	
Applied Development Co. South Waterfront Block C	2,005,000.00	2,005,000.00	2,085,557.20	80,557.20	
1300 Grand Street (PILOT Payment)	599,000.00	599,000.00	645,729.79	46,729.79	
Grogan Marineview Plaza	698,000.00	698,000.00	760,622.12	62,622.12	
Clocktowers	190,000.00	190,000.00	204,131.23	14,131.23	
Marion Towers Associates	185,000.00	185,000.00	275,988.48	90,988.48	
Church Towers Urban Renewal	50,500.00	50,500.00	497,423.78	446,923.78	
Columbian Towers	249,000.00	249,000.00	435,053.18	186,053.18	
Columbian Arms	28,000.00	28,000.00	38,424.63	10,424.63	
Willow Avenue Associates - 800-812 Willow Ave	96,000.00	96,000.00	97,529.75	1,529.75	
1200 Grand Street (PILOT Payment)	788,000.00	788,000.00	829,732.09	41,732.09	
Applied Housing - 1203-1219 Willow Ave	263,000.00	263,000.00	224,064.40	(38,935.60)	

**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Anticipated Budget</u>	<u>N.J.S.A. 40A:4-87</u>	<u>Total Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Applied Housing - 1201-1221 Washington Estates	461,000.00		461,000.00	452,615.49	(8,384.51)
Applied Housing - 1200-1220 Hudson Estates	462,000.00		462,000.00	486,454.44	24,454.44
Applied Housing - 1301-1309 Bloomfield Manor	155,000.00		155,000.00	172,595.05	17,595.05
Applied Housing - Midway 500-508 Adams Street	244,000.00		244,000.00	224,016.30	(19,983.70)
Applied Housing - Elysian Estates	113,000.00		113,000.00	114,209.65	1,209.65
Applied Housing - Church Square	174,000.00		174,000.00	178,204.16	4,204.16
Applied Housing - Eastview Associates	146,000.00		146,000.00	160,187.94	14,187.94
Applied Housing - Westview Associates	221,000.00		221,000.00	258,570.71	37,570.71
Applied Housing - Northvale I - 911-923 Clinton Street	359,000.00		359,000.00	401,214.51	42,214.51
Applied Housing - Northvale I - 901-919 Clinton Street	340,000.00		340,000.00	345,995.76	5,995.76
Applied Housing - Northvale IIIA	159,000.00		159,000.00	178,521.89	19,521.89
Applied Housing - Northvale IIIB - 1106-1014 Clinton Street	242,000.00		242,000.00	264,575.53	22,575.53
Applied Housing - Northvale IV - 58 11th Street	22,000.00		22,000.00	23,264.36	1,264.36
1118 Adams St	41,500.00		41,500.00	41,725.00	225.00
1100 Adams (PILOT)	477,000.00		477,000.00	492,784.52	15,784.52
NJ Transit bl 139 11.1	7,600.00		7,600.00	7,638.84	38.84
Parking Utility Surplus	4,500,000.00		4,500,000.00	4,400,000.00	(100,000.00)
 Subtotal - Local Revenues	 24,393,490.00		 24,393,490.00	 26,020,059.33	 1,626,569.33
Consolidated Municipal Property Tax Relief Aid	3,766,355.00		3,766,355.00	3,426,402.00	(339,953.00)
Energy Receipts Tax	7,346,680.00		7,346,680.00	7,686,633.00	339,953.00
 Subtotal - State Aid Revenues	 11,113,035.00		 11,113,035.00	 11,113,035.00	 -
Dedicated Uniform Construction Code Fees: Uniform Construction Code Fees	2,406,000.00		2,406,000.00	1,734,147.00	(671,853.00)
 Subtotal - Uniform Construction Code Revenues	 2,406,000.00		 2,406,000.00	 1,734,147.00	 (671,853.00)

**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Anticipated Budget</u>	<u>N.J.S.A. 40A:4-87</u>	<u>Total Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Public and Private Revenues Off-Set with Appropriations:					
Municipal Alliance	43,200.00		43,200.00	43,200.00	-
Office of Aging Disability		123,176.00	123,176.00	123,176.00	-
Hudson City Historical Partnership		4,500.00	4,500.00	4,500.00	-
NJ Council on the Arts	6,225.00		6,225.00	-	(6,225.00)
Drunk Driving Enforcement		8,736.85	8,736.85	8,736.85	-
Recycling Tonnage Grant	38,829.93		38,829.93	38,829.93	-
Municipal Court DWI		2,123.74	2,123.74	2,123.74	-
Drive Sober or Get Pulled Over Holiday		5,500.00	5,500.00	5,500.00	-
Division of Travel and Tourism		12,450.00	12,450.00	12,450.00	-
Madison Street Park Improvement		500,000.00	500,000.00	500,000.00	-
NJ Urban & Community Forestry Stewardship Grant		30,000.00	30,000.00	30,000.00	-
Clean Communities		86,271.63	86,271.63	86,271.63	-
Hudson County Office of Cultural Heritage Affairs		2,000.00	2,000.00	2,000.00	-
Historic Preservation Grant Firehouses		37,500.00	37,500.00	37,500.00	-
Summer Food		84,763.55	84,763.55	84,763.55	-
NJ Community Forestry Program	3,000.00		3,000.00	3,000.00	-
NJ DOT 2018 Aid to Various Streets	1,032,700.00		1,032,700.00	1,032,700.00	-
Subtotal - Public and Private Revenues	1,123,954.93	897,021.77	2,020,976.70	2,014,751.70	(6,225.00)
Other Special Items Offset With Appropriations:					
Uniform Fire Safety Act	100,000.00		100,000.00	123,544.23	23,544.23
Outside Duty Police Administration	350,000.00		350,000.00	381,210.00	31,210.00
Open Space Trust Debt Service	185,000.00		185,000.00	184,807.31	(192.69)
Verizon TV Franchise Fee	446,005.00		446,005.00	446,005.45	0.45
1000 Jefferson/1 001 Madison (PILOT)	828,000.00		828,000.00	813,280.18	(14,719.82)
W Hotel	672,000.00		672,000.00	651,923.96	(20,076.04)
Hotel/ Motel Occupancy Fee	612,500.00		612,500.00	621,992.34	9,492.34
800 Jackson Ave. (PILOT)	655,000.00		655,000.00	698,148.26	43,148.26
United Water Concession	66,000.00		66,000.00	78,000.00	12,000.00

**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Anticipated Budget</u>	<u>N.J.S.A. 40A:4-87</u>	<u>Total Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
201-219 River Street 8 231.03 L 1	1,317,000.00		1,317,000.00	1,215,000.00	(102,000.00)
Capital Fund Balance	1,064,000.00		1,064,000.00	1,064,000.00	-
Marineview Tenant Surcharges	250,000.00		250,000.00	280,393.00	30,393.00
Hoboken Housing Authority PILOT	136,000.00		136,000.00	116,627.00	(19,373.00)
 Subtotal - Other Special Item Revenues	 6,681,505.00	 	 6,681,505.00	 6,674,931.73	 (6,573.27)
 Total Miscellaneous Revenues	 45,717,984.93	 897,021.77	 46,615,006.70	 47,556,924.76	 941,918.06
 Receipts from Delinquent Taxes	 900,000.00	 	 900,000.00	 791,852.56	 (108,147.44)
 Subtotal General Revenues	 57,917,984.93	 897,021.77	 58,815,006.70	 59,648,777.32	 833,770.62
 Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes					
a) Including Reserve for Uncollected Taxes	55,282,061.00		55,282,061.00	57,409,721.63	2,127,660.63
c) Minimum Library Tax	5,475,754.00		5,475,754.00	5,475,754.00	-
 Total Amount to be Raised by Taxes for Support of Municipal Budget	 60,757,815.00	 -	 60,757,815.00	 62,885,475.63	 2,127,660.63
 Total General Revenues	 118,675,799.93	 897,021.77	 119,572,821.70	 122,534,252.95	 2,961,431.25
 Non-Budget Revenues	 	 	 	 597,116.82	 597,116.82
	 <u>\$ 118,675,799.93</u>	 <u>\$ 897,021.77</u>	 <u>119,572,821.70</u>	 <u>\$ 123,131,369.77</u>	 <u>\$ 3,558,548.07</u>

CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Anticipated <u>Budget</u>	N.J.S.A. <u>40A:4-87</u>	Total <u>Budget</u>	<u>Realized</u>	Excess or (Deficit)
<u>Current Taxes Realized:</u>					
Sr. Citizens & Vets			\$ 25,250.00		
Cash Receipts			164,895,258.93		
Prepaid Taxes - Prior Year			<u>18,862,181.82</u>		
Subtotal			<u>183,782,690.75</u>		
Res. For Uncoll. Tax			<u>3,300,000.00</u>		
Subtotal			187,082,690.75		
Allocated to School and County			(121,866,534.12)		
Municipal Library			(5,475,754.00)		
Municipal Open Space			(2,330,681.00)		
Reserve for Tax Appeals					
			<u>\$ 57,409,721.63</u>		
Miscellaneous Revenues:					
Grants Realized			\$ 2,014,751.70		
Miscellaneous Revenues			<u>45,542,173.06</u>		
			<u>\$ 47,556,924.76</u>		
Miscellaneous Revenues Not Anticipated:					
Cash Receipts			<u>\$ 597,116.82</u>		

Note: See Notes to Financial Statements

CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	UNEXPENDED BALANCE CANCELLED	
			PAID OR CHARGED	ENCUMBERED	RESERVED
Operations Within "CAPS"					
MAYOR AND CITY COUNCIL					
Mayor's Office					
Salaries and Wages	\$ 396,350.00	\$ 396,350.00	\$ 393,461.79	\$ 1,478.73	\$ 2,888.21
Other Expenses	26,160.00	26,160.00	22,235.84		2,445.43
City Council					
Salaries and Wages	219,582.00	219,582.00	219,581.75		0.25
Other Expenses	44,000.00	34,000.00	18,910.00	9,256.10	5,833.90
OFFICE OF THE CLERK					
Salaries and Wages	517,547.00	495,547.00	493,141.63		2,405.37
Other Expenses	15,200.00	16,200.00	13,899.88	1,615.90	684.22
Other Expenses - Legal Advertising	65,000.00	62,000.00	48,763.83	7,569.91	5,666.26
Office of Clerk - Codification of Ordinances	20,000.00	15,000.00	10,634.55		4,365.45
Salaries and Wages - Elections	30,000.00	22,000.00	21,318.71		681.29
Others Expenses - Elections	70,000.00	65,000.00	58,355.01	644.70	6,000.29
DEPARTMENT OF ADMINISTRATION					
Business Administration's Office					
Salaries and Wages	690,405.00	622,405.00	620,735.61		1,669.39
Other Expenses	210,000.00	164,000.00	92,409.13	57,353.70	14,237.17
Purchasing					
Salaries and Wages	204,825.00	204,825.00	204,505.82		319.18
Other Expenses	6,500.00	6,500.00	4,666.05	200.00	1,633.95
Personnel & Health Benefits					
Salaries and Wages	267,123.00	253,123.00	249,737.87		3,385.13
Other Expenses	10,000.00	10,000.00	6,539.21	734.13	2,726.66
Uniform Construction Code					
Salaries and Wages	720,876.00	772,876.00	770,775.76		2,100.24
Other Expenses	356,000.00	316,000.00	304,424.28	1,177.73	10,397.99
Corporation Counsel					
Salaries and Wages	368,115.00	370,615.00	370,214.63		400.37
Other Expenses	36,000.00	30,000.00	22,171.54	1,357.79	6,470.67
Other Expenses - Special Counsel	1,215,000.00	1,075,500.00	573,229.53	494,596.47	7,674.00
Other Expenses - Expert Witness & Appraisal	5,000.00	500.00			500.00
Revenue & Finance Director					
Salaries and Wages	700,966.00	684,966.00	683,590.30		1,375.70
Other Expenses	108,600.00	102,600.00	78,404.18	22,914.72	1,281.10
Annual Audit					
Other Expenses	85,000.00	85,000.00	85,000.00		

**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018 <u>BUDGET</u>	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED	UNEXPENDED BALANCE CANCELLED
			ENCUMBERED	RESERVED	
Municipal Prosecutor					
Other Expenses	55,000.00	55,000.00	45,276.00	9,724.00	-
Tax Collections					
Salaries and Wages	276,815.00	270,815.00	270,093.69	-	721.31
Other Expenses	45,650.00	38,650.00	24,030.93	9,203.09	5,415.98
Information Technology					
Salaries and Wages	134,849.00	137,449.00	137,059.88	-	389.12
Other Expenses	103,000.00	104,000.00	102,678.05	1,253.21	68.74
Municipal Court					
Salaries and Wages	1,255,047.00	1,160,047.00	1,154,278.97	-	5,768.03
Other Expenses	169,300.00	169,300.00	119,998.30	40,299.66	9,002.04
Public Defender					
Other Expenses	43,000.00	43,000.00	33,825.00	8,825.00	350.00
Tax Assessor					
Salaries and Wages	390,848.00	391,348.00	391,028.52	-	319.48
Other Expenses	261,000.00	231,000.00	142,893.24	41,648.31	46,458.45
DEPARTMENT OF HUMAN SERVICES					
Director's Office					
Salaries and Wages	235,390.00	223,390.00	223,228.25	-	161.75
Other Expenses	5,800.00	5,800.00	3,202.16	947.05	1,650.79
Rent Leveling					
Salaries and Wages	271,939.00	272,439.00	271,865.66	-	573.34
Other Expenses	28,800.00	28,800.00	4,943.85	15,806.01	8,050.14
Health					
Salaries and Wages	622,046.00	594,046.00	593,553.30	-	492.70
Other Expenses	137,548.00	127,548.00	94,619.64	14,772.96	18,155.40
Senior Citizens					
Salaries and Wages	345,545.00	345,545.00	343,875.05	-	1,669.95
Other Expenses	11,000.00	11,000.00	9,959.86	1,000.00	40.14
Recreation and Cultural Affairs					
Salaries and Wages	496,290.00	486,290.00	474,660.13	-	11,629.87
Other Expenses	155,300.00	155,300.00	131,492.66	15,075.00	8,732.34
Cultural Affairs					
Salaries and Wages	99,293.00	100,193.00	99,894.52	-	298.48
Other Expenses	-	-	-	-	-

CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED	UNEXPENDED BALANCE CANCELLED
			ENCUMBERED	RESERVED	
DEPARTMENT OF ENVIRONMENTAL SERVICES					
Director's Office					
Salaries and Wages	122,855.00	124,855.00	124,587.72	-	267.28
Other Expenses	2,500.00	2,500.00	1,620.08	48.72	831.20
Parks					
Salaries and Wages	540,678.00	516,678.00	507,745.40	-	8,932.60
Other Expenses	240,910.00	200,910.00	115,244.06	81,752.15	3,913.79
Public Property					
Salaries and Wages	822,156.00	822,156.00	807,012.87	-	15,143.13
Other Expenses	352,000.00	345,000.00	266,705.85	77,629.95	664.20
Streets and Roads					
Salaries and Wages	561,775.00	571,775.00	567,422.09	-	4,352.91
Other Expenses	200,000.00	200,000.00	113,279.79	68,047.66	18,672.55
Central Garage					
Salaries and Wages	458,602.00	412,602.00	410,361.87	-	2,240.13
Other Expenses	275,000.00	275,000.00	220,022.58	52,983.32	1,994.10
Sanitation					
Salaries and Wages	888,583.00	855,583.00	850,358.49	-	5,224.51
Other Expenses	4,535,000.00	4,855,000.00	3,921,930.86	664,219.34	268,849.80
Shade Tree Commission					
Other Expenses	50,000.00	50,000.00	44,321.77	5,050.68	627.55
DEPARTMENT OF COMMUNITY DEVELOPMENT					
Director's Office					
Salaries and Wages	469,987.00	454,987.00	447,215.08	-	7,771.92
Other Expenses	5,750.00	5,750.00	2,541.53	1,294.27	1,914.20
Grant Management					
Other Expenses	42,000.00	42,000.00	29,337.00	2,663.00	10,000.00
Zoning Administration					
Salaries and Wages	191,581.00	192,581.00	191,796.73	-	784.27
Other Expenses	1,750.00	2,250.00	1,656.47	65.00	528.53
Planning Board					
Salaries and Wages	89,622.00	88,122.00	87,825.51	-	296.49
Other Expenses	102,100.00	102,100.00	59,586.92	3,361.20	39,151.88
City Engineer					
Salaries and Wages	135,385.00	137,385.00	135,656.80	-	1,728.20
Other Expenses	250,000.00	250,000.00	128,357.04	117,440.32	4,202.64
Zoning Board of Adjustment					
Other Expenses	110,000.00	110,000.00	42,010.60	7,750.60	60,238.80
Redevelopment Other Expenses					
Historic Preservation Committee	646,000.00	521,000.00	165,226.47	345,078.96	10,694.57
Other Expenses	57,500.00	57,500.00	16,518.55	37,199.40	3,782.05

**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018 <u>BUDGET</u>	BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED
DEPARTMENT OF PUBLIC SAFETY					
Police					
Salaries and Wages	17,956,388.00	17,956,388.00	17,854,646.90	-	101,741.10
Other Expenses	634,565.00	594,565.00	330,157.40	97,450.39	166,957.21
Fire					
Salaries and Wages	15,453,460.00	15,453,460.00	15,268,455.22	-	185,004.78
Other Expenses	301,000.00	281,000.00	164,364.33	82,432.84	34,202.83
Office of Emergency Management					
Salaries and Wages	280,658.00	295,658.00	295,475.64	-	182.36
Other Expenses	20,000.00	20,000.00	4,884.21	6,953.86	8,161.93
Public Safety-Building Security					
Salaries and Wages	532,600.00	492,600.00	490,694.10	-	1,905.90
Other Expenses	10,000.00	10,000.00	1,914.59	4,457.81	3,627.60
INSURANCE (N.J.S.A. 40A:4-475.3(00))					
General Liability	1,745,000.00	1,845,000.00	1,692,239.11	27,266.67	125,494.22
Worker's Compensation	600,000.00	800,000.00	618,061.31	2,328.67	179,610.02
Employee Group Health	22,797,062.00	22,797,062.00	22,060,365.09	87,600.00	649,096.91
Employee Waiver	65,000.00	61,000.00	60,937.50	-	62.50
UNCLASSIFIED					
Alcoholic Beverage Control Board					
Salaries and Wages	4,100.00	4,100.00	4,079.92	-	20.08
Other Expenses	4,750.00	6,750.00	4,713.03	220.15	1,816.82
Volunteer Ambulance (N.J.S.A. 40:5-2)					
Other Expenses	40,000.00	40,000.00	40,000.00	-	-
North Hudson Regional Council of Mayors					
Other Expenses	73,700.00	73,700.00	55,274.70	18,424.90	0.40
Settlement of Claims Against City	110,000.00	105,000.00	101,164.13	-	3,835.87
Towing/ Storage of Abandoned Vehicles	7,500.00	1,500.00	-	-	1,500.00
Labor Arbitrations	10,000.00	10,000.00	-	-	10,000.00
Municipal Dues and Memberships	3,500.00	3,500.00	3,060.00	-	440.00
Celebration of Public Events	7,500.00	7,500.00	5,000.00	-	2,500.00
Postage	100,000.00	100,000.00	97,816.50	0.38	2,183.12
Copiers/Printers	60,000.00	40,000.00	23,396.91	-	16,603.09
PILOT Payments to Hudson County	280,000.00	280,000.00	171,998.14	97,964.71	10,037.15
Stationary & Office Supplies	40,000.00	40,000.00	12,889.43	4,532.77	22,577.80
Electricity	400,000.00	374,500.00	319,491.53	3,300.70	51,707.77
Street Lighting	750,000.00	715,000.00	575,472.74	-	139,527.26
Gasoline	275,000.00	259,000.00	233,008.49	-	25,991.51
Natural Gas	75,000.00	90,000.00	83,772.56	-	6,227.44

CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	BUDGET 2018	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED	UNEXPENDED BALANCE CANCELLED
	<u>BUDGET</u>	<u>AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>EXPENDED</u>	<u>UNEXPENDED BALANCE CANCELLED</u>
Water & Sewer	45,000.00	45,000.00	42,282.77	75.98-	2,641.25
Communications	385,000.00	350,000.00	274,827.87	12,210.46	62,961.67
Salary Adjustments	870,000.00	1,560,000.00	1,560,000.00	-	500.00
Master Plan	100,000.00	500.00	-	-	69,917.17
Anticipated Terminal Leave Appropriation	<u>900,000.00</u>	<u>900,000.00</u>	<u>830,082.83</u>	<u>-</u>	<u>-</u>
Total Operation (Item 8(A)) Within "CAPS"	87,620,226.00	87,810,226.00	82,578,033.64	2,667,259.03	2,564,933.33
Contingent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations Including Contingent Within "CAPS"	87,620,226.00	87,810,226.00	82,578,033.64	2,667,259.03	2,564,933.33
<u>DETAIL</u>					
Salaries and Wages	47,622,281.00	47,962,781.00	47,589,936.18	-	372,844.82
Other Expenses	<u>39,997,945.00</u>	<u>39,847,445.00</u>	<u>34,988,097.46</u>	<u>2,667,259.03</u>	<u>2,192,088.51</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u> <u>MUNICIPAL WITHIN "CAPS"</u>					
Deferred Charges:					
Prior Years' Bills:					
Weiner Lessniak	12,351.00	12,351.00	10,565.38	-	1,785.62
Galvin Law Firm	228.00	228.00	-	-	228.00
Master Consulting	3,282.00	3,282.00	3,281.75	-	0.25
Mcmanimon Scotland	3,500.00	3,500.00	3,498.72	-	1.28
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I)	1,575,000.00	1,575,000.00	1,574,606.37	-	393.63
Consolidated Police and Firemen's Pension Fund	25,000.00	16,000.00	15,213.96	-	786.04
Unemployment Compensation	75,000.00	55,000.00	17,053.24	-	37,946.76
DCRP	50,000.00	44,000.00	42,881.85	-	1,118.15
Police/ Firemen's Retirement System (PFRS)	7,413,269.00	7,413,269.00	7,413,269.00	-	-
Public Employees Retirement System (PERS)	<u>1,601,576.00</u>	<u>1,446,576.00</u>	<u>1,437,162.64</u>	<u>-</u>	<u>9,413.36</u>
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	10,759,206.00	10,569,206.00	10,517,532.91	-	49,657.94
Total General Appropriations for Municipal Purposes Within "CAPS"	98,379,432.00	98,379,432.00	93,095,566.55	2,667,259.03	2,614,591.27
					2,015.15

**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED	UNEXPENDED BALANCE CANCELLED
OPERATIONS EXCLUDED FROM "CAPS"					
Other Operations:					
Maintenance of Free Public Library (PL 1985, c82)	5,475,754.00	5,475,754.00	5,475,754.00	-	-
Reserve for Tax Appeals	700,000.00	700,000.00	700,000.00	-	-
Total Other Operations Excluded from "CAPS"	<u>6,175,754.00</u>	<u>6,175,754.00</u>	<u>6,175,754.00</u>	<u>-</u>	<u>-</u>
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Recycling Tonnage Grant	38,829.93	38,829.93	38,829.93	-	-
Drunk Driving Enforcement Fund	-	8,736.85	8,736.85	-	-
NJ Dot FY 2018 Aid to Various Streets	1,032,700.00	1,032,700.00	1,032,700.00	-	-
Local Arts Project	6,225.00	6,225.00	6,225.00	-	6,225.00
Office of Aging Disability	-	123,176.00	123,176.00	-	-
Municipal Alliance	43,200.00	43,200.00	43,200.00	-	-
Match	10,800.00	10,800.00	10,800.00	-	-
NJ Urban & Community Forestry Stewardship Grant	-	30,000.00	30,000.00	-	-
Madison Street Park Improvement	-	500,000.00	500,000.00	-	-
2018 Year End Holiday Crackdown	-	5,500.00	5,500.00	-	-
Summer Food Program	-	84,763.55	84,763.55	-	-
Division of Travel and tourism	-	12,450.00	12,450.00	-	-
Historic reserv Grant Firehouse	-	37,500.00	37,500.00	-	-
Hud City Off Cult-Herit Affairs	-	2,000.00	2,000.00	-	-
Municipal Court DWI	-	2,123.74	2,123.74	-	-
Clean Community Grant	-	86,271.63	86,271.63	-	-
Hudson City History Partnership Prog	-	4,500.00	4,500.00	-	-
NJ Community Forrestry Program	3,000.00	3,000.00	3,000.00	-	-
Matchings Funds for Grants	40,000.00	40,000.00	17,745.00	5,784.00	16,471.00
Total Public and Private Revenues Offset by Revenues	<u>1,174,754.93</u>	<u>2,071,776.70</u>	<u>2,043,296.70</u>	<u>5,784.00</u>	<u>16,471.00</u>
Total Operations Excluded From "CAPS"	<u>7,350,508.93</u>	<u>8,247,530.70</u>	<u>8,219,050.70</u>	<u>5,784.00</u>	<u>16,471.00</u>
DETAIL					
Salaries and Wages	-	8,247,530.70	8,219,050.70	5,784.00	16,471.00
Other Expenses	<u>7,350,508.93</u>	<u>8,247,530.70</u>	<u>8,219,050.70</u>	<u>5,784.00</u>	<u>16,471.00</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	420,000.00	420,000.00	420,000.00	-	-
Computer Technorogy Updates	25,000.00	25,000.00	17,027.06	871.66	7,101.28
Total Capital Improv. - Excl. from "CAPS"	<u>445,000.00</u>	<u>445,000.00</u>	<u>437,027.06</u>	<u>871.66</u>	<u>7,101.28</u>

**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	UNEXPENDED BALANCE CANCELLED	
	PAID OR CHARGED	ENCUMBERED	RESERVED		
MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"					
Payment of Bond Principal	5,523,000.00	5,523,000.00	5,523,000.00	-	-
Bond Anticipation Notes- Principal	36,000.00	36,000.00	36,000.00	-	-
Interest on Bonds	1,007,500.00	1,007,500.00	1,007,302.52	-	197.48
Interest on Notes	1,365,000.00	1,365,000.00	1,360,831.84	-	4,168.16
Green Trust Loan Program:					
Loan Repayment for Principal and Interest	867,700.00	867,700.00	831,828.52	-	35,871.48
Total Mun. Debt Service - Excl. from "CAPS"	<u>8,799,200.00</u>	<u>8,799,200.00</u>	<u>8,758,962.88</u>	-	40,237.12
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"					
Deferred Charges:					
Deferred Charges to Future Taxation- Unfunded- Pier C North	201,659.00	201,659.00	201,659.00	-	-
Total Deferred Charges- Municipal- Excluded From "CAPS"	<u>201,659.00</u>	<u>201,659.00</u>	<u>201,659.00</u>	-	-
Judgements (N.J.S. 40A:4-45.3cc)	200,000.00	200,000.00	-	-	200,000.00
Total General Appropriations for Municipal Purpose Excluded from "CAPS"	16,996,367.93	17,893,389.70	17,616,699.64	6,655.66	23,572.28
Subtotal General Appropriations	<u>115,375,799.93</u>	<u>116,272,821.70</u>	<u>110,712,266.19</u>	<u>2,673,914.69</u>	<u>2,638,163.55</u>
Reserve for Uncollected Taxes	3,300,000.00	3,300,000.00	3,300,000.00	-	-
Total General Appropriations	<u>\$ 118,675,799.93</u>	<u>\$ 119,572,821.70</u>	<u>\$ 114,012,266.19</u>	<u>\$ 2,673,914.69</u>	<u>\$ 2,638,163.55</u>
	<u>\$ 897,021.77</u>				
	<u>\$ 119,572,821.70</u>				
Disbursed					
Reserve for State and Federal Grants Appropriated		\$ 105,627,903.49			
Reserve for Tax Appeals		2,043,296.70			
Accounts Payable		700,000.00			
Charged to Various Reserves		376,066.00			
Deferred Charges		1,965,000.00			
Reserve for Uncollected Taxes		3,300,000.00			
		<u>\$ 114,012,266.19</u>			

Note: See Notes to Financial Statements

**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**TRUST FUNDS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

<u>ASSETS</u>	<u>Ref.</u>	<u>BALANCE DEC. 31, 2018</u>	<u>BALANCE DEC. 31, 2017</u>	<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>Ref.</u>	<u>BALANCE DEC. 31, 2018</u>	<u>BALANCE DEC. 31, 2017</u>
Animal Control Fund:				Animal Control Fund:			
Cash	B-1	\$ 34,933.20	\$ 26,613.00	Due to State of New Jersey	B-1	\$ 175.80	\$ 360.00
				Due to Current Fund	B-1	18,259.80	7,901.00
				Reserve for Animal Control			
				Fund Expenditures	B-1	16,497.60	18,352.00
Total Animal Control Fund		34,933.20	26,613.00	Total Animal Control Fund		34,933.20	26,613.00
Trust-Other Fund:				Trust-Other Fund:			
Cash	B-1	17,796,107.87	17,467,650.37	Due to State of New Jersey	B-1	88,297.00	105,133.00
Open Space Notes Rec. - General Capital Fund	B-1	2,240,000.00	730,000.00	Escrow Funds and Reserves	B-1	19,997,810.87	18,092,517.37
Due from Section 8 Housing Assistance Program	B-1	50,000.00	-				
Total Trust-Other Fund		20,086,107.87	18,197,650.37	Total Trust-Other Fund		20,086,107.87	18,197,650.37
Section 8 - Housing Assistance Program:				Section 8 - Housing Assistance Program:			
Cash	B-1	705,508.72	736,368.30	Due to Grantor - Section 8 Housing Assistance	B-1	47,711.00	47,711.00
				Due to Comm. Dev. Block Grant Trust	B-1	259,420.80	340,280.38
				Due to Trust Other Fund	B-1	50,000.00	-
				Reserve for Section 8 Housing Assistance Program	B-1	348,376.92	348,376.92
Total Section 8 - Housing Assistance Program		705,508.72	736,368.30	Total Section 8 - Housing Assistance Program		705,508.72	736,368.30
Community Development Block Grant Fund				Community Development Block Grant Fund			
Grant Receivable	B-1	1,825,092.17	2,249,316.20	Reserve for Comm. Development Program Expenditures	B-1	2,084,512.97	2,589,596.58
Due from Section 8 Program	B-1	259,420.80	340,280.38				
Total Community Development Block Grant Fund		2,084,512.97	2,589,596.58	Total Community Development Block Grant Fund		2,084,512.97	2,589,596.58
Payroll and Payroll Agency Fund:				Payroll and Payroll Agency Fund:			
Cash	B-1	625,261.25	527,370.29	Due to Current Fund	B-1	5,107.40	1,617.56
				Reserve for Flexible Spending	B-1	7,754.10	
				Reserve for Payroll and Payroll Deductions	B-1	612,399.75	525,752.73
Total Payroll and Payroll Agency Fund		625,261.25	527,370.29	Total Payroll and Payroll Agency Fund		625,261.25	527,370.29
		\$ 23,536,324.01	\$ 22,077,598.54			\$ 23,536,324.01	\$ 22,077,598.54

See accompanying notes to financial statements.

**CITY OF HOBOKEN
HUSON COUNTY, NEW JERSEY**

**GENERAL CAPITAL FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

<u>ASSETS</u>	<u>REF.</u>		<u>BALANCE DEC. 31,2018</u>	<u>BALANCE DEC. 31,2017</u>
Cash and Investments - Treasurer	C- 2	\$ 1,339,599.53	\$ 6,713,575.46	
Grants Account Receivable	C- 4	400,000.00	2,809,859.00	
Temporary Loans Receivable	C- 4	13,976,538.00	-	
Deferred Charges to Future Taxation:				
Funded	C- 5	92,682,715.20	41,526,299.99	
Unfunded	C- 6	90,165,559.88	139,466,492.88	
			<u>\$ 198,564,412.61</u>	<u>\$ 190,516,227.33</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>				
General Serial Bonds	C-7	\$ 80,915,442.00	\$ 29,025,442.00	
Bond Anticipation Notes	C-8	2,240,000.00	45,822,000.00	
Green Trust Loans Payable	C-9	965,739.17	1,076,542.98	
NJ Environmental Infrastructure Loans Payable	C-10	10,801,534.03	11,424,315.01	
NJ Environmental Infrastructure Temporary Notes Payable	C-14	42,937,960.00	28,961,422.00	
Improvement Authorizations:				
Funded	C-11	6,776,734.47	1,961,243.04	
Unfunded	C-11	41,673,312.42	44,708,403.98	
Reserve for Encumbrances	C-11	10,225,753.81	23,872,042.55	
Capital Improvement Fund	C-12	147,327.00	12,327.00	
Reserve for:				
Hazmat Funds - Due from Grant	C-13	17,630.00	17,630.00	
Green Acres - 1600 Adams Street	C-13	200,000.00	200,000.00	
Grants Receivable	C-13	-	2,009,521.00	
Payment of BAN's	C-13	360,973.65	360,973.65	
PSEG Land Transaction	C-13	1,301,641.27	-	
Fund Balance	C- 1	364.79	1,064,364.12	
			<u>\$ 198,564,412.61</u>	<u>\$ 190,516,227.33</u>
Bonds And Notes Authorized but not Issued	C-14	<u>\$ 58,964,137.88</u>	<u>\$ 64,683,070.88</u>	

Note: See Notes to Financial Statements

CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
STATEMENT OF CHANGE IN FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

REF.

Balance - December 31, 2017	C	1,064,364.12
Increased by:		
Funded Improvement Authorizations Cancelled		0.67
		<u>0.67</u>
		1,064,364.79
Decreased by:		
Appropriated to Budget Revenue		
2018 Budget		<u>1,064,000.00</u>
Balance - December 31, 2018	C	<u>364.79</u>

Note: See Notes to Financial Statements

**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**PARKING UTILITY FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

ASSETS	REF.	BALANCE DEC. 31, 2018	BALANCE DEC. 31, 2017	LIABILITIES, RESERVES AND FUND BALANCE	REF.	BALANCE DEC. 31, 2018	BALANCE DEC. 31, 2017
Operating Fund:				Operating Fund:			
Cash	D-4	\$ 3,783,195.66	\$ 5,120,823.35	Appropriation Reserves	D-3,D-7	\$ 1,369,065.21	\$ 604,422.95
Change Fund	D	500.00	500.00	Security Deposits	D-8	12,511.00	23,150.00
Due from Current Fund	D-4	<u>100,000.00</u>		Accrued Interest Payable	D-9	429,665.68	433,755.80
		<u>3,883,695.66</u>	<u>5,121,323.35</u>	Reserve for Encumbrances	D-3,D-7	281,863.86	362,848.59
				Accounts Payable	D-8	36,986.56	20,635.69
Total Operating Fund		<u>3,883,695.66</u>	<u>5,121,323.35</u>	Fund Balance	D-1	<u>2,130,092.31</u>	<u>1,444,813.03</u>
				Total Operating Fund		<u>1,753,603.35</u>	<u>3,676,510.32</u>
Capital Fund:				Capital Fund:			
Cash	D-4	3,075,688.91	4,037,186.90	Serial Bonds Payable	D-10	16,580,000.00	10,145,000.00
Fixed Capital	D-5	45,242,466.62	45,242,466.62	Bond Anticipation Notes	D-11	3,610,000.00	11,595,000.00
Fixed Capital Authorized and Uncompleted	D-6	<u>11,001,120.00</u>	<u>11,001,120.00</u>	Reserve for Encumbrances	D-12	306,429.38	1,316,927.58
				Improvement Authorizations:			
				Funded	D-12	2,725,567.39	
				Unfunded	D-12	890,270.34	3,566,837.52
Total Capital Fund		<u>59,319,275.53</u>	<u>60,280,773.52</u>	Reserve for:			
				To Pay Debt Service	D-13	3,395.00	3,395.00
				Amortization	D-14	<u>35,203,613.42</u>	<u>33,653,613.42</u>
				Total Capital Fund		<u>59,319,275.53</u>	<u>60,280,773.52</u>
						<u>\$ 63,202,971.19</u>	<u>\$ 65,402,096.87</u>
						<u>\$ 850,000.00</u>	<u>\$ 850,000.00</u>

Bonds and Notes Authorized but not Issued at December 31, 2018 and 2017 (See Exhibit D-15).

Note: See Notes to Financial Statements

**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**PARKING UTILITY OPERATING FUND
STATEMENT OF OPERATIONS - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

<u>REVENUE AND OTHER INCOME</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Operating Fund Balance Utilized		\$ 2,025,000.00	\$ 1,625,000.00
Revenues Anticipated		16,078,477.38	16,925,716.09
Miscellaneous Revenues Not Anticipated		192,685.16	33,323.06
Liabilities Cancelled		20,234.86	
Other Credits to Income:			
Unexpended Balance of Approp. Reserves		516,581.76	336,186.28
Accrued Interest Adjustment		4,090.12	
Total Revenues		<u>18,837,069.28</u>	<u>18,920,225.43</u>

EXPENDITURES

Budget Expenditures:			
Operating		10,881,994.00	9,841,744.00
Capital Improvements		68,460.00	216,490.00
Debt Service		2,224,522.25	2,447,165.50
Deferred Charges and Statutory Expenditures		1,160,000.00	1,100,000.00
Surplus (General Budget)		<u>4,400,000.00</u>	<u>4,100,000.00</u>
Total Expenditures		<u>18,734,976.25</u>	<u>17,705,399.50</u>

Excess of Revenues	102,093.03	1,214,825.93
--------------------	------------	--------------

FUND BALANCE

Balance, January 1,	D	<u>3,676,510.32</u>	<u>4,086,684.39</u>
		3,778,603.35	5,301,510.32
Decreased by:			
Utilized as Anticipated Revenue		<u>2,025,000.00</u>	<u>1,625,000.00</u>
Balance, December 31,	D	<u>\$1,753,603.35</u>	<u>\$3,676,510.32</u>

Note: See Notes to Financial Statements

**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**PARKING UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018		Excess or (Deficit)
	<u>Budget</u>	<u>Realized</u>	
Fund Balance Utilized	\$ 2,025,000.00	\$ 2,025,000.00	\$ -
Garage/Lot Income	10,144,706.00	9,777,975.08	(366,730.92)
Permits	3,438,523.00	3,140,909.46	(297,613.54)
Miscellaneous	231,714.00	235,916.22	4,202.22
Boot Releases	80,900.00	107,400.00	26,500.00
Meter Income	2,864,182.00	2,767,376.62	(96,805.38)
Taxi Licenses	49,975.00	48,900.00	(1,075.00)
	<u>\$ 18,835,000.00</u>	<u>\$ 18,103,477.38</u>	<u>\$ (731,522.62)</u>

Analysis of Realized Revenues:

Fund Balance	\$ 2,025,000.00
Budgetary Revenues	<u>16,078,477.38</u>
	<u>\$ 18,103,477.38</u>

Note: See Notes to Financial Statements

**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**PARKING UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2018 Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Unexpended Balance Cancelled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 5,175,644.00	\$ 5,175,644.00	\$ 4,527,047.08	-	\$ 648,596.92	\$ -
Other Expenses	3,406,350.00	3,406,350.00	2,472,477.85	269,433.86	664,438.29	
Group Health Benefits & Other Insurance	2,300,000.00	2,300,000.00	2,300,000.00			
Capital Improvements:						
Capital Improvement Fund						
Capital Outlay	68,460.00	68,460.00	-	12,430.00	56,030.00	
Debt Service:						
Payment of Bond Principal	1,550,000.00	1,550,000.00	1,550,000.00	-	-	
Payment of Bond Anticipation Notes	-	-	-	-	-	
Interest on Bonds	385,445.00	385,445.00	385,421.25	-	-	23.75
Interest on Notes	289,101.00	289,101.00	289,101.00	-	-	
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	635,000.00	635,000.00	635,000.00	-	-	
Social Security System (O.A.S.I.)	400,000.00	400,000.00	400,000.00	-	-	
Unemployment Insurance	25,000.00	25,000.00	25,000.00	-	-	
Workers Compensation Insurance	100,000.00	100,000.00	100,000.00	-	-	
Surplus (General Budget)	<u>4,500,000.00</u>	<u>4,500,000.00</u>	<u>4,400,000.00</u>			<u>100,000.00</u>
	<u>\$ 18,835,000.00</u>	<u>\$ 18,835,000.00</u>	<u>\$ 17,084,047.18</u>	<u>\$ 281,863.86</u>	<u>\$ 1,369,065.21</u>	<u>\$ 100,023.75</u>

Ref.

Disbursed \$ 17,084,047.18

Due to Current Fund

Accrued Int. on Bonds and Loans

D D

\$ 17,084,047.18

Note: See Notes to Financial Statements

**CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY**

**STATEMENT OF GOVERNMENTAL FIXED ASSETS-REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017**

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
<u>Governmental Fixed Assets</u>		
Land and Improvements	\$ 52,448,350.00	\$ 47,452,420.00
Buildings and Improvements	46,554,669.00	41,207,331.00
Equipment	11,248,522.00	9,884,344.00
Vehicles	<u>10,643,083.00</u>	<u>10,376,022.00</u>
	<u>\$ 120,894,624.00</u>	<u>\$ 108,920,117.00</u>
<u>Reserve</u>		
Investments in Governmental Fixed Assets	<u>\$ 120,894,624.00</u>	<u>\$ 108,920,117.00</u>

Note: See Notes to Financial Statements

CITY OF HOBOKEN
HUDSON COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 1: FORM OF GOVERNMENT

The City of Hoboken operates under the legislative form of N.J.S.A. 40:69A-1 et seq., which provides for the election of a mayor to serve a term of four years and a council of nine members as well. At its annual meeting, the council elects a president of the council who shall preside at all its meetings. The mayor is the head of the municipal government and the council is the legislative body. The City has adopted an administrative code, which provides for the delegation of a portion of executive responsibilities to an administrator and the organization of the council into standing committees to oversee various City activities.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the City of Hoboken include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City of Hoboken, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the City of Hoboken do not include the operations of the municipal library.

B. Description of Funds

The accounting policies of the City of Hoboken conform to the accounting principles applicable to municipalities that have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 of Hoboken accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purposes for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A:4-39, the financial transactions of the following major trust funds and accounts are reported within the Trust Fund:

Animal Control Trust Fund
Trust – Other Fund
Community Development Block Grant Fund

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

B. Description of Funds (Cont'd.)

Parking Utility Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipally-owned Parking Utility.

Governmental Fixed Assets - the Governmental Fixed Asset System is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles (GAAP) for state and local governments. GAAP provides for the issuance of entity-wide financial statements along with the presentation of separate fund financial statements that differ from the organization of funds prescribed under the regulatory basis of accounting utilized by the City. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statement presentation required by GAAP.

C. Basis of Accounting

Basis of Accounting and Measurement Focus - The basis of accounting as prescribed by the Division of Local Government Services for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The other more significant differences are as follows:

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds which are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the City's budget. Receivables for property taxes and water and sewer consumer charges are recorded with offsetting reserves within the Current Fund. Other amounts that are due to the City which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the City's "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refers to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

Expenditures (Cont'd.) - Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP. For the purpose of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the City requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the Current Fund balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets.

In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

Compensated Absences - The City has adopted written policies via employee contracts and municipal ordinances which set forth the terms under which an employee may accumulate earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee. The City records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources.

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed asset account group at the lower of cost or fair market value.

Sale of Municipal Assets - Cash proceeds from the sale of City owned property are reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year-end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the accounting period the receivables are liquidated. GAAP does not require the establishment of offsetting reserves. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets. Although the expenditure method of accounting for purchases of supplies is in accordance with GAAP, the cost of inventory on hand at the close of the year should be reported on the balance sheet with an offsetting reserve for conformity with GAAP.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

Fixed Assets - Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Contributions in aid of construction are not capitalized.

Governmental Fixed Assets – New Jersey Administrative Code 5:30-5.6 established a mandate for fixed asset accounting by municipalities, effective December 31, 1985, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of Governmental Fixed Assets of the City as part of the basic financial statements. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

No depreciation has been provided for in the financial statements.

Accounting for utility fund “fixed capital” remains unchanged under the requirements of regulation 5:30-5.6.

Property and equipment purchased by the Parking Utility Fund are recorded in the capital account as cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized and the balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Grants Received – 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, reduced by an allowance for doubtful accounts.

Disclosures About Pension Liabilities - The City has included information relating to its allocated shares of the net pension liabilities of the state sponsored, cost-sharing, multiple employer defined benefit pension plans in which it participates in the notes to the financial statements and the accompanying required supplementary information. As the City does not present entity-wide financial statements, it does not present on the face of its financial statements its proportionate share of the net pension liability of the defined benefit plans in which its employees are enrolled. GAAP requires the recognition of the net pension liability and associated deferred inflows and deferred outflows of financial resources in the entity-wide financial statements.

Disclosures About OPEB Liabilities – With the implementation of GASB 75 for disclosure purposes, the City has included information for OPEB (Postemployment Benefits Other Than Pensions) liabilities relating to healthcare benefits provided to its retirees within the Notes to the Financial Statements and the accompanying required supplementary information, if applicable. As the City does not present entity-wide financial statements, it does not present on the face of its financial statements its proportionate share of the OPEB liability of the defined benefit healthcare plans in which its retirees are enrolled. GAAP requires the recognition of the OPEB liability and associated deferred inflows and deferred outflows of financial resources in the entity-wide financial statements.

Disclosures About Fair Value of Financial Instruments - The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

Cash and cash equivalents and short-term investments - The carrying amount approximates fair value because of the short maturity of those instruments.

Long-term debt - The City's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the City's long-term debt is provided in the notes to the financial statements.

Recent Accounting Standards

GASB issued Statement No. 84, "Fiduciary Activities" in January 2017. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB issued Statement No. 85, "Omnibus 2017" in March 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The provisions of this Statement are effective for periods beginning after June 15, 2017.

GASB issued Statement No. 86, "Certain Debt Extinguishment Issues" in May 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

GASB issued Statement No. 87, "Leases" in June 2017. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)Recent Accounting Standards (cont'd.)

GASB issued Statement No. 88 "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements" in April 2018. This Statement's primary objective is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement is effective for reporting periods beginning after June 15, 2018, with earlier application encouraged.

GASB issued Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period" in June 2018. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

GASB issued Statement No. 90 "Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61" in August 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

The City does not prepare its financial statements in accordance with generally accepted accounting principles. The adoption of these new standards will not adversely effect the reporting on the City's financial condition.

Comparative Data - Comparative data for the prior year has been presented in order to provide an understanding of changes on the City's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Certain reclassifications have been made to the fiscal year 2017 financial statements to conform with classifications used in fiscal year 2018.

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

The Local Bond Law, Chapter 40A:2 et seq, governs the issuance of debt to finance municipal capital expenditures. The City finances its various projects through the issuance of serial bonds, Green Trust Program Loans, NJEIT financings and Bond Anticipation Notes, which can be issued with a maturity up to one-year and may be renewed up to a ten-year anniversary in which the notes shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes.

The City's debt is summarized as follows:

A. Summary of Municipal Debt for Capital Projects

	2018	2017
<u>Issued:</u>		
General:		
Serial Bonds	\$ 80,915,442.00	\$ 29,025,442.00
Green Trust Program Loans	965,739.17	1,076,542.91
NJ EIT Loans Payable	10,801,534.03	11,424,315.01
Bond Anticipation Notes	2,240,000.00	45,822,000.00
NJ EIT Temporary Note	29,272,336.00	28,961,422.00
Parking Utility:		
Bonds and Notes	16,580,000.00	10,145,000.00
Bond Anticipation Notes	<u>3,610,000.00</u>	<u>11,595,000.00</u>
Total Issued	<u>144,385,051.20</u>	<u>138,049,721.92</u>
<u>Obligated but Not Issued:</u>		
General:		
NJ EIT Temporary Note	<u>13,665,624.00</u>	-
Total Obligated But Not Issued	<u>13,665,624.00</u>	-
<u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	45,298,513.55	64,683,070.88
Parking Utility:		
Bonds and Notes	<u>850,000.00</u>	<u>850,000.00</u>
Total Authorized But Not Issued	<u>46,148,513.55</u>	<u>65,533,070.88</u>
Total Bonds and Notes Issued and Authorized but not Issued	<u>\$ 204,199,188.75</u>	<u>\$ 203,582,792.80</u>

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

2018

2017

Summarized below are the City's individual bond and loan issues which were outstanding at December 31, 2018 and 2017:

General Debt:

Serial Bonds:

\$7,382,000, Early Retirement Pension Refunding Bonds

issued August 1, 2003, due through April 1, 2033,

interest at 5.45% to 7.14%

\$ 5,662,442.00

\$ 5,992,442.00

\$38,325,000, Qualified General Improvement Refunding

Bonds, issued November 1, 2003, due through

February 1, 2018, interest at 5.45% to 6.00%

-

4,430,000.00

\$7,907,000, Taxable General Improvement Bonds

issued March 17, 2015, due through

February 1, 2035, interest at 2.00% to 3.00%

7,035,000.00

7,330,000.00

\$11,273,000, General Improvement Bonds

issued March 13, 2017, due through

February 1, 2032, interest at 2.00% to 3.00%

10,805,000.00

11,273,000.00

\$57,413,000, General Improvement Bonds

issued March 8, 2018, due through

February 1, 2032, interest at 2.00% to 3.00%

57,413,000.00

-

Subtotal - Serial Bonds

80,915,442.00

29,025,442.00

Green Acres Trust Loans:

Award loan amount of \$1,000,000 for Multi-Parks

drawdown of Sept. 19, 2007, maturing March 22,

2023, interest at 2.00%

278,121.88

336,617.03

Award loan amount of \$375,000 for Castle Point Park

drawdown of March 12, 2014, maturing March 6,

2022, interest at 2.00%

78,446.36

99,874.18

Award loan amount of \$700,000 for 1600 Park

drawdown of July 15, 2015, maturing Apr. 15,

2035, interest at 2.00%

609,170.93

640,051.70

Subtotal - Green Acres Loans

965,739.17

1,076,542.91

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

NJ EIT Loans:

\$5,929,148 Fund Loan dated Nov. 7, 2015, due in annual installments of \$105,878 to \$211,755 through Aug. 1, 2035	5,337,870.80	5,717,392.72
\$2,715,000 Trust Loan dated Nov. 7, 2015, due in annual installments of \$95,000 to \$190,000 through Aug. 1, 2035, interest at 3.00% to 5.00%	2,520,000.00	2,620,000.00
\$2,129,095 Fund Loan dated Nov. 7, 2017, due in annual installments of \$36,086 to \$72,173 through Aug. 1, 2036	1,948,663.23	2,056,922.29
\$1,030,000 Trust Loan due in annual installments of \$35,000 to \$70,000 through Aug. 1, 2035, interest at 3.00% to 5.00%	<u>995,000.00</u>	<u>1,030,000.00</u>
Subtotal - NJ EIT Loans	<u>10,801,534.03</u>	<u>11,424,315.01</u>

Bond Anticipation Notes:

Various projects, issued March 3, 2017, maturing March 12, 2018, interest rate 3.00%	-	45,092,000.00
Various projects, issued March 12, 2018, maturing March 7, 2019, interest rate 2.139%	694,000.00	730,000.00
Various projects, issued August 8, 2018, maturing March 7, 2019, interest rate 2.750%	<u>1,546,000.00</u>	<u>730,000.00</u>
Subtotal - BAN's	<u>2,240,000.00</u>	<u>46,552,000.00</u>

Temporary NJ EIT Note Payable:

Short-term financing note, zero interest rate - Issued	<u>29,272,336.00</u>	<u>28,961,422.00</u>
Total General Debt	<u>124,195,051.20</u>	<u>117,039,721.92</u>

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

Utility Debt:

Serial Bonds:

\$10,980,000 Parking Utility Gen. Oblig. Refunding Bonds, issued Jan. 1, 2014, due through Jan., 1, 2023 interest at 1.25% to 5.00%	5,580,000.00	7,000,000.00
\$10,980,000 Parking Utility Gen. Obligation Bonds issued March 17, 2015, due through Feb., 1, 2035 interest at 1.25% to 5.00%	3,015,000.00	3,145,000.00
\$7,985,000 Parking Utility Gen. Obligation Bonds issued March 8, 2018, due through Feb., 1, 2028 interest at 2.00% to 3.00%	<u>7,985,000.00</u>	<u>-</u>
Subtotal - Serial Bonds	<u>16,580,000.00</u>	<u>10,145,000.00</u>
 <u>Bond Anticipation Notes:</u>		
Various projects, issued March 3, 2017, maturing March 12, 2018, interest rate 3.00%	-	7,985,000.00
Various projects, issued March 8, 2018, maturing March 7, 2019, interest rate 2.13998% (Taxable)	<u>3,610,000.00</u>	<u>3,610,000.00</u>
Subtotal - Bond Anticipation Notes	<u>3,610,000.00</u>	<u>11,595,000.00</u>
Total Utility Debt	<u>20,190,000.00</u>	<u>21,740,000.00</u>
Total Debt Issued and Outstanding	<u>\$ 144,385,051.20</u>	<u>\$ 138,779,721.92</u>

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. 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:

<u>2018</u>	<u>Gross Debt</u>	<u>Deductions*</u>	<u>Net Debt</u>
Local School District Debt	\$ -	\$ -	\$ -
Parking Utility Debt	21,040,000.00	21,040,000.00	-
General Debt	<u>183,159,188.75</u>	<u>56,392,893.00</u>	<u>126,766,295.75</u>
	<u>\$ 204,199,188.75</u>	<u>\$ 77,432,893.00</u>	<u>\$ 126,766,295.75</u>

Net Debt \$ 126,766,295.75 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as
amended \$16,293,994,519.33 = 0.778%

<u>2017</u>	<u>Gross Debt</u>	<u>Deductions*</u>	<u>Net Debt</u>
Local School District Debt	\$ -	\$ -	\$ -
Parking Utility Debt	22,590,000.00	22,590,000.00	-
General Debt	<u>180,992,792.80</u>	<u>56,392,893.00</u>	<u>124,599,899.80</u>
	<u>\$ 203,582,792.80</u>	<u>\$ 78,982,893.00</u>	<u>\$ 124,599,899.80</u>

Net Debt \$ 124,599,899.80 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as
amended \$14,932,322,166.33 = 0.834%

The City's Borrowing Power Under N.J.S.A. 40A:2-6 as Amended, at December 31, was as follows:

	<u>2018</u>	<u>2017</u>
3 1/2% of Equalized Valuation Basis Municipal	\$ 570,289,808.18	\$ 522,631,275.82
Net Debt	<u>126,766,295.75</u>	<u>124,599,899.80</u>
Remaining Borrowing Power	<u>\$ 443,523,512.43</u>	<u>\$ 398,031,376.02</u>

*Deduction for general debt includes debt pledged to open space tax.

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. Summary of Statutory Debt Condition (Cont'd.)

Calculation of "Self-Liquidating Purpose"

Parking Utility Per N.J.S.A. 40A: 2-45

The calculation of "Self-Liquidating Purpose" for the Parking Utility, per N.J.S.A. 40A: 2-45 is follow

	<u>2018</u>	<u>2017</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 18,296,162.54	\$ 18,584,039.15
Deductions:		
Operating and Maintenance Costs	12,041,994.00	10,941,744.00
Debt Service	2,224,522.25	2,447,165.50
Total Deductions	<u>14,266,516.25</u>	<u>13,388,909.50</u>
Excess (Deficit) in Revenues	<u>\$ 4,029,646.29</u>	<u>\$ 5,195,129.65</u>

Deduction of Self-Liquidating Utility Debt for

Statutory Net Debt - Parking Utility per N.J.S.A. 40A: 2-45

The differences between the excess in revenues for debt statement purposes and the statutory cash basis for the Parking Utility Fund is as follows:

	<u>2018</u>	<u>2017</u>
Excess in Revenues - Cash Basis (D-1)	\$ 102,093.03	\$ 1,214,825.93
Add:		
Capital Improvements	68,460.00	216,490.00
Surplus - to General Budget	4,400,000.00	4,100,000.00
Other Deductions to Operations	<u>-</u>	<u>-</u>
	<u>4,570,553.03</u>	<u>5,531,315.93</u>
Less:		
Reserves Cancelled	516,581.76	336,186.28
Other Additions to Operations	<u>24,324.98</u>	<u>-</u>
	<u>540,906.74</u>	<u>336,186.28</u>
Excess (Deficit) in Revenues	<u>\$ 4,029,646.29</u>	<u>\$ 5,195,129.65</u>

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

C. Schedule of Annual Debt Service for Principal and Interest for
Bonded Debt Issued and Outstanding*

Year	General			Parking Utility			Total
	Principal	Interest	Total	Principal	Interest		
2019	\$ 4,253,892	\$ 3,214,326	\$ 7,468,218	\$ 2,325,000	\$ 652,346	\$ 2,977,346	
2020	4,985,892	2,429,726	7,415,618	2,270,000	471,243	2,741,243	
2021	5,145,892	2,280,298	7,426,190	1,735,000	392,568	2,127,568	
2022	5,285,892	2,122,754	7,408,646	1,790,000	322,593	2,112,593	
2023	5,440,892	1,959,154	7,400,046	1,865,000	249,768	2,114,768	
2024	5,615,892	1,788,873	7,404,765	960,000	198,143	1,158,143	
2025	5,825,892	1,610,404	7,436,296	985,000	168,968	1,153,968	
2026	6,075,892	1,421,591	7,497,483	1,020,000	138,893	1,158,893	
2027	5,653,712	2,175,259	7,828,971	1,045,000	107,811	1,152,811	
2028	5,799,648	2,088,835	7,888,483	1,080,000	75,560	1,155,560	
2029	5,963,449	2,012,909	7,976,358	185,000	55,945	240,945	
2030	6,120,660	1,928,624	8,049,284	195,000	48,900	243,900	
2031	6,292,991	1,844,192	8,137,183	205,000	40,900	245,900	
2032	6,485,393	1,759,215	8,244,608	215,000	32,500	247,500	
2033	5,717,834	1,687,674	7,405,508	225,000	23,700	248,700	
2034	5,690,892	123,794	5,814,686	235,000	14,500	249,500	
2035	1,245,892	31,148	1,277,040	245,000	4,900	249,900	
2036	178,259	5,453	183,712	-	-	-	
2037	-	-	-	-	-	-	
TOTAL	\$ 91,778,866	\$ 30,484,229	\$ 122,263,095	\$ 16,580,000	\$ 2,999,238	\$ 19,579,238	

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

C. Schedule of Annual Debt Service for Principal and Interest for
Bonded Debt Issued and Outstanding

Year	Total		
Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 6,578,892	\$ 3,866,672	\$ 10,445,564
2019	7,255,892	2,900,969	10,156,861
2020	6,880,892	2,672,866	9,553,758
2021	7,075,892	2,445,347	9,521,239
2022	7,305,892	2,208,922	9,514,814
2023	6,575,892	1,987,016	8,562,908
2024	6,810,892	1,779,372	8,590,264
2025	7,095,892	1,560,484	8,656,376
2026	6,698,712	2,283,070	8,981,782
2027	6,879,648	2,164,395	9,044,043
2028	6,148,449	2,068,854	8,217,303
2029	6,315,660	1,977,524	8,293,184
2030	6,497,991	1,885,092	8,383,083
2031	6,700,393	1,791,715	8,492,108
2032	5,942,834	1,711,374	7,654,208
2033	5,925,892	138,294	6,064,186
2034	1,490,892	36,048	1,526,940
2035	178,259	5,453	183,712
2036	-	-	-
TOTAL	\$ 108,358,866	\$ 33,483,467	\$ 141,842,333

* Includes bonded, Green Trust and NJEIT permanently funded debt.
Maturity schedules for the Bonds outstanding are included in the City's supplemental financial schedules.

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

D. Debt Summary

Long-term liabilities are summarized as follows:

	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u>
Bonded and Temporary Issued Debt:		
General Obligation Debt	\$ 83,155,442	\$ 74,847,442
Parking Utility Obligation Debt	20,190,000	21,740,000
Total Bonds Payable	<u>103,345,442</u>	<u>96,587,442</u>
Other Liabilities:		
Green Acres Trust Loans	965,739	1,076,543
NJEIT Trust Loans (Issued and Obligated Not Issued)	53,739,494	40,385,737
Pension Deferrals		2,017,081
Compensated Absences		7,396,254
Total Other Liabilities	<u>54,705,233</u>	<u>50,875,615</u>
	<u><u>\$ 158,050,675</u></u>	<u><u>\$ 147,463,057</u></u>

E. NJEIT - IBANK

As more fully set forth in the City's supplemental financial schedule - NJ Environmental Infrastructure Notes Payable (C-14), the City has obligated to temporary financing for various City projects. These notes are issued at 0.00% interest and are expected to become permanent loans through the Ibank financing programs. With respect to the notes payable, in some cases the City has been obligated to the Note, however, the proceeds have not been drawn down. The status of the temporary notes payable at December 31, 2018 is as follows:

Issued	\$ 29,272,336
Obligated Not Issued	<u>13,665,624</u>
Total Notes Issued and Obligated Not Issued	<u><u>\$ 42,937,960</u></u>

NOTES TO FINANCIAL STATEMENTS

Note 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2018 and 2017 were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2019 and 2018 as follows:

	Fund Balance <u>December 31, 2018</u>	Utilized in <u>Succeeding Year's Budget</u>
Current Fund	\$ 20,950,729.97	\$ 11,550,000.00
Parking Utility Operating Fund	1,753,603.35	1,500,000.00

	Fund Balance <u>December 31, 2017</u>	Utilized in <u>Succeeding Year's Budget</u>
Current Fund	\$ 24,108,458.72	\$ 11,300,000.00
Parking Utility Operating Fund	3,676,510.32	2,025,000.00

Note 5: DEPOSITS AND INVESTMENTS

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits to protect deposits from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five (5) percent of the average daily balance of collected public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent, to secure the deposits of governmental units. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Based upon GASB criteria, the City considers cash and cash equivalents to include change funds, demand deposits, money market accounts and short term investments, including cash management money market funds, and, depending upon the length of the investment maturity, any direct and general obligation of the United States of America or agency or certificates of deposit issued by any bank or national banking association if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Depository Protection Act.

NOTES TO FINANCIAL STATEMENTS

Note 5: DEPOSITS AND INVESTMENTS (CONT'D.)

Deposits (Cont'd.)

At December 31, 2018 and 2017, the City's cash, cash equivalents and investments are summarized along with an analysis of the depository insurance balances, as follows:

	<u>2018</u>	<u>2017</u>
Cash (Demand Accounts)	\$ 65,228,883.74	\$ 90,330,361.22
Change Funds (On-Hand)	800.00	900.00
 Subtotal	 65,229,683.74	 90,331,261.22
Open Space (Trust-Other Fund) Notes - Invested in General Capital BANs	2,240,000.00	730,000.00
 \$ 67,469,683.74	 \$ 91,061,261.22	

<u>Depository Account</u>	<u>2018</u>	<u>2017</u>
	<u>Bank Balance</u>	<u>Bank Balance</u>
Insured - FDIC	\$ 750,000.00	\$ 750,000.00
Insured - NJGUDPA (N.J.S.A. 17:941)	64,763,325.50	86,448,062.04
 Total	 \$ 65,513,325.50	 \$ 87,198,062.04

At December 31, 2018, the City has implemented the disclosure requirements of Governmental Accounting Standards Board Statement No. 40 "Deposits and Investment Risk Disclosures" (GASB 40) and accordingly the City has assessed the Custodial Risk, the Concentration of Credit Risk and Interest Rate Risk of its cash and investments.

- (a) Custodial Credit Risk – The City's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. The deposit risk is that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The City's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the City and are held by either: the counterparty or the counterparty's trust department or agent but not in the City's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investment or collateral securities that are in possession of an outside party.

Note 5: DEPOSITS AND INVESTMENTS (CONT'D.)

Deposits (Cont'd.)

- (b) Concentration of Credit Risk – This is the risk associated with the amount of investments that City has with any one issuer that exceeds 5 percent or more of its total investments. Investment issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.
- (c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the City does not have an investment policy regarding Credit Risk except to the extent outlined under the City's investment policy. The New Jersey Cash Management Fund is not rated.
- (d) Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

As of December 31, 2018, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amounts of the City's bank balances were considered exposed to custodial credit risk. In addition, based upon the existing deposit and investment practices, the City is generally not exposed to credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of the Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or

NOTES TO FINANCIAL STATEMENTS

Note 5: DEPOSITS AND INVESTMENTS (CONT'D.)

Investments (Cont'd.)

8. Agreements for the repurchase of fully collateralized securities, if:
- a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

Investments generally are shown by type, carrying amount, market value and level of risk assumed in the holding of the various securities, where applicable. At year-end, the City maintained its invested funds in various money market and sweep accounts included in the above categorization of the City's deposits.

Note 6: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements.

The liabilities recorded at December 31, 2018 and 2017 are as follows:

	Balance <u>Dec. 31, 2018</u>	Balance <u>Dec. 31, 2017</u>
Prepaid Taxes	<u>\$ 18,862,182</u>	<u>\$ 18,862,182</u>
Cash Liability for Taxes Collected in Advance	<u>\$ 18,862,182</u>	<u>\$ 18,862,182</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. PENSION PLANS

Description of Plans - The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

A. Public Employees' Retirement System (PERS) - The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Inactive plan members or beneficiaries currently receiving benefits	174,904	170,124
Inactive plan members entitled to but not yet receiving benefits	589	650
Active plan members	<u>254,780</u>	<u>254,685</u>
	<u>430,273</u>	<u>425,459</u>
Contributing Employers	1,708	1,705

NOTES TO FINANCIAL STATEMENTS

Note 7. PENSION PLANS

A. Public Employees' Retirement System (PERS) (Cont'd)

Significant Legislation - Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

Payrolls and Covered Wages:

For the year ended December 31, 2018, total City payroll was \$47,296,900 and for the years ended December 31, 2018 and 2017, the City's total PERS covered payroll was \$17,123,667 and \$16,168,798, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the City to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The City contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. City payments to PERS for the years ending December 31, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Normal Cost	\$ 270,845	\$ 304,497
Amortization of Accrued Liability	<u>1,686,627</u>	<u>1,549,619</u>
 Total Pensions	 1,957,472	1,854,116
NCGI Premiums	<u>100,302</u>	<u>92,536</u>
 Total Regular Billing	 2,057,774	1,946,652
LTD Expense	<u>29,777</u>	<u>12,346</u>
Additional Billings:		
Ch 19, P.L. 2009	<u>74,025</u>	<u>73,097</u>
 Total PERS Payment	 <u>\$ 2,161,576</u>	 <u>\$ 2,032,095</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. PENSION PLANS (CONT'D.)

A. Public Employees Retirement System (PERS) (Cont'd.)

When applicable, Ch. 19, P.L. 2009 billings reflect the recoupment of the 50% deferral of normal and accrued liability costs due on April 1, 2009. The law set a fifteen-year repayment schedule for the deferred amount, with additional annual adjustments to reflect the return on investment of actuarial net assets of the plan on deferred principal balances.

When applicable, ERI #1 billings reflect the recoupment of the additional costs of pensions and health benefits, plus interest, resulting from an entities participation in the 1991 early retirement program. The repayment term is 27 years, commencing with bills due on April 1, 1995. The City did not participate in the ERI #1 program.

When applicable, ERI #2 billings reflect the recoupment of the additional costs of pensions and health benefits, plus interest, resulting from an entities participation in the 1993 early retirement program. A variety of repayment terms were offered as part of this retirement incentive program. The City did not participate in the ERI #2 program.

The City recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

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:

<u>Tier</u>	<u>Definition</u>
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 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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more 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.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of the City's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the City does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

NOTES TO FINANCIAL STATEMENTS

Note 7. PENSION PLANS (CONT'D.)

A. Public Employees Retirement System (PERS) (Cont'd.)

The following presents the PERS reported liability for its Non-State Employer Member Group; the City's proportionate share of the net pension liability for the Non-State Employer Group that is attributable to the City and its allocation percentage for the reported periods June 30, 2018 and 2017, respectively.

	<u>2018</u>	<u>2017</u>
PERS Non-State Employer Member Group Liability	\$ 19,689,501,539	\$ 23,278,401,588
City Proportionate Share of the		
PERS Non-State Employer Member Group Liability	45,842,804	51,707,730
City Proportionate Share Percentage	0.232829%	0.222127%

Actuarial Assumptions - The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

Inflation	2.25%
Salary Increases: Through 2026	1.64-4.15% Based on age
Thereafter	2.65-5.15% Based on age
Investment rate of return	7.00%

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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.

NOTES TO FINANCIAL STATEMENTS

Note 7. PENSION PLANS (CONT'D.)

A. Public Employees Retirement System (PERS) (Cont'd.)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

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

Discount Rate – The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Net Pension Liability – the following presents the collective net pension liability of PERS participating employers as of June 30, 2018, calculated using the discount rates as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At current discount rate</u>	<u>At 1% decrease (4.66%)</u>	<u>At 1% increase (6.66%)</u>
State	\$ 27,413,044,035	\$ 23,704,298,093	\$ 20,597,322,253
Local	<u>24,757,279,564</u>	<u>19,689,501,539</u>	<u>15,437,959,879</u>
PERS Plan Total	<u>\$ 52,170,323,599</u>	<u>\$ 43,393,799,632</u>	<u>\$ 36,035,282,132</u>
City's proportionate share of the net pension liability (Local)	\$ 57,642,044	\$ 45,842,804	\$ 35,943,996

NOTES TO FINANCIAL STATEMENTS

Note 7. PENSION PLANS (CONT'D.)

A. Public Employees Retirement System (PERS) (Cont'd.)

Components of Net Pension Liability – The components of the collective net pension liability for PERS, including the State of New Jersey, at June 30, 2018, are as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 30,434,600,657	\$ 42,431,573,511	\$ 72,866,174,168
Plan Fiduciary Net Position	<u>6,730,302,564</u>	<u>22,742,071,972</u>	<u>29,472,374,536</u>
Net PERS Pension Liability	<u>\$ 23,704,298,093</u>	<u>\$ 19,689,501,539</u>	<u>\$ 43,393,799,632</u>

At December 31, the City's deferred outflows of resources and deferred inflows of resources related to the PERS pension plan, are as follows:

	<u>2018</u>	<u>2018</u>	<u>2017</u>	<u>2017</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 874,229	\$ 236,380	\$ 1,217,539	\$ -
Changes of assumptions	7,554,135	14,658,091	10,417,326	10,379,134
Net difference between projected and actual earnings on pension plan investments		430,007		352,095
Changes in proportion and differences between agency contributions and proportionate share of contributions	<u>5,114,180</u>	<u>44,337</u>	<u>4,722,422</u>	<u>75,128</u>
	<u>\$ 13,542,544</u>	<u>\$ 15,368,815</u>	<u>\$ 16,709,382</u>	<u>\$ 10,454,262</u>

Collective Deferred Outflows of Resources and Deferred Inflows of Resources – Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	<u>Amount</u>
2019	\$ 2,128,036
2020	1,187,302
2021	(2,358,347)
2022	(2,172,877)
2023	<u>(610,385)</u>
Total	<u>\$ (1,826,271)</u>

Additional Information:

Collective balances at June 30, 2018 - PERS Local Group

Collective deferred outflows of resources	\$ 4,684,852,302
Collective deferred inflows of resources	7,646,736,226
Collective net pension liability - Local group	19,689,501,539

NOTES TO FINANCIAL STATEMENTS

Note 7. PENSION PLANS (CONT'D.)

B. Police and Firemen's Retirement System (PFRS)

The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time county and municipal police or firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Inactive plan members or beneficiaries currently receiving benefits	43,755	43,011
Inactive plan members entitled to but not yet receiving benefits	39	47
Active plan members	41,517	40,789
	85,311	83,847
Contributing Employers	586	586

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

Significant Legislation - Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PFRS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

Payrolls and Covered Wages:

For the years ended December 31, 2018 and 2017, the City's total PFRS covered payroll was \$28,004,559 and \$26,965,570, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the City to active employees covered by the Plan.

NOTES TO FINANCIAL STATEMENTS

Note 7. PENSION PLANS (CONT'D.)

B. Police and Firement's Retirement System (PFRS) (Cont'd.)

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was 10% in State fiscal year 2018. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The City contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. City payments to PFRS for the years ending December 31, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Normal Cost	\$ 2,129,511	\$ 2,141,802
Amortization of Accrued Liability	<u>4,433,102</u>	<u>3,877,119</u>
 Total Pensions	 6,562,613	 6,018,921
NCGI Premiums	<u>276,341</u>	<u>273,551</u>
 Total Regular Billing	 6,838,954	 6,292,472
Additional Billings:		
Ch 19, P.L. 2009	<u>424,315</u>	<u>420,059</u>
 Total PFRS Payment	 <u>\$ 7,263,269</u>	 <u>\$ 6,712,531</u>

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 four years of service.

The following represents the membership tiers for PFRS:

Tier	<u>Definition</u>
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.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of the City's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the City does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

NOTES TO FINANCIAL STATEMENTS

Note 7. PENSION PLANS (CONT'D.)

B. Police and Firement's Retirement System (PFRS) (Cont'd.)

The following presents the PFRS reported liability for its Non-State Employer Member Group; the City's proportionate share of the net pension liability for the Non-State Employer Group that is attributable to the City and its allocation percentage for the reported periods June 30, 2018 and 2017, respectively.

	<u>2018</u>	<u>2017</u>
PFRS Non-State Employer Member Group Liability	\$ 13,531,648,591	\$ 15,438,066,691
City Proportionate Share of the		
PFRS Non-State Employer Member Group Liability	109,385,500	119,297,205
City Proportionate Share Percentage	0.808368%	0.772747%

Actuarial Assumptions - The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

Inflation	2.25%
Salary Increases: Through 2026	2.10-8.98% Based on age
Thereafter	3.10-9.98% Based on age
Investment rate of return	7.00%

Preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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.

NOTES TO FINANCIAL STATEMENTS

Note 7. PENSION PLANS (CONT'D.)

B. Police and Firemen's Retirement System (PFRS) (Cont'd.)

Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2018 are summarized in the following table:

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

Discount Rate – The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Net Pension Liability – the following presents the collective net pension liability of PFRS participating employers as of June 30, 2018, calculated using the discount rates as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	At 1% decrease <u>(5.51%)</u>	At current discount rate <u>(6.51%)</u>	At 1% increase <u>(7.51%)</u>
State	\$ 5,090,302,750	\$ 4,329,304,276	\$ 3,702,605,881
Local	<u>20,570,435,198</u>	<u>15,369,699,278</u>	<u>11,080,039,474</u>
PFRS Plan Total	<u>\$ 25,660,737,948</u>	<u>\$ 19,699,003,554</u>	<u>\$ 14,782,645,355</u>
City's proportionate share of the net pension liability (Local)	<u>\$ 166,284,790</u>	<u>\$ 124,243,711</u>	<u>\$ 89,567,480</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. PENSION PLANS (CONT'D.)

B. Police and Firement's Retirement System (PFRS) (Cont'd.)

*The above table and calculation also includes the Special Funding Situation (Local - PFRS) allocated to the State of N.J. as a non-employer and is included for the "Local Group" total in the amount of:

State of N.J. Local Group Special Funding - non-employer	<u>\$ 1,838,050,687</u>
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Components of Net Pension Liability – The components of the collective net pension liability for PFRS, including the State of New Jersey, at June 30, 2018, are as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 5,837,506,505	\$ 40,960,053,149	\$ 46,797,559,654
Plan Fiduciary Net Position	<u>1,508,202,229</u>	<u>25,590,353,871</u>	<u>27,098,556,100</u>
Net PERS Pension Liability	<u>\$ 4,329,304,276</u>	<u>\$ 15,369,699,278</u>	<u>\$ 19,699,003,554</u>

At December 31, the City's deferred outflows of resources and deferred inflows of resources related to the PFRS pension plan, are as follows:

	<u>2018</u>	<u>2018</u>	<u>2017</u>	<u>2017</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,112,855	\$ 452,665	\$ 773,930	\$ 700,176
Changes of assumptions	9,389,272	28,033,616	14,710,676	19,537,394
Net difference between projected and actual earnings on pension plan investments		598,438		2,276,472
Changes in proportion and differences between agency contributions and proportionate share of contributions	<u>7,833,821</u>	<u>3,754,852</u>	<u>4,804,592</u>	<u>6,006,013</u>
	<u><u>\$ 18,335,948</u></u>	<u><u>\$ 32,839,571</u></u>	<u><u>\$ 22,565,670</u></u>	<u><u>\$ 26,243,583</u></u>

NOTES TO FINANCIAL STATEMENTS

Note 7. PENSION PLANS (CONT'D.)

B. Police and Firement's Retirement System (PFRS) (Cont'd.)

Collective Deferred Outflows of Resources and Deferred Inflows of Resources – Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	<u>Amount</u>
2019	\$ 1,067,465
2020	(2,373,785)
2021	(7,446,463)
2022	(4,633,360)
2023	<u>(1,117,480)</u>
 Total	<u>\$ (14,503,623)</u>

Collective balances at June 30, 2018 - PFRS Local Group

Collective deferred outflows of resources	\$ 1,988,215,695
Collective deferred inflows of resources	4,286,994,294
Collective net pension liability - Local group	15,369,699,278

City's Proportion	0.808368%
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Special Funding Situation:

The City is responsible for the actuarially determined annual contributions to the PFRS, except where legislation was passed that legally obligates the State if certain circumstances occur. A special funding situation exists for the Local employers of the PFRS. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers based upon the provisions of several legislative actions. The provisions of GASB Statement No. 68 define this/these relationship(s) as a "special funding situation," and the State of New Jersey is defined as a "non-employer contributing entity."

Unaudited data provided by the PFRS indicates that the total Non-employer contributions made to the PFRS by the State for the year ended June 30, 2018 was \$108,857,000. The portion of that contribution allocated to the City was \$879,965, or 0.8083678780%. The June 30, 2018 State special funding situation pension expense of \$217,714,180 was actuarially determined and represents the required contribution due from the State for the year. The special funding situation net pension liability under the special funding situation was reported at \$1,838,050,687 at June 30, 2018 and represents the accumulated difference between the actuarially determined annual contributions required and the actual State contributions through the valuation date. The City's allocated shares of the special funding situation pension expense for the year ended June 30, 2018 and its share of the special funding situation NPL at that date were \$1,759,932 and \$14,858,212, respectively.

NOTES TO FINANCIAL STATEMENTS

Note 7. PENSION PLANS (CONT'D.)

C. Defined Contribution Retirement System (DCRP):

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

Plan Membership and Contributing Employers- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2016, the membership in the DCRP, based on the information within the Division's database, was 46,557.

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employees' base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

For the year ended December 31, 2018, the DCRP covered payroll was \$1,066,600 and Covered payroll refers to all compensation paid by the City to active employees covered by the Plan. City and employee contributions to the DCRP for the year ended December 31, 2018 were \$31,998 and \$58,654, respectively.

D. Cumulative PERS and PFRS Employer Allocations

State of New Jersey Pension Systems' Schedules of Employer Allocations:

	<u>Employer Contributions</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Total Pension Expense</u>
PERS	2,315,893	45,842,804	\$ 13,542,544	\$ 15,368,815	\$ 4,559,620
PFRS	<u>7,902,987</u>	<u>109,385,500</u>	<u>18,335,948</u>	<u>32,839,571</u>	<u>9,265,868</u>
Total	\$ 10,218,880	\$ 155,228,304	\$ 31,878,492	\$ 48,208,386	\$ 13,825,488

NOTES TO FINANCIAL STATEMENTS

Note 8: POST-EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTHCARE BENEFITS

The City provides post-employment health benefits to its eligible retirees, spouses and dependents. The Plan is single-employer defined benefit healthcare plan administered by the City in accordance with City Ordinances, contracts and/or policies. The City provides medical and prescription benefits to eligible retirees, spouses and dependents for retirees who are 62 years of age or older and have retired with 20-24 years of service credit in a State administered retirement system. Additionally, retirees with 25 years or more of service in a State administered retirement system are eligible for medical, prescription, vision and dental coverage, and are also eligible for reimbursement of Medicare Part B premiums. Employees who retire on a disability pension with fewer years of service are eligible for benefits as if they had retired with 25 years or more of service credit.

Employees covered by benefit terms:

At January 1, 2018, the following employees were covered by the benefit terms:

	<u>Total</u>
Active employees	561
Retirees	<u>473</u>
	<u><u>1,034</u></u>

Summary of Postretirement Health Care Plan Benefits:

An employee is eligible to receive postretirement health benefits through the City health plan by meeting the following criteria:

Service Retirement Eligibility:

Eligibility for retirement is based on meeting a criteria of minimum age and/or years of service ("YOS") requirements. For this valuation, retirees are eligible for subsidized healthcare benefits based upon reaching the earlier of minimum age of sixty-two (62) with twenty (20) YOS with the City or no minimum age with twenty-five (25) YOS in the NJPERS/NJPFRS.

Disabled Retirement:

The valuation reflects disability assumptions from the active plan for ordinary and accidental disability and is based on age. This is the assumption used for NJ PERS and NJ PRFS.

Surviving Spouse - Eligibility:

Eligible for subsidized coverage.

New Pension and Benefits Law (Chapter 78):

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 (20) years of service at implementation had their contribution phased in over a four-year period. Employees hired on or after June 28, 2011 will have their contribution set at the highest year four 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 and future retirees with twenty (20) or more years of service at June 28, 2011 are 0% (non-contributory) (i.e., the City pays 100% of the benefit cost).

Retirement Benefits:

Coverage for pre-65 and post-65 retirement benefits.

Insurance Coverage and Funding Basis:

Medical coverage is self-funded through the Cigna network and Insurance Administrator of America, Inc. (IAA) administrators. Prescription drugs, dental, and vision benefits are fully insured.

For retirees over 65, the plans are secondary to Medicare and coordinate under a traditional COB arrangement.

NOTES TO FINANCIAL STATEMENTS

**Note 8. POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS -
HEALTH CARE BENEFITS (CONT'D)**

Changes in the Total OPEB Liability

	<u>Total</u>
Balance - 12/31/2017 (Based on 12/31/2017 Measurement Date)	\$ 740,486,835
Changes for the year:	
Service cost	6,010,194
Interest cost	27,880,142
Benefit payments	(13,597,752)
Actuarial assumption changes*	-
Net changes	<u>20,292,584</u>
Balance - 12/31/2018 (Based on 12/31/2018 Measurement Date)	<u>\$ 760,779,419</u>

Plan Fiduciary Net Position

Contributions	\$ 13,597,752
Benefit Payments*	(13,597,752)
Net Change in Plan Fiduciary Net Position	<u>\$ -</u>
Plan Fiduciary Net Position (Beginning)	<u>-</u>
Plan Fiduciary Net Position (Ending)	<u>\$ -</u>
Net OPEB Liability (Ending)	\$ 760,779,419
Plan Fiduciary Net Position as Percentage of OPEB Liability	0%
Covered Employee Payroll	\$ 47,752,436
Net OPEB Liability as a Percentage of Payroll	1593%

Notes:

Benefit Changes:

None

Changes in Assumptions:

Changes in Actuarial Standards of Practice (ASOP 6) and valuation practices for OPEB valuations, involving assumptions for aging contemplates a greater aging assumption for all pre-65 and post-65 plans than assumed in the prior valuation increasing the liability.

Changes in the discount rate from 4.0% to 3.8% based on the prescribed methodology under GASB 75 increased the liability.

Change in the actuarial cost method from Projectd Unit Credit to Entry Age Norma (EAN) as a percentage of payroll increased the liability. EAN is a prescribed method under GASB 75.

Changes in mortality improvement assumption to a more current scale (e.g., improvement scale MP-2018 from improvement scale AA) increased the liability.

As this is the City's implementation year for GASB 75, the actuary's report does not include information with Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB.

NOTES TO FINANCIAL STATEMENTS

8. POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS -
HEALTH CARE BENEFITS (CONT'D)

Changes in the Total OPEB Liability

	<u>Total</u>
Balance - 12/31/2017 (Based on 12/31/2017 Measurement Date)	\$ 740,486,835
Changes for the year:	
Service cost	6,010,194
Interest cost	27,880,142
Benefit payments	(13,597,752)
Actuarial assumption changes*	-
Net changes	<u>20,292,584</u>
Balance - 12/31/2018 (Based on 12/31/2018 Measurement Date)	<u>\$ 760,779,419</u>

Plan Fiduciary Net Position

Contributions	\$ 13,597,752
Benefit Payments*	<u>(13,597,752)</u>
Net Change in Plan Fiduciary Net Position	\$ -
Plan Fiduciary Net Position (Beginning)	\$ -
Plan Fiduciary Net Position (Ending)	<u>\$ -</u>
Net OPEB Liability (Ending)	\$ 760,779,419
Plan Fiduciary Net Position as Percentage of OPEB Liability	0%
Covered Employee Payroll	\$ 47,752,436
Net OPEB Liability as a Percentage of Payroll	1593%

Notes:

Benefit Changes:

None

Changes in Assumptions:

Changes in Actuarial Standards of Practice (ASOP 6) and valuation practices for OPEB valuations, involving assumptions for aging contemplates a greater aging assumption for all pre-65 and post-65 plans than assumed in the prior valuation increasing the liability.

Changes in the discount rate from 4.0% to 3.8% based on the prescribed methodology under GASB 75 increased the liability.

Change in the actuarial cost method from Projectd Unit Credit to Entry Age Norma (EAN) as a percentage of payroll increased the liability. EAN is a prescribed method under GASB 75.

Changes in mortality improvement assumption to a more current scale (e.g., improvement scale MP-2018 from improvement scale AA) increased the liability.

NOTES TO FINANCIAL STATEMENTS

**8. POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS -
HEALTH CARE BENEFITS (CONT'D)**

OPEB Expense under GASB 75:

	Fiscal year ending <u>December 31, 2018</u>
Service cost	\$ 6,010,194
Interest cost	<u>27,880,142</u>
Total OPEB Expense	<u>\$ 33,890,336</u>

Accrued Liability (AL) as of January 1, 2018

	<u>Jan. 1, 2018</u>
OPEB Liability:	
Retired Participants and Beneficiaries	\$ 455,160,252
Active Participants	<u>285,326,583</u>
Total	<u>740,486,835</u>
Plan Fiduciary Net Position	
Net OPEB Liability	\$ 740,486,835
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0%

GASB 75 Transition

Net OPEB Obligation at last day of the 2017 Fiscal Year	\$ 560,657,604
Amount for Transition to GASB 75	179,829,231
Liability under GASB 75 at the first day of 2018 Fiscal Year	<u>\$ 740,486,835</u>

Total employer contributions for the retiree plan were for benefit payments and there were no fiduciary plan assets at the beginning or end of the year.

Notes to GASB 75 Valuation:

Valuation Date:	January 1, 2018
Initial Implementation Year:	January 1, 2018 to December 31, 2018 valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal as a Level Percentage of Payroll
Asset Valuation Method	Not valued as benefit is unfunded. Assets are zero.
Salary Increases	Average salary increase is assumed to be 3.0%.
Investment Rate of Return	N/A
Mortality	RP 2014 Healthy Male and Female Tables are based on the Employee and Healthy Annuitant Tables for both pre & post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2018.

Discount Rate:

3.80% - The selected discount rate is based on the prescribed discount methodology under GASB No. 74/75 using an of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO - 4.09%, S&P Municipal Bond 20 Year High Grade Rate Index - 3.64%; and Fidelity GA AA 20 Years - 3.71%) as of December 31, 2018.

Health Care Trend:

The following assumptions are used for annual healthcare cost inflation (trend):

	<u>Year</u>	<u>Pre-65</u>	<u>Post 65</u>
Year 1 Trend	January 1, 2020	8.0%	8.0%
Ultimate Trend	Jan. 1, 2026 & Later	5.0%	5.0%
Grading Par Year		0.5%	0.5%

NOTES TO FINANCIAL STATEMENTS

Note 8. POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS - HEALTH CARE BENEFITS (CONT'D)

Health Care Reform - Excise Tax:

Certain provisions of health care legislation that are effective in future years have the potential to impact the GASB 75 liabilities. As a result of the recent health care legislation, there will be a 40% excise tax on per capita medical benefit costs that exceed certain thresholds. On January 22, 2018, the implementation of the excise tax was delayed from 2020 to 2022.

Sensitivity of the Net OPEB liability to changes in the discount rate:

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

	1%	Current	1%
	<u>Decrease</u>	<u>Rate</u>	<u>Increase</u>
Net OPEB liability	<u>2.80%</u>	<u>3.80%</u>	<u>4.80%</u>
\$ 957,969,149	\$ 760,779,419	\$ 619,646,899	

Sensitivity of the Net OPEB liability to changes in the Healthcare Cost Trend rates:

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

	1%	Trend	1%
	<u>Decrease</u>	<u>Rate</u>	<u>Increase</u>
Net OPEB liability	<u>\$ 604,303,272</u>	<u>\$ 760,779,419</u>	<u>\$ 973,541,924</u>

Note 9: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the City Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the City, Local School District and County the tax rate is struck by the board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the City Tax Collector on or before May 13th.

Tax bills are prepared and mailed by the Collector of Taxes of the City annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The New Jersey Statutes allow a grace period of 10 days for each payment period and the City granted this option to taxpayers.

Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% may be charged against the delinquency. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

Note 10: ACCRUED VACATION BENEFITS

Under the existing policies and labor agreements of the City, employees are allowed to accumulate unused vacation pay over the life of their working careers. Employees under certain circumstances are allowed to carryover vacation pay allotments. It is estimated that the cost of such unpaid vacation pay would approximate \$5,333,577 and \$4,528,054 for 2018 and 2017, respectively. This amount represents the current value of all accumulations, and is not intended to portray amounts that would be recorded under GAAP. Expenditures for payment of accrued vacation benefits are recorded in the period in which payments are made as part of the current year's operating budget appropriations.

Note 11: RISK MANAGMENT

The City is exposed to various risks of loss related to general liability, torts, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2017, the City did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The City, together with other governmental units, is a member of the Garden State Municipal Joint Insurance Fund (the "Fund"). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. The Fund's governing board based upon actuarial and budgetary requirements calculates payments to the Fund. Each participant in the Fund is jointly and severally obligated for any deficiency in the amount available to pay all claims. The City pays an annual assessment to the Fund and should it be determined that payments received by the Fund are deficient, additional assessments may be levied.

Lines of coverage provided by the Fund include general liability, automobile liability and workers' compensation insurance coverage. The Fund members are also members of the New Jersey Municipal Environmental Risk Management Fund which provides commercial insurance coverage for environmental impairment liability. The Fund also provides property coverage (i.e., boiler and machinery, flood, valuable papers, etc.) to its members by participating in a state-wide joint insurance program arranged by the Municipal Excess Liability Joint Insurance Fund as a lead agency.

At December 31, 2018, the Fund reported for all years combined, total assets of \$52,967,800, liabilities and accrued expenses of \$52,340,543, which includes case and IBNR reserves of \$52,045,726 and net position for all years of \$627,257.

The City continues to carry commercial insurance coverage for other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Effective December 1, 2015, the City established a self-insured program for its employees' medical benefits and has contracted with a third-party service administrator to provide current and retired employees with health benefits. The third-party plan administrator provides benefit administration and claims processing on behalf of the City and is responsible for negotiating prices and paying for qualified medical services for all enrolled current and retired employees. The City has also contracted for Excess Coverage Insurance. Prescription, dental and vision benefits are provided through premium based insurance coverage.

During the year 2018, the City reported expended and committed funds in the amount of \$22,147,965.09 relating to providing employee healthcare services. Also, the City's actuary estimated a claim liability reserve reported in the amount of \$2,370,432 at December 31, 2018. At December 31, 2018, the City had funds on hand in the amount of \$1,842,664 reserved for the City's self-insured medical claims.

NOTES TO FINANCIAL STATEMENTS

Note 11: RISK MANAGEMENT (CONT'D.)

New Jersey Unemployment Compensation Insurance – 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 table is a summary of City contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the City’s trust fund for 2018 and the previous two years

<u>Year</u>	<u>Contributions</u>	<u>Payments</u>	<u>Ending Balance</u>
2018	\$ 71,003	\$ (133,672)	\$ 57,807
2017	63,118	(78,597)	120,476
2016	59,964	(38,389)	135,955

Note 12: DUE TO HOBOKEN PARKING AUTHORITY/HOBOKEN PARKING UTILITY

The Hoboken Parking Authority (“HPA”) initiated legal action against Marineview Housing Company No. 1 for nonpayment of amounts due under the garage agreement dated April 25, 1973. On February 27, 1978, HPA and Marineview Housing Company No. 1 reached a settlement under which it was agreed that the Marineview Housing Company No. 1 owed \$192,400 for all periods through December 31, 1977. The agreement also reduced the current monthly payment from \$13,336 to \$5,413, effective January 1, 1978.

By further agreements dated May 12, 1978 and April 15, 1980, entered into by the HPA and the Marineview Housing Company No. 1, payment of the original settlement of \$192,400 and the revised current monthly payments have been deferred until such time as there is “surplus cash,” as defined in the agreements, available to Marineview Housing Company No. 1.

The Marineview Housing Company No. 1 indicates it has accrued the revised monthly payment since January 1, 1978. The related expense recognized by Marineview Housing Company No. 1 under this agreement for the years ending December 31, 2018 and 2017 was \$64,950. The aggregate amount due to the HPA reflected in Marineview Housing Company No. 1’s financial statements at December 31, 2018 and 2017 is \$-0- and \$129,900, respectively.

Note 13: COMMITMENTS AND CONTINGENCIES

The City participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2018, the City does not believe that any material liabilities will result from such audits.

NOTES TO FINANCIAL STATEMENTS

Note 13: COMMITMENTS AND CONTINGENCIES (CONT'D)

Contractual Commitments

As of December 31, 2018, the City of Hoboken was a party to various construction contracts and commitments that totaled \$10,225,753.81 in its General Capital Fund and \$306,429.38 in the Parking Utility Fund. The ordinances for which these commitments have been charged are presented within the City's improvement authorization schedules.

Litigation Pending or Threatened

At December 31, 2018 and as of the date of this report, the City has litigation pending, the majority of which is covered through the procurement of liability insurance coverages. In addition, the City has pending or threatened litigation outstanding with respect to tax appeals; labor matters; contract matters; flood hazard prevention ordinances; zoning matters and developer designation matters, which, should the judgments in these matters result in findings unfavorable to the City, could have significant risk exposure to the City's financial statements. In addition, the City was requested by the N.J. State Commission of Investigation to provide information related to previous payouts of compensated absences. The City has replied with this request and the City has not been notified of any matters of noncompliance related to this inquiry as of the date of this report. Based upon the status of these matters, no estimate of potential risk exposure to the City is available as of the date of this report.

The City had previously been made aware of possible financial obligations due to the operator of its water utility system, Suez Water Environmental Services, Inc., ("Suez") pursuant to a Public/Private Partnership and Operation, Maintenance and Management Agreement dated May 18, 1994, as amended and supplemented. Based upon a new agreement dated May 1, 2019, as set forth in the Subsequent Event Note to these financial statements, any previous obligations to Suez have been either canceled or absorbed by the May 1, 2019 agreement.

Note 14: DEFERRED COMPENSATION

The City has instituted a Deferred Compensation Plan pursuant to section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey. The Plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations. The City has engaged a private contractor to administer the plan.

NOTES TO FINANCIAL STATEMENTS

Note 15: INTERFUND

The following interfund balances remained on the balance sheet date at December 31, 2018:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 23,367.20	\$ 100,000.00
Animal Control		18,259.80
Trust - Other	50,000.00	
Section 8 Housing Assistance		309,420.80
Comm. Develop. Block Grant	259,420.80	
Payroll and Payroll Agency		5,107.40
Parking Operating	100,000.00	
 Totals	 \$ 432,788.00	 \$ 432,788.00

These interfund balances are not an indication that the respective fund cannot meet its obligation. The interfund amounts are reflective of year-end closing journals and adjustments and it is anticipated the interfunds well be liquidated during the fiscal year.

Note 16: LONG TERM TAX EXEMPTIONS

The City provides for long-term tax exemptions, as authorized and permitted by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the City are predominately for affordable housing projects. Taxes abated include municipal, local school and county taxes. The City is required to remit five percent (5.00%) to the County for certain payments received in lieu of taxes (PILOT payments). The City PILOT billings in 2017 were \$15,894,840.94 and taxes in 2018 that otherwise would have been due on these long-term tax exemptions is calculated to be \$25,781,692.10, based upon the assessed valuations of the long-term tax exemptions properties.

Note 17: GOVERNMENTAL FIXED ASSETS

The City's governmental fixed assets are reported as follows:

<u>Fund</u>	<u>Balance Dec. 31, 2017</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2018</u>
Land and Improvements	\$ 47,452,420	\$ 4,995,930	\$ -	\$ 52,448,350
Buildings and Improvements	41,207,331	5,347,338	-	46,554,669
Equipment	9,884,344	1,364,178	-	11,248,522
Vehicles	10,376,022	391,063	(124,002)	10,643,083
 Totals	 \$ 108,920,117	 \$ 12,098,509	 \$ (124,002)	 \$ 120,894,624

NOTES TO FINANCIAL STATEMENTS

Note 18: SUBSEQUENT EVENTS

The City has evaluated the possibility of subsequent events in relation to the City's financial statements occurring after December 31, 2018, through to the date of issuance. The City has determined the following require disclosure in the City's financial statements:

On May 1, 2019, the City of Hoboken adopted Ordinance B136 which established a Water Utility and on the same date adopted Ordinance B135 an Operating, Maintenance, and Management Agreement with SUEZ Water Environmental Services, Inc. This agreement changes the terms of the City's original agreement with SUEZ beginning July 1, 2019 and extends the term until 2034. Under the revised terms of the agreement, the City will receive the revenues for the water operations and pay SUEZ a fee to bill, collect, operate, maintain, and manage the City's water system.

The City authorized the following bond ordinances:

<u>Ord. No.</u>	<u>Date of Adoption</u>	<u>Description</u>	<u>Total Authorized</u>	<u>Bonds and Notes Authorized</u>
B-113	3/20/2019	Construction of NW Resiliency Park	\$ 54,540,000.00	\$ 53,588,000.00

PART II - SINGLE AUDIT SECTION

HODULIK & MORRISON, P.A.

A division of



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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
City of Hoboken
County of Hudson, New Jersey

Report on the Financial Statements

We have audited, in accordance with the 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis City of Hoboken, County of Hudson, New Jersey as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 16, 2019. Our report was modified due to the departure from accounting principles generally accepted in the United States of America, as disclosed in Note 2, that are embodied in the Other Comprehensive Basis of Accounting Utilized for financial statements presentations and was unmodified based upon that Other Comprehensive Basis of Accounting.

Internal Control Over Financial Reporting

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Hoboken's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the City of Hoboken in the General Comments section of the Report of Audit.

We also noted other matters involving compliance and internal control over financial reporting that we have reported to management of the City of Hoboken in the General Comments section of the Report of Audit.

Purpose of this Report

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



HODULIK & MORRISON, P.A.
A division of PKF O'Connor Davies
Certified Public Accountants
Registered Municipal Accountants

Highland Park, New Jersey
August 16, 2019

HODULIK & MORRISON, P.A.

A division of



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL ASSISTANCE REQUIRED BY OMB UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
City of Hoboken
County of Hudson, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the City of Hoboken's, County of Hudson, State of New Jersey, compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Uniform Guidance Compliance Supplement and the New Jersey Compliance Manual "State Grant Compliance Supplement" that could have a direct and material effect on each of the City of Hoboken's major federal and state programs for the year ended December 31, 2018. The City of Hoboken'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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Hoboken's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; audit requirements as prescribed by 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), Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants and State Aid. Those standards, Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of Hoboken's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion for each major federal and state program. However, our audit does not provide a legal determination on the City of Hoboken's compliance.

Opinion on each Major Federal and State Program

In our opinion, the City of Hoboken 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 major federal and state programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of the City of Hoboken is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the City of Hoboken's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Hoboken's internal control over compliance.

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 or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 or state program will not be prevented, or detected and corrected, on a timely basis. 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 or 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness, as defined above.

Purpose of Report

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 Uniform Guidance and New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
A division of PKF O'Connor Davies
Certified Public Accountants
Registered Municipal Accountants

Highland Park, New Jersey
August 16, 2019

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

CITY OF HOBOKEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2018

Federal Grantor/Pass -Through Grantor/Program or Cluster Title	Grant Number	Federal C.F.D.A. Number	Grant Period	Passed Through Entity Identifying Number	Award Amount	Cash Received	Provided to Subrecipients	Budgetary Expenditures	Memo Cumulative Expenditures Dec. 31, 2018
US Department of Agriculture									
<u>Pass Through NJ DOE</u>									
2015 Summer Food Program		10.559	2015		\$ 75,078	\$ -	\$ -	\$ -	\$ 48,013
2016 Summer Food Program		10.559	2016		67,713				48,601
2017 Summer Food Program	181NJ304N1099	10.559	2017		73,378			1,068	52,589
2018 Summer Food Program		10.559	2018	010-3350-100-033	84,764	79,546		59,673	59,673
Total US Department of Agriculture					300,933	79,546		60,741	208,876
US Department of Justice									
<u>Pass Through NJ DOE</u>									
<u>Public Safety and Partnership and Community Policing Grants</u>									
2016 Bulletproof Vest Grant	Not Available	16.710	2016	Not Applicable	17,098	1,829		2,822	2,882
2017 Bulletproof Vest Partnership		16.710	2017		10,225			2,744	2,744
2016 Body Armor Fund		16.710	2016		11,427			9,067	9,067
2017 Body Armor Fund		16.710	2017		11,427			-	-
2012 Byrne Justice Assistance Grant (JAG) Prosecutor		16.738	2012		14,579			14,475	14,475
2016 Justice Assistance Grant		16.738	2016		16,028			-	-
Total US Department of Justice					80,784	1,829		14,633	29,168
Department of Transportation									
<u>Passed Through New Jersey Department of Transportation</u>									
2010 Various Street Improvement	Not Available	20.205	2010		460,531				456,851
2010 Hudson Place Funding		20.205	2010		80,000				48,447
2013 Transportation Enhancement, Redesign of Newark St.		20.205	2013		118,000				-
2014 Aid for Various Streets		20.205	2014	066-1160-1000-157	400,620	100,155		-	-
2016 Washington Street - Section 3		20.205	2016		447,030			-	-
2017 Newark and Green Street Improvement		20.205	2017		451,000			-	-
Total Department of Transportation					1,957,181	100,155			505,298

CITY OF HOBOKEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2018

Federal Grantor/Pass -Through Grantor/Program or Cluster Title	Grant Number	Federal C.F.D.A. Number	Grant Period	Passed Through Entity Identifying Number	Award Amount	Cash Received	Provided to Subrecipients	Budgetary Expenditures	Memo Cumulative Expenditures Dec. 31, 2018
Department of Transportation									
<u>Passed Through NJ Division of Law and Public Safety</u>									
2012 State and Community Highway Safety	Not Available	20.600	2012		15,000				7,400
2014 Drive Sober or Get Pulled Over		20.616	2014		7,500				-
2015 Drive Sober or Get Pulled Over		20.616	2015		5,000				4,949
2016 Drive Sober or Get Pulled Over Holiday Crackdown		20.616	2016		5,500				3,200
2017 Drive Sober or Get Pulled Over/ Labor Day		20.616	2017		5,500				5,060
2017 Drive Sober or Get Pulled Over Holiday Crackdown		20.616	2017	066-1160-100-157	5,500	3,795		3,795	3,795
Total Department of Transportation					44,000	3,795		3,795	24,404
Department of Health and Human Services									
2017 Special Program for Aging, Title III, Part B (Adult Day Care)	Not Available	93.044	2017	Not Applicable	124,604	26,908		26,477	93,898
2018 Special Program for Aging, Title III, Part B (Adult Day Care)		93.044	2018		123,176	80,266		63,579	63,579
Total Department of Health and Human Services					247,780	107,174		90,056	157,477
Department of Homeland Security									
2011 FEMA Fire Apparatus	Not Available	97.044	2011	Not Applicable	427,962				427,526
2017 FEMA Fire Apparatus "SAFER" Grant		97.044	2017		667,539	89,444		89,444	89,444
2012 Firefighters Assistance Grant		97.044	2012		14,708				11,327
2012 Firefighters Assistance Grant		97.044	2012		16,394				12,124
2013 Firefighters Assistance Grant		97.044	2013		35,440				39,135
2017 Firefighters Assistance Grant		97.044	2017		52,528	52,528		52,528	52,528
2017 Firefighters Assistance Grant - Matching		97.044	2017		52,528			5,252	5,252
2012 Port Authority Security Grant		97.044	2012		297,000				240,348
2017 Homeland Security Port Security Grant		97.056	2017		149,349	19,014		34,262	38,131
2017 Homeland Security Port Security Grant - Matching		97.056	2017		49,783			5,445	5,445
Total Department of Homeland Security					1,763,231	160,985		186,931	921,260
Total Federal Fund					4,393,909	453,483		356,156	1,846,483

CITY OF HOBOKEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2018

Federal Grantor/Pass -Through Grantor/Program or Cluster Title	Grant Number	Federal C.F.D.A. Number	Grant Period	Passed Through Entity Identifying Number	Award Amount	Cash Received	Provided to Subrecipients	Budgetary Expenditures	Memo Cumulative Expenditures Dec. 31, 2018
<u>Trust Fund</u>									
<u>US Department of Housing and Urban Development</u>									
2015 Community Development Block Grant	B15MC340131	14.218	2015	22-6001993	1,086,876	818,066	228,201	228,201	809,977
2016 Community Development Block Grant	B16MC340131	14.218	2016		1,096,150	(143,440)	887,203	888,424	1,087,423
2017 Community Development Block Grant	B17MC340131	14.218	2017		999,784	215,793	397,739	435,309	475,872
2018 Community Development Block Grant	B18MC340131	14.218	2018		1,075,286	490,891	18,973	27,436	27,436
Total US Department of Housing and Urban Development					4,258,096	1,381,310	1,532,116	1,579,370	2,400,708
<u>US Department of Housing and Urban Development</u>									
<u>Pass Through Hudson County Dept. of Finance and Admin.</u>									
2000 Community Development Block Grant	Not Available	14.218	2000	22-6001993	90,000				389,961
2001 Community Development Block Grant		14.218	2001		60,000				-
2005 Community Development Block Grant		14.218	2005		90,000				70,000
2006 Community Development Block Grant		14.218	2006		489,400				484,737
2007 Community Development Block Grant		14.218	2007		150,000				126,358
2008 Community Development Block Grant		14.218	2008		200,000				150,882
2009 Community Development Block Grant		14.218	2009		250,000				249,280
2010 Community Development Block Grant		14.218	2010		225,000				162,415
2010 Community Development Block Grant		14.218	2010		50,000				-
2011 Community Development Block Grant		14.218	2011		457,000				407,000
2012 Community Development Block Grant		14.218	2012		425,000				294,173
2013 Community Development Block Grant		14.218	2013		425,000		1,000	1,000	166,733
2014 Community Development Block Grant		14.218	2014		410,000	118,200			275,000
2014 Disaster Recovery Post Sandy Assistance CDBG		14.269	2014		200,000				195,725
Total US Department of Housing and Urban Development					3,521,400	118,200	1,000	1,000	2,972,264
Total Trust Fund					7,779,496	1,499,510	1,533,116	1,580,370	5,372,972

CITY OF HOBOKEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2018

Federal Grantor/Pass -Through Grantor/Program or Cluster Title	Grant Number	Federal C.F.D.A. Number	Grant Period	Passed Through Entity Identifying Number	Award Amount	Cash Received	Provided to Subrecipients	Budgetary Expenditures	Memo Cumulative Expenditures Dec. 31, 2018
<u>General Capital Fund</u>									
<u>Department of Environmental Protection</u>									
2015 NJ Environmental Infrastructure Fund	Not Available	66.458	2015	Not Applicable	5,929,148	146,820			5,929,148
2015 NJ Environmental Infrastructure Fund - Principal Forgiveness		66.458	2015		2,011,675	49,814			2,011,675
2017 NJ Environmental Infrastructure Fund		66.458	2017		2,336,391				2,105,127
2017 NJ Environmental Infrastructure Fund - Principal Forgiveness		66.458	2017		792,704				714,240
2017 NJ Environmental Infrastructure Fund		66.458	2017		27,181,811			966,182	966,182
2018 NJ Environmental Infrastructure Fund		66.458	2018		2,330,611			898,946	898,946
Total Department of Environmental Protection					40,582,339	196,634	-	1,865,128	12,625,318
Total General Capital Fund					40,582,339	196,634		1,865,128	12,625,318
Total Federal Financial Assistance					\$ 52,755,744	\$ 2,149,627	\$ 1,533,116	\$ 3,801,654	\$ 19,844,773

Note: See accompanying notes to Schedule of Expenditures of Federal and State Awards

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

CITY OF HOBOKEN
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED DECEMBER 31, 2018

Schedule B

State Funding Department and and Description	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Memo Cumulative Expenditures
<u>Department of Community Affairs</u>						
Hoboken 911 Memorial on Pier		2010	250,000	-		63,272
Recreation Opportunities for Individuals with Special Needs (ROID)		2013	12,000	-		51,909
Housing Inspection Program		2017	54,156	-		-
Total Department of Community Affairs			<u>316,156</u>	<u>-</u>	<u>-</u>	<u>115,181</u>
<u>Department of Environmental Protection</u>						
Clean Community Program	765-042-4900-004-6020	2010	56,800	-		55,664
Clean Community Program	765-042-4900-004-6021	2012	69,909	-	1,095	42,193
Clean Community Program	765-042-4900-004-6022	2015	92,804	-		90,412
Clean Community Program	765-042-4900-004-6023	2016	106,058	-	10,447	106,058
Clean Community Program	765-042-4900-004-6024	2017	90,103	-	73,183	86,498
Clean Community Program	765-042-4900-004-6024	2018	86,272	86,272	21,844	21,844
Recycling Tonnage Grant	765-042-4900-004-6025	2011	23,922	-		-
Recycling Tonnage Grant	765-042-4900-004-6026	2012	37,033			-
Recycling Tonnage Grant	765-042-4900-004-6027	2013	82,998	-	24,083	24,083
Recycling Tonnage Grant	765-042-4900-004-6028	2015	75,462		54,936	106,315
Recycling Tonnage Grant	765-042-4900-004-6029	2016	73,936			37,033
Recycling Tonnage Grant	765-042-4900-004-6030	2017	73,840	-	73,840	73,840
Forestry Grant	100-0424870-101	2015	3,000			-
CISP Tree Pruning Grant	NA	2013	20,000	-		19,950
Green Infrastructure Education and Implementation		2014	10,000			-
Total Department of Environmental Protection			<u>902,137</u>	<u>86,272</u>	<u>259,428</u>	<u>663,890</u>
<u>New Jersey State Council on the Arts</u>						
Local Arts Program (LAP)		2016	4,488	-	-	-
Local Arts Program (LAP)		2017	3,550	888	-	-
Total NJ State Council on the Art			<u>8,038</u>	<u>888</u>	<u>-</u>	<u>-</u>

CITY OF HOBOKEN
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED DECEMBER 31, 2018

Schedule B

State Funding Department and and Description	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Memo Cumulative Expenditures
<u>Department of Health and Senior Services Direct</u>						
Hepatitis B Inoculation Fund		2010	4,705	-	-	-
Total Department of Health and Senior Services - Direct			<u>4,705</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Department of Law and Public Safety</u>						
Body Armor Replacement Program	098-718-0666-1020-001	2016	11,086	-	-	2,020
Total of Law and Public Safety			<u>11,086</u>	<u>-</u>	<u>-</u>	<u>2,020</u>
<u>Department of Justice</u>						
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2015	2,593	-	-	1,150
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2016	2,478	-	-	-
Municipal Court (DWI)	098-973-5760-001	2018	4,950	2,124	4,950	4,950
Total Department of Justice			<u>10,021</u>	<u>2,124</u>	<u>4,950</u>	<u>6,100</u>
<u>NJ Economic Development Agency</u>						
Community Revitalization Program		2014	879,401	-	-	832,072
Total NJ Development Agency			<u>879,401</u>	<u>-</u>	<u>-</u>	<u>832,072</u>
<u>Division of Highway and Traffic Safety</u>						
Drunk Driving Enforcement Trust Fund		2016	54,764	8,737	10,214	18,829
Drunk Driving Enforcement Trust Fund		2017	7,405	-	-	-
Pedestrian Safety Grant		2012	15,000	-	-	7,400
Pedestrian Safety Grant		2016	77,169	-	-	8,800
Pedestrian Safety Grant		2017	18,000	14,470	14,470	14,470
NJDOT Pedestrian Crossing Improvement		2017	<u>434,663</u>	<u>23,207</u>	<u>24,684</u>	<u>-</u>
Total Division of Highway and Traffic Safety			<u>607,001</u>	<u>23,207</u>	<u>24,684</u>	<u>49,499</u>

CITY OF HOBOKEN
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR FISCAL YEAR ENDED DECEMBER 31, 2018

Schedule B

State Funding Department and and Description	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Memo Cumulative Expenditures
<u>Division of Travel and Tourist</u>						
Cooperative Marketing Grant		2018	12,450	9,338	12,450	12,450
Total Division of Travel and Tourism			<u>12,450</u>	<u>9,338</u>	<u>12,450</u>	<u>12,450</u>
<u>Other State Agencies</u>						
Bike Corrals		2012	5,000	-	-	4,481
Sustainable Jersey		2012	20,000			19,928
Sustainable Jersey		2017	30,000		29,630	29,630
Sustainable Jersey Solar Challenge		2016	3,000	-	-	1,651
NJEDA Hazardous Site Redemption		2010	10,299	-	-	9,925
Public Entity Grant Program NJEDA Jackson St.		2017	10,494			-
Junior Tennis Foundation		2013	1,500			1,296
Cert. Community Emergency Response		2013	1,000	-	-	385
NJ Historic Trust Grant		2013	37,500	31,576	-	36,160
NJ Historic Trust Grant		2016	150,000	-	-	-
Cultural Affairs Marketing Program		2013	15,750	-	-	-
NJ Energy Allocation Initiative		2013	250,000	191,424	-	-
Cities of Service		2014	4,277			-
Cities of Service		2017	25,000	-	14,050	22,681
Total Other State Agencies			<u>563,820</u>	<u>223,000</u>	<u>43,680</u>	<u>126,137</u>

CITY OF HOBOKEN
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED DECEMBER 31, 2018

Schedule B

State Funding Department and and Description	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Memo
						Cumulative Expenditures
<u>County Other Assistance</u>						
Pass Through Hudson County Dept. Of Finance and Administration						
Hudson County Open Space Grant		2012	250,000			242,999
Hudson County Open Space Grant		2013	100,000			66,223
Hudson County Open Space Grant		2014	500,000			-
Improvement and Pres. Of Hoboken City Hall		2016	350,000		95,980	95,980
County Municipal Alliance Program		2012	40,261			40,240
County Municipal Alliance Program		2013	38,840			36,461
County Municipal Alliance Program		2015	43,200			38,262
County Municipal Alliance Program		2016	43,200			43,139
County Municipal Alliance Program		2017	43,200	43,200	43,177	43,177
County Municipal Alliance Program - Match		2016	10,800		200	200
County Municipal Alliance Program - Match		2017	10,800		7,326	7,326
County Municipal Alliance Program - Match		2018	10,800		3,701	3,701
Adult Day Care		2010	127,000			69,400
Municipal Alliance on Alcohol and Drug Abuse		2017	43,200			-
Total County Other Assistance			1,611,301	43,200	150,384	687,108
<u>Other Direct Programs</u>						
2011 Cultural Affairs Studio Tour/Concert		2011	3,200	-	-	550
2011 US Soccer Foundation - Planning Grant		2011	8,000			-
2014 Arbor Day Foundation		2014	20,000	-	-	19,806
Total Other Direct Programs			31,200	-	-	20,356

CITY OF HOBOKEN
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED DECEMBER 31, 2018

Schedule B

State Funding Department and and Description	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Memo
						Cumulative Expenditures
<u>Department of Environmental Protection</u>						
Reconstruction of Pier C			2,520,166			2,514,356
1600 Park Avenue		2010	1,700,000			1,209,775
Hoboken Cove			1,000,000			202,549
NJ Environmental Infrastructure Trust		2015	2,619,311	65,545		2,619,311
NJ Environmental Infrastructure Trust	S340635-05/06	2017	4,185,604		305,477	305,477
NJ Environmental Infrastructure Trust		2017	1,043,031			939,790
NJ Environmental Infrastructure Trust	S340635-06	2017	4,875,000		16,584	16,584
NJ Environmental Infrastructure Trust		2018	776,870		299,649	299,649
Total Department of Environmental Protection			18,719,982	65,545	621,709	8,107,490
<u>Hudson County Open Space</u>						
1600 Park Ave 2010		2010	200,000	-	-	-
Acquisition of Various Parcels of Land		2011	1,000,000			893,084
Hudson County Historical Partnership		2017	7,000	1,750	-	1,850
Hudson County Historical Partnership		2018	4,500	3,375	1,407	1,407
Total Other Direct Programs			1,211,500	5,125	1,407	896,341
TOTAL STATE AWARDS			\$ 24,888,797	\$ 458,697	\$ 1,118,692	\$ 11,518,644

See Notes to Schedules of Expenditures of Federal and State Awards

**CITY OF HOBOKEN
COUNTY OF HUDSON, NEW JERSEY**

**NOTES TO SCHEDULES OF EXPENDITURES
OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2018**

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 Hoboken, County of Hudson. The City is defined in Note 1(A) to the financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the schedule of expenditures of federal and state awards.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal and state awards is presented using the modified accrual basis of accounting as prescribed 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. In addition, the City has elected not to use the 10 percent de minimis indirect cost rate under the Uniform Guidance and has not charged any indirect costs to its funded programs.

NOTE 3: RELATIONSHIP TO GENERAL FINANCIAL STATEMENTS

Unless specifically noted, the amounts reported in the accompanying schedules agree with amounts reported in the City's financial statements.

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Unless specifically required, the amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports, where required.

CITY OF HOBOKEN
COUNTY OF HUDSON, NEW JERSEY

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The City's federal and state loans outstanding at December 31, 2018, which are not required to be reported on the schedules of expenditures of federal and state awards, are as follows:

<u>Loan Program</u>	<u>Total</u>
State of New Jersey Green Acres Trust Loan	\$965,739.71
State of New Jersey EIT – IBank – Issued	\$29,272,336.00
State of New Jersey EIT – IBank – Not Issued	\$13,665,624.00

CITY OF HOBOKEN
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Schedule C
 Page 1 of 3

Section 1 - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on the financial statements: _____ Unmodified (OCBOA)

Internal Control over financial reporting:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to basic financial statements noted? _____ Yes X No

Federal Awards

Internal Control over major federal programs:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major federal programs: _____ Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major federal programs:

CFDA Number

 14.218

Name of Federal Program or Cluster

 Community Development Block Grant

Dollar threshold used to distinguish between Type A and B programs: _____ \$750,000.00

Auditee qualified as low-risk auditee? _____ Yes X No

CITY OF HOBOKEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Schedule C
Page 2 of 3

State Awards

Dollar threshold used to distinguish between Type A and B programs: \$750,000.00

Auditee qualified as low-risk auditee? _____ Yes X No

Type of auditor's report issued on compliance for
major state programs: Unmodified

Internal Control over major programs:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiency(ies) identified? _____ Yes X None reported

Any audit findings disclosed that are required to be reported
in accordance with NJOMB Circular Letter 15-08 as applicable? _____ Yes X No

Identification of major state programs:

GMIS Number(s)

042-4860-510-009

Name of State Program

NJ Environmental Infrastructure Trust

CITY OF HOBOKEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Schedule C
Page 3 of 3

Section II - Financial Statement Findings

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with chapter 5.18 of *Government Auditing Standards*.

Significant Deficiency(ies)/Material Weaknesses

None noted.

Noncompliances

None noted.

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200 and NJ OMB Circular 15-08.

Federal and State Award Programs:

Significant Deficiency(ies)/Material Weaknesses:

None noted.

Noncompliance:

None noted.

Schedule D

CITY OF HOBOKEN
COUNTY OF HUDSON, NEW JERSEY
SUMMARY SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

Section 1 – Summary of Prior Year Federal and State Findings

SUMMARY OF PRIOR YEAR FINDINGS

None

PART III - SUPPLEMENTARY SCHEDULES

CURRENT FUND

**CURRENT FUND
SCHEDULE OF CASH**

	<u>Ref.</u>	CURRENT FUND	GRANT FUND
Balance December 31, 2017.....	A	\$ 54,363,576.23	\$ 1,312,389.26
Increased by Cash Receipts			
Miscellaneous Revenue Not Anticipated.....		597,116.82	
Change Fund Returned.....		100.00	
Due NJ Sr Citizens and Veterans Deductions.....		25,000.00	
Taxes Receivable.....		165,675,972.92	
Tax Title Liens.....		11,138.57	
Prepaid Taxes.....		1,988,947.54	
Grants Received.....		-	854,035.91
Miscellaneous Anticipated Revenue.....		50,090,232.56	
Budget Appropriations.....		-	28,545.00
Interfunds.....		73,072.56	
Various Accounts Payable & Reserves.....		16,973.28	
Tax Overpayments.....		<u>846,601.88</u>	<u> </u>
Total Cash Receipts.....		219,325,156.13	882,580.91
Decreased by Disbursements			
Budget Appropriations.....		105,627,903.49	
Grant Reserves.....		-	997,139.43
Interfunds.....		-	2,247.00
Appropriation Reserves.....		4,576,735.83	
Tax Overpayments.....		1,363,826.27	
Taxes Payable.....		124,478,174.23	
Various A/P, & Reserves.....		<u>972,087.68</u>	<u> </u>
Total Cash Disbursements.....		<u>237,018,727.50</u>	<u>999,386.43</u>
Balance December 31, 2018.....	A	<u>\$ 36,670,004.86</u>	<u>\$ 1,195,583.74</u>

SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY -
FOR ALLOWABLE DEDUCTIONS PER CHAPTER 129, P.L. 1976
CURRENT FUND

	<u>Ref.</u>	
Balance - December 31, 2017 (Due From/(To))	A	\$ 45,300.83
Increased by:		
Allowable Deductions per		
Tax Billings		25,250.00
2018 Sr. Citizens and Vet.		
Ded. Allowed by Collector	<u>500.00</u>	<u>25,750.00</u>
		71,050.83
Decreased by:		
Collected		25,000.00
Current Year Adjustments		
2018 Sr. Citizens and Vet.		
Ded. Disallowed by Collector	<u>500.00</u>	<u>25,500.00</u>
Balance - December 31, 2018 (Due From/(To))	A ↓	<u>\$ 45,550.83</u>
Analysis of Sr. Citizens & Veterans		
<u>Deductions Allowed - 2018 Taxes</u>		
Per Tax Billings		\$ 25,250.00
Allowed (Disallowed) by Tax Collector (Net)		<u>-</u>
		<u>\$ 25,250.00</u>

Exhibit - A-6

SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
QUALIFIED BOND AID
CURRENT FUND

	<u>Ref.</u>	
Balance - December 31, 2017	A	\$ 4,548,059.50
Decreased by		
Anticipated Revenue		<u>(4,548,059.50)</u>
Balance - December 31, 2018	A	<u>\$ -</u>

CITY OF HOBOKEN
Current Fund

Schedule of Taxes Receivable and Analysis of Property Tax Levy
Year Ended December 31, 2018

Year	Balance, December 31, 2017	Added Taxes and Levy	Collected		NJ State Vet.s' and Senior Citizens' Deductions	Transferred to Tax Title Liens	Adjustments and Cancelled	Balance, December 31, 2018
			Prepaid	2018				
2017	\$ 881,366.70	\$ -	\$ -	\$ 780,713.99	\$ -	\$ 2,257.30	\$ 98,391.08	\$ 4.33
	<u>881,366.70</u>	<u>-</u>	<u>-</u>	<u>780,713.99</u>	<u>-</u>	<u>2,257.30</u>	<u>98,391.08</u>	<u>4.33</u>
2018		186,116,366.18	18,862,181.82	164,895,258.93	25,250.00	7,553.52	1,394,315.85	931,806.06
	<u>\$ 881,366.70</u>	<u>\$ 186,116,366.18</u>	<u>\$ 18,862,181.82</u>	<u>\$ 165,675,972.92</u>	<u>\$ 25,250.00</u>	<u>\$ 9,810.82</u>	<u>\$ 1,492,706.93</u>	<u>\$ 931,810.39</u>
Ref.	A		A				Reserve	A
	Prepaid Taxes - December 31, 2018		A	\$ 1,988,947.54				

Analysis of 2018 Property Tax Levy:

General Purpose Tax:

General Property Tax	\$ 184,119,715.86
Added Taxes	<u>1,996,650.32</u>

\$ 186,116,366.18Tax Levy:

Local District School Tax Levy	\$ 44,064,809.00
County Tax	75,264,771.43
County Open Space	1,701,639.43
County Added and Omitted	835,314.26
Municipal Open Space Levy	<u>2,330,681.00</u>

\$ 124,197,215.12

Local Taxes:	
Municipal Purposes	5,475,754.00
Library	<u>55,282,061.00</u>

60,757,815.00

Added taxes	1,161,336.06
-------------	--------------

61,919,151.06\$ 186,116,366.18Tax Title Lien Activity:

Tax Title Lien Balance - December 31, 2017

\$ 437,260.55

Taxes Transferred to Liens

9,810.82

Other Transfers/Adjustments

(4,314.04)

Interest and Costs on Liens

-

Collections

(11,138.57)

Tax Title Lien Balance - December 31, 2018

\$ 431,618.76Current Year Tax Collections:

N.J. Senior Cit. & Vets.

\$ 25,250.00

Prepaid Taxes

18,862,181.82

Current Year Collections

164,895,258.93

\$ 183,782,690.75

Delinquent Collections:

Prior Year Taxes

\$ 780,713.99

Tax Title Liens

11,138.57

\$ 791,852.56

CURRENT FUND
SCHEDULE OF NONBUDGET REVENUES & VARIOUS ACCOUNTS RECEIVABLES

		Cash Receipts - Prior Year Accruals	Current Year Accrued/ Adjustments	Cash Receipts - Current Year Accruals	12/31/2018
		12/31/2017			
Ref.					
Revenue Accounts Receivable:					
Municipal Court - Fines and Costs	A	351,607.90	-	342,094.24	(351,607.90) 342,094.24
Water Liens Receivable	A	1,037.78	-	-	1,037.78
		<u>352,645.68</u>	<u>-</u>	<u>342,094.24</u>	<u>(351,607.90) 343,132.02</u>
Non - Budget Revenue:					
Miscellaneous		-	-	448,205.16	(448,205.16) -
Miscellaneous Departments		-	-	148,911.66	(148,911.66) -
		<u>-</u>	<u>-</u>	<u>597,116.82</u>	<u>(597,116.82) -</u>
Total.....		<u>\$ 352,645.68</u>	<u>\$ -</u>	<u>\$ 939,211.06</u>	<u>\$ (948,724.72) \$ 343,132.02</u>

Analysis of Miscellaneous Revenues:

Account Receivable Collections	\$ -
Qualified Bond Aid	(4,548,059.50)
Current Year Collections	<u>50,090,232.56</u>
Subtotal	45,542,173.06
Grants Realized - Grant Fund	<u>2,014,751.70</u>
	<u><u>\$ 47,556,924.76</u></u>

SCHEDULE OF 2017 APPROPRIATION RESERVES

	<u>BALANCE DEC. 31, 2017</u>	<u>2017 ENCUMB.</u>	<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
<u>GENERAL GOVERNMENT</u>					
Office of the Mayor					
Salaries and Wages	\$ 15,536.43	\$ 3,165.39	\$ 15,536.43	\$ -	\$ 15,536.43
Other Expenses	10,856.46		14,021.85	5,773.00	8,248.85
City Council					
Salaries and Wages	3.30		3.30	-	3.30
Other Expenses	9,929.05	7,500.00	17,429.05	7,500.00	9,929.05
Office of the Clerk					
Other Expenses	1,967.19	3,908.67	5,875.86	4,109.97	1,765.89
Other Expenses- Legal Advising	15,420.30	2,678.81	18,099.11	9,069.67	9,029.44
Other Expenses- Codification of Ordinances	6,961.05	969.41	7,930.46	969.41	6,961.05
Salaries and Wages- Elections	11,641.16	-	11,641.16	-	11,641.16
Other Expenses- Elections	2,021.92	269.75	2,291.67	269.75	2,021.92
<u>DEPARTMENT OF ADMINISTRATION</u>					
Business Administrator's Office					
Salaries and Wages	3,084.06		3,084.06	-	3,084.06
Other Expenses		84,753.92	84,753.92	84,455.48	298.44
Purchasing				-	
Salaries and Wages	8,061.27		8,061.27	-	8,061.27
Other Expenses	2,533.27	932.00	3,465.27	1,067.68	2,397.59
Personnel and Health Benefits				-	-
Salaries and Wages	35,589.51		35,589.51	1,811.52	33,777.99
Other Expenses	203.14	1,656.27	1,859.41	-	1,859.41
Uniform Construction Code					
Salaries and Wages	7,097.29		7,097.29	-	7,097.29
Other Expenses	44,583.56	5,711.40	50,294.96	7,309.30	42,985.66

SCHEDULE OF 2017 APPROPRIATION RESERVES

	<u>BALANCE DEC. 31, 2017</u>	<u>2017 ENCUMB</u>	<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Corporation Council					
Salaries and Wages	43,989.28	-	43,989.28	-	43,989.28
Other Expenses	7,855.64	5,865.33	13,720.97	6,090.33	7,630.64
Other ExpensesSpecial Council	477,569.90	371,275.09	848,844.99	105,571.63	743,273.36
Other Expenses- Expert Witness & Appraisal	5,000.00	-	5,000.00	-	5,000.00
Revenue and Finance Director					-
Salaries and Wages	43,269.96	-	43,269.96	-	43,269.96
Other Expenses	48,425.52	30,451.79	78,877.31	39,117.64	39,759.67
Tax Collections					
Salaries and Wages	1,804.34		1,804.34	-	1,804.34
Other Expenses	10,145.11	1,144.08	11,289.19	4,644.08	6,645.11
Information Technology					
Salaries and Wages	53,684.48		53,684.48	-	53,684.48
Other Expenses	3,185.00	15,445.72	18,630.72	7,285.72	11,345.00
Municipal Court					
Salaries and Wages	198,125.15		198,125.15	-	198,125.15
Other Expenses	41,905.71	30,773.24	72,678.95	32,856.50	39,822.45
Public Defender					
Other Expenses	3,825.00	5,888.35	9,713.35	5,098.35	4,615.00
<u>OFFICE OF THE TAX ASSESSOR</u>					
Salaries and Wages	594.77		594.77	-	594.77
Other Expenses	74,954.32	49,438.29	124,392.61	53,475.79	70,916.82
<u>DEPARTMENT OF HUMAN SERVICES</u>					
Director's Office					
Salaries and Wages	11,509.37		11,509.37	-	11,509.37
Other Expenses	5,521.50	2,581.74	8,103.24	2,581.74	5,521.50
Rent Leveling					
Salaries and Wages	4,411.94		4,411.94	-	4,411.94
Other Expenses	2,589.75	9,104.55	11,694.30	1,440.93	10,253.37

SCHEDULE OF 2017 APPROPRIATION RESERVES

	<u>BALANCE DEC. 31, 2017</u>	<u>2017 ENCUMB</u>	<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Housing Inspections					
Salaries and Wages	48,548.04		48,548.04	-	48,548.04
Other Expenses	916.00		916.00	-	916.00
Health					
Salaries and Wages	8,019.74		8,019.74	-	8,019.74
Other Expenses	20,996.85	20,243.69	41,240.54	29,284.85	11,955.69
Senior Citizens					
Salaries and Wages	17,212.34		17,212.34	-	17,212.34
Other Expenses	115.91	1,080.06	1,195.97	1,164.05	31.92
Recreational and Cultural Affairs					
Salaries and Wages	7,654.96		7,654.96	-	7,654.96
Other Expenses	8,292.18		8,292.18	125.52	8,166.66
Cultural Affairs					
Salaries and Wages	384.42		384.42	-	384.42
<u>DEPARTMENT OF ENVIRONMENTAL SERVICES</u>					
Director's Office					
Salaries and Wages	11,480.59		11,480.59	-	11,480.59
Other Expenses	2,621.95	190.00	2,811.95	719.38	2,092.57
<u>PARKS AND REC FUNCTIONS</u>					
Parks					
Salaries and Wages	201,599.54		201,599.54	-	201,599.54
Other Expenses	4,610.84	5,565.28	10,176.12	10,130.14	45.98
Division of Public Property					
Salaries and Wages	65,877.61		65,877.61	-	65,877.61
Other Expenses	10.81	34,010.70	34,021.51	32,260.14	1,761.37
Streets and Roads					
Salaries and Wages	70,526.74		70,526.74	4,265.64	66,261.10
Other Expenses	99,238.27	23,033.31	122,271.58	54,118.23	68,153.35

SCHEDULE OF 2017 APPROPRIATION RESERVES

	<u>BALANCE DEC. 31, 2017</u>	<u>2017 ENCUMB.</u>	<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Municipal Prosecutor					
Other Expenses	13,730.00	8,962.50	22,692.50	3,362.50	19,330.00
Central Garage					
Salaries and Wages	16,614.89		16,614.89	-	16,614.89
Other Expenses	13,137.14	78,576.77	91,713.91	79,376.75	12,337.16
Sanitation					
Salaries and Wages	24,716.81		24,716.81	-	24,716.81
Other Expenses	199,714.13	438,818.73	638,532.86	638,382.91	149.95
Shade Tree Commission					
Other Expenses	303.24		303.24	260.95	42.29

DEPARTEMENT OF COMMUNITY DEVELOPMENT

Director's Office					
Salaries and Wages	21,854.29		21,854.29	(3,998.46)	25,852.75
Other Expenses	378.12	2,203.26	2,581.38	2,203.26	378.12
Grants Management					
Other Expenses		3,337.00	3,337.00	3,337.00	-
Zoning Administration					
Salaries and Wages	1,000.95		1,000.95	-	1,000.95
Other Expenses	207.21	50.00	257.21	50.00	207.21
Planning Board					
Salaries and Wages	1,858.37		1,858.37	-	1,858.37
Other Expenses	47,766.70	1,864.16	49,630.86	10,524.09	39,106.77
Zoning Board of Adjustment					
Other Expenses	46,187.56	308.88	46,496.44	11,415.76	35,080.68
Redevelopment					
Other Expenses	151,792.18	270,457.54	422,249.72	104,192.31	318,057.41
Historical Preservation Committee					
Other Expenses	575.32	12,596.66	13,171.98	2,544.66	10,627.32

SCHEDULE OF 2017 APPROPRIATION RESERVES

	<u>BALANCE DEC. 31, 2017</u>	<u>2017 ENCUMB.</u>	<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
<u>DEPARTMENT OF PUBLIC SAFETY</u>					
Police					
Salaries and Wages	447,049.95		447,049.95	60,000.00	387,049.95
Other Expenses	170,368.34	66,875.25	237,243.59	74,668.06	162,575.53
Fire					
Salaries and Wages	478,265.21		478,265.21	469,145.33	9,119.88
Other Expenses	38,905.78	67,521.44	106,427.22	67,006.73	39,420.49
Office of Emergency Management					
Salaries and Wages	20,467.10		20,467.10	-	20,467.10
Other Expenses	1,263.06	2,762.05	4,025.11	3,681.01	344.10
Insurance					
General Liability	404,324.38	32,400.00	336,724.38	268,590.50	68,133.88
Worker's Compensation	539,010.43	438.00	539,448.43	121,063.56	418,384.87
Employee Group Health	1,112,527.74	486,214.15	1,598,741.89	1,466,007.27	132,734.62
<u>UNCLASSIFIED</u>					
Alcoholic Beverage Control Board					
Salaries and Wages	120.08		120.08	-	120.08
Other Expenses	2,024.98	1.04	2,026.02	126.19	1,899.83
North Hudson Region Council of Mayors					
Other Expenses	0.40		0.40	-	0.40
Settlement of Claims Against the City	5,000.00		105,000.00	105,000.00	-
Towing/Storage of Abandoned Vehicles	7,500.00		7,500.00	-	7,500.00
Engineering	78,194.49	131,627.25	209,821.74	136,694.97	73,126.77
Labor Arbitrations	7,787.50	1,275.00	9,062.50	1,775.00	7,287.50
Municipal Dues and Memberships	440.00		440.00	-	440.00
Celebration of Public Events	1,675.00		1,675.00	-	1,675.00
Postage	41,200.12	708.54	41,908.66	708.54	41,200.12
Copiers/ Printers	27,490.00	130.21	27,620.21	953.73	26,666.48
PILOT Payments to Hudson County	95,947.26		95,947.26	90,011.42	5,935.84

SCHEDULE OF 2017 APPROPRIATION RESERVES

	BALANCE DEC. 31, 2017	2017 ENCUMB.	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Stationary and Office Supplies	9,482.80	4,408.24	13,891.04	7,986.92	5,904.12
Utilities:					
Electricity	85,700.07		85,700.07	81,569.50	4,130.57
Street Lighting	150,760.89		150,760.89	142,413.87	8,347.02
Gas (Natural)	48,434.65		48,434.65	23,361.42	25,073.23
Gasoline	55,735.32		54,735.32	17,344.91	37,390.41
Water and Sewer	4,308.13		4,308.13	140.75	4,167.38
Communications	15,145.29	17,058.52	33,203.81	32,455.70	748.11
Salary Adjustments	100.00		100.00	-	100.00
Master Plan		78,000.00	78,000.00	78,000.00	-
Anticipated Terminal Leave Appropriation	180,094.07		180,094.07	-	180,094.07
Total Operations Within "CAPS"	<u>6,351,122.44</u>	<u>2,424,232.03</u>	<u>8,775,354.47</u>	<u>4,612,923.55</u>	<u>4,162,430.92</u>
<u>STATUTORY EXPENDITURES</u>					
Contribution to:					
Social Security System (O.A.S.I.)	11,520.96		11,520.96	9,744.85	1,776.11
Consolidated Police and Firemen's Pension Fund	9,496.36		9,496.36	68.66	9,427.70
Unemployment Compensation	26,739.96		26,739.96	1,739.96	25,000.00
Police and Fireman's Retirement System	0.61		0.61	-	0.61
Public Employees Retirement System	73,976.58		73,976.58	28,993.75	44,982.83
DCRP	54,877.86		54,877.86	1,600.14	53,277.72
Total Deferred Charges and Statutory Expenditures					
Municipal Within "CAPS"	<u>176,612.33</u>	<u>-</u>	<u>176,612.33</u>	<u>42,147.36</u>	<u>134,464.97</u>
Total Operations within "CAPS"	<u>6,527,734.77</u>	<u>2,424,232.03</u>	<u>8,951,966.80</u>	<u>4,655,070.91</u>	<u>4,296,895.89</u>
<u>PUBLIC AND PRIVATE PROGRAM OFFSET BY REVENUES</u>					
Matching Funds for Grants	<u>32,748.00</u>	<u>-</u>	<u>32,748.00</u>	<u>-</u>	<u>32,748.00</u>
Total Public and Private Program Offset by Revenues	<u>32,748.00</u>	<u>-</u>	<u>32,748.00</u>	<u>-</u>	<u>32,748.00</u>

SCHEDULE OF 2017 APPROPRIATION RESERVES

	<u>BALANCE DEC. 31, 2017</u>	<u>2017 ENCUMB</u>	<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Total Operations Excluded from "CAPS"	<u>32,748.00</u>	<u>-</u>	<u>32,748.00</u>	<u>-</u>	<u>32,748.00</u>
Detail:					
Salaries and Wages	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Expenses	<u>-</u>	<u>-</u>	<u>32,748.00</u>	<u>-</u>	<u>32,748.00</u>
CAPITAL IMPROVEMENTS- EXCLUDED FROM "CAPS"					
Computer Technology Updates	<u>3,984.46</u>	<u>5,956.30</u>	<u>9,940.76</u>	<u>5,956.30</u>	<u>3,984.46</u>
Total Capital Improvements Excluded From "CAPS"	<u>3,984.46</u>	<u>5,956.30</u>	<u>9,940.76</u>	<u>5,956.30</u>	<u>3,984.46</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>36,732.46</u>	<u>5,956.30</u>	<u>42,688.76</u>	<u>5,956.30</u>	<u>36,732.46</u>
Subtotal General Appropriations	<u>6,564,467.23</u>	<u>2,430,188.33</u>	<u>8,994,655.56</u>	<u>4,661,027.21</u>	<u>4,333,628.35</u>
Total General Appropriations	<u>\$ 6,564,467.23</u>	<u>\$ 2,430,188.33</u>	<u>\$ 8,994,655.56</u>	<u>\$ 4,661,027.21</u>	<u>\$ 4,333,628.35</u>
	Ref	A *	A *		A
Appropriation Reserves				<u>\$ 6,564,467.23</u>	
Reserve for Encumbrances				<u>2,430,188.33</u>	
				<u>\$ 8,994,655.56</u>	
Disbursed				<u>\$ 4,576,735.83</u>	
Accounts Payable				<u>84,291.38</u>	
				<u>\$ 4,661,027.21</u>	

CURRENT FUND
SCHEDULE OF PROPERTY TAX OVERPAYMENTS

		Total	Current Taxes	Current Taxes	Prior Years
	<u>Ref</u>				
Balance - 12/31/2017.....	A	\$ 778,056.35	\$ -		778,056.35
Cash Receipts.....		846,601.88		846,601.88	
Overpayments Canceled.....		-	-		
Cash Payments - Refunds.....		<u>(1,363,826.27)</u>	<u>(585,769.92)</u>	<u>(778,056.35)</u>	
Balance - 12/31/2018.....	A	<u>\$ 260,831.96</u>	<u>\$ 260,831.96</u>		-

**CURRENT FUND
SCHEDULE OF TAXES PAYABLE**

	12/31/2017	Taxes Levied	Cash Disbursements	12/31/2018
County - General.....	\$ -	\$ 75,264,771.43	(75,264,771.43)	\$ -
County - Open Space.....	-	1,701,639.43	(1,701,639.43)	-
County - Added & Omitted.....	1,116,273.37	835,314.26	(1,116,273.37)	835,314.26
Local School District Taxes.....	-	44,064,809.00	(44,064,809.00)	-
Municipal Open Space Tax.....	-	2,330,681.00	(2,330,681.00)	-
Total.....	<u>\$ 1,116,273.37</u>	<u>\$ 124,197,215.12</u>	<u>\$ (124,478,174.23)</u>	<u>\$ 835,314.26</u>

Ref.

A

A

CURRENT FUND
SCHEDULE OF CHANGES IN VARIOUS ACCOUNTS PAYABLES & RESERVES

		12/31/2017	Transfer from/(to)	Cash Receipts	Cash Disbursements	12/31/2018
Ref.						
Accounts Payable:						
Vendor Accounts Payable.....		\$ 173,078.02	\$ 460,357.38		\$ (283,644.02)	\$ 349,791.38
Subtotal	A	173,078.02	460,357.38	-	(283,644.02)	349,791.38
Reserve for:						
Tax Appeals.....		2,860,824.46	700,000.00		(167,314.98)	3,393,509.48
Retroactive Pay.....		1,034,716.30	1,740,000.00		(428,123.61)	2,346,592.69
PILOT County Share.....		56.00				56.00
FEMA Fire Apparatus.....		-				-
Hurricane Sandy Expenditures.....		185,593.70				185,593.70
PERS/PFRS Payments.....		735,137.19	225,000.00			960,137.19
Prepaid PILOTs.....		93,005.07		16,973.28	(93,005.07)	16,973.28
Security Deposit - Sinatra Park Café.....		15,300.00				15,300.00
Revaluation.....		-				-
Subtotal	A	4,924,632.72	2,665,000.00	16,973.28	(688,443.66)	6,918,162.34
Total.....		\$ 5,097,710.74	\$ 3,125,357.38	\$ 16,973.28	\$ (972,087.68)	\$ 7,267,953.72

**CURRENT FUND
SCHEDULE OF INTERFUNDS**

	Balance, <u>December 31,</u> <u>2017</u>	Cash Receipts/ <u>(Disbursements)</u>	Balance, <u>December 31,</u> <u>2018</u>
Interfunds:			
Grant Fund	\$ -	\$ (28,545.00)	\$ 28,545.00
Animal Control Trust Fund	(7,901.00)		(10,358.80)
Payroll/Payroll Agency	-		(5,107.40)
Flexible Spending Trust	(1,617.56)	1,617.56	-
Parking Utility Operating Fund	-	100,000.00	100,000.00
Total	\$ (9,518.56)	\$ 73,072.56	\$ 13,078.80
			\$ 76,632.80
Ref.			
Detail:			
Interfunds Receivable ()	A \$ (9,518.56)		\$ (23,367.20) ✓
Interfunds Payable	A -		100,000.00 ✓
Total	\$ (9,518.56)		\$ 76,632.80

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
STATE AND FEDERAL GRANTS FUND

<u>PROGRAM</u>	BALANCE DEC. 31, <u>2017</u>	2018 BUDGET REVENUE	FROM UNAPPROP. GRANTS	CASH RECEIPTS	BALANCE DEC. 31, <u>2018</u>
NJEDA Hazardous Site Remediation	\$ 29,387.00	\$ 1,370.40	\$	\$	\$ 29,387.00
Hudson County Open Space 1600 Park Ave					1,370.40
Hoboken 911 Memorial on Pier	250,000.00				250,000.00
US Soccer Foundation - 2011 Planning Grant	8,000.00				8,000.00
Port Authority Security Grant	77,724.63				77,724.63
Justice Assistance Grant	104.08				104.08
Pedestrian Safety Highway Grant	9,200.00				9,200.00
US Soccer Foundation - Synthetic Field 1600 Park	60,000.00				60,000.00
Cert Community Emergency Response Team	1,000.00				1,000.00
NJ DOT 2014 Transportation Enhancement, Redesign o	118,000.00				118,000.00
NJ Historic Trust Grant	37,500.00		31,575.75		5,924.25
NJ Energy Allocation Initiative - 2013	142,080.00		142,080.00		-
NJ Energy Allocation Initiative - 2013	107,920.00		49,344.40		58,575.60
Recreation Opportunities for Individuals with Special Ne	2,115.00				2,115.00
Hudson County Open Space - 2013 Allotment - Cove Bo	9,889.66				9,889.66
Seniors/Home Support Adults	21,661.00				21,661.00
Post-Sandy Planning Assistance	4,355.40				4,355.40
NJ DOT Various Streets	100,155.00		100,155.00		-
Summer Food Program	9,145.97				9,145.97
Post-Sandy Planning Assistance Grant	58,501.75				58,501.75
Drive Sober or Get Pulled Over	1,350.00				1,350.00
Police Hazard Mitigation	132,854.00				132,854.00
Hoboken Cove Park & Boathouse Improvements	500,000.00				500,000.00
Summer Food Program	26,450.60				26,450.60
Comp Program for the Elderly	38,468.09				38,468.09
Forestry Grant	3,000.00				3,000.00

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
STATE AND FEDERAL GRANTS FUND

<u>PROGRAM</u>	<u>BALANCE DEC. 31, 2017</u>	<u>2018 BUDGET REVENUE</u>	<u>FROM UNAPPROP. GRANTS</u>	<u>CASH RECEIPTS</u>	<u>BALANCE DEC. 31, 2018</u>
Municipal Alliance - 2016	1.27				1.27
NJ DOT Roadway Program - Washington Street 2016	226,015.00				226,015.00
Summer Food Program - 2016	11,594.50				11,594.50
Hudson County Historic Preservation - 2016	350,000.00				350,000.00
NJ Historic Trust Grant - 2016	150,000.00				150,000.00
Bulletproof Vest Grant - 2016	12,067.95			1,829.00	10,238.95
Aging and Disability Grant - 2016	2.00				2.00
Drive Sober or Get Pulled Over 2016 Holiday Crackdown	1,800.00				1,800.00
Sustainable NJ - 2017	15,000.00				15,000.00
Municipal Alliance on Alcohol and Drug Abuse - 2017	43,200.00			43,200.00	-
Homeland Security Port Security Grant - 2017	107,727.41			19,013.58	88,713.83
NJ Council on the Arts - 2017	887.61				887.61
Home Support & Adult Day Care - 2017	31,136.70			26,907.66	4,229.04
Hudson City Historical Partnership - 2017	1,750.00			1,750.00	-
NJ DOT Pedestrian Crossing Improvement - 2017	434,663.00				434,663.00
Summer Food Program - 2017	17,695.37				17,695.37
NJ Public Board of Utilities - 2017	157,000.00				157,000.00
Drive Sober or Get Pulled Over/Labor Day - 2017	440.00				440.00
NJ DOT Newark Street Green St. Improvements - 2017	451,000.00				451,000.00
Homeland Security (DHS) Federal Emergency - Fire SA	667,539.00			89,443.60	578,095.40
Pedestrian Safety - 2017	18,000.00			14,470.00	3,530.00
Bullet Proof Vest - 2017	10,224.93				10,224.93
Assist 4 Firefighters (FEMA) - 2017	52,528.00			52,528.00	-
Drive Sober or Get Pulled Over -2017	5,500.00			3,795.00	1,705.00
Recycling Tonnage Grant		38,829.93	38,829.83		0.10
Drunk Driving Enforcement Fund		8,736.85		8,736.85	-
NJ DOT FY 2018 Aid to Various Streets		1,032,700.00			1,032,700.00

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
STATE AND FEDERAL GRANTS FUND

<u>PROGRAM</u>	BALANCE DEC. 31, <u>2017</u>	2018 BUDGET	FROM UNAPPROP. <u>GRANTS</u>	CASH <u>RECEIPTS</u>	BALANCE DEC. 31, <u>2018</u>
Local Arts Project	-	-	-	-	-
Office of Aging Disability	123,176.00			80,266.08	42,909.92
Municipal Alliance	43,200.00				43,200.00
NJ Urban & Community Forestry Stewardship Grant	30,000.00				30,000.00
Madison Street Park Improvement	500,000.00				500,000.00
2018 Year End Holiday Crackdown	5,500.00				5,500.00
Summer Food Program	84,763.55			79,545.51	5,218.04
Division of Travel and tourism	12,450.00			9,337.50	3,112.50
Historic Preservation Grant Firehouse	37,500.00				37,500.00
Hud City Off Cult Herit Affairs	2,000.00			2,000.00	-
Municipal Court DWI	2,123.74			2,123.74	-
Clean Community Grant	86,271.63			86,271.63	-
Hudson City History Partnership Prog	4,500.00			3,375.00	1,125.00
NJ Community Forrestry Program	3,000.00				3,000.00
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 4,516,005.32	\$ 2,014,751.70	\$ 38,829.83	\$ 848,635.91	\$ 5,643,291.28

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SCHEDULE OF RESERVE FOR STATE AND
FEDERAL GRANTS - APPROPRIATED

<u>PROGRAM</u>	<u>BALANCE DEC. 31, 2017</u>	<u>TRANSFERRED FROM 2018 BUDGET</u>	<u>12/31/17 ENCUMBRANCE</u>	<u>PAID OR CHARGED</u>	<u>12/31/18 ENCUMBRANCE</u>	<u>BALANCE DEC. 31, 2018</u>
NJ DOT 2010 Aid Program Various Streets	\$ 3,679.36					\$ 3,679.36
NJEDA Hazardous Site Remediation	374.50					374.50
Clean Communities - 2010	1,635.84					1,635.84
Hepatitis B	4,705.00					4,705.00
Hoboken 911 Memorial on Pier	206,213.97					206,213.97
Cultural Affairs Studio Tour/Concert	2,650.00					2,650.00
FEMA Grant - Fire Apparatus	435.63					435.63
NJ DOT - 2010 Hudson Place Funding	31,553.00					31,553.00
US Soccer Foundation - 2011 Planning Grant	8,000.00					8,000.00
Recycling Tonnage - 2011	23,921.67					23,921.67
Bike Corrals	519.15					519.15
Clean Communities - 2012	2,815.00			1,095.00		1,720.00
Municipal Alliance - Grant (2012)	20.53					20.53
Municipal Alliance - Grant (2012) - Match	2,240.15					2,240.15
Sustainable Jersey Grant	72.50					72.50
Port Authority Security Grant	77,682.63					77,682.63
Firefighters Assistance Grant	3,380.68					3,380.68
Firefighters Assistance Grant - Match	3,678.00					3,678.00
Pedestrian Safety Highway Grant	7,600.00					7,600.00
Firefighters Assistance Grant	4,269.80					4,269.80
Municipal Alliance - Grant (2013)	6,779.50					6,779.50
Municipal Alliance - Grant (2013) - Match	328.53					328.53
Cultural Affairs Marketing Program	15,750.00					15,750.00
Cert. Community Emergency Response Team	615.00					615.00
Junior Tennis Foundation - 2013	203.90					203.90
NJ DOT - 2013 Transportation Enhancement, Redesign of Newark Street	118,000.00					118,000.00
NJ Historic Trust Grant	1,250.00		89.75		89.75	1,250.00
Historic Trust Grant - Match	-		8,607.25		8,607.25	-
Dept of Homeland Security - FY12 Firefighters Assistance	6,412.00					6,412.00
Firefighters Assistance Grant - Match	1,603.00					1,603.00
Dept of Environmental Protection: CSIP Tree Pruning Grant	50.00					50.00
NJ Energy Allocation Initiative - 2013	250,000.00					250,000.00
Recycling Tonnage Grant - 2011	82,998.00					82,998.00
Recreation Opportunities for Individuals with Special Needs	3,047.12					3,047.12
ROID Grant - Match	2,400.00					2,400.00
Hudson County Open Space - 2013 Allotment - Cove Boathouse	9,140.62					9,140.62
Post-Sandy Commercial Revit. Project	46,000.00					46,000.00
Arbor Day Grant	194.11					194.11
Post-Sandy Planning Assistance Grant	1,093.00		3,181.60			4,274.60
Municipal Alliance - Grant (2014)	19,420.00					19,420.00
Municipal Alliance - Grant (2014) - Match	2,655.00					2,655.00

SCHEDULE OF RESERVE FOR STATE AND
FEDERAL GRANTS - APPROPRIATED

<u>PROGRAM</u>	<u>BALANCE</u>	<u>TRANSFERRED</u>				<u>BALANCE</u>
	<u>DEC. 31,</u>	<u>FROM 2018</u>	<u>12/31/17</u>	<u>PAID OR</u>	<u>12/31/18</u>	<u>DEC. 31,</u>
	<u>2017</u>	<u>BUDGET</u>	<u>ENCUMBRANCE</u>	<u>CHARGED</u>	<u>ENCUMBRANCE</u>	<u>2018</u>
Municipal Alliance ~ Grant (2015) - Match	6,604.66					6,604.66
NJ DOT Various Streets	400,620.00					400,620.00
Summer Food Program	14,161.36					14,161.36
Post-Sandy Planning Assistance Grant	50,000.00					50,000.00
Post-Sandy Commercial Revit. Project - 2014	47,329.59					47,329.59
Recreation Opportunities for Individuals with Special Needs - Match	5,000.00					5,000.00
Drive Sober or Get Pulled Over	7,500.00					7,500.00
Hoboken Cove Park & Boathouse Improvements	750,000.00					750,000.00
Dept of Environmental Protection: Rain Garden Grant	10,000.00					10,000.00
Alcohol Education and Rehab Grant	2,801.45		325.00	3,126.45		-
Recycling Tonnage Grant - 2015	24,082.86			24,082.86		-
Clean Communities - 2015	57.85		2,335.00		2,335.00	57.85
Summer Food Service Program - 2015	27,065.16					27,065.16
Municipal Alliance - Grant (2015)	77.67		4,860.00		4,860.00	77.67
Municipal Alliance - Grant (2015) - Match	115.31		580.00		580.00	115.31
Byrne Justice Assistance Grant - 2015	6.00					6.00
Community Forestry Management Grant - 2015	3,000.00					3,000.00
Community Forestry Management Grant - 2015Match	3,000.00					3,000.00
Drive Sober or Get Pulled Over - 2015	50.90					50.90
Recycling Tonnage - 2013	73,936.44			54,936.44	19,000.00	-
Drunk Driving Enforcement Trust Fund 2016	53,553.33			10,213.84	7,744.91	35,594.58
Local Arts Grant Program 2016	4,488.00					4,488.00
Municipal Alliance - Grant (2016)	61.27					61.27
Municipal Alliance - Grant (2016) - Match	-		200.26	200.26		-
Clean Communities - 2016	10,447.17			10,447.17		-
NJ DOT Roadway Program - Washington Street - 2016	-		447,030.00		447,030.00	-
Summer Food Program - 2016	19,112.41					19,112.41
Body Armor Fund - 2016			9,066.54	9,066.54		-
Hudson County Historic Preservation - 2016	59,370.00		290,630.00	95,980.41	184,802.81	69,216.78
NJ Historic Trust Grant - 2016	150,000.00					150,000.00
Bulletproof Vest Grant - 2016	15,190.24		1,907.46	2,821.96		14,275.74
Aging and Disability Grant - 2016	2.00					2.00
Sustainable Jersey Solar Challenge - 2016	449.40		900.00		900.00	449.40
Drive Sober or Get Pulled Over - 2016 - Holiday Crackdown	1,800.00					1,800.00
Sustainable NJ - 2017	30,000.00			29,630.00		370.00
Municipal Alliance on Alcohol and Drug Abuse - 2017	38,200.00		5,000.00	43,177.37		22.63
Municipal Alliance on Alcohol and Drug Abuse - 2017 - Match	6,753.89		580.00	7,325.86		8.03
Homeland Security Port Security Grant - 2017	132,998.79		12,480.95	34,262.10	666.75	110,550.89
Homeland Security Port Security Grant - 2017 - Match	40,764.60		4,160.32	5,445.39	222.25	39,257.28
Housing Inspection Program - 2017	2,247.00					-
NJ Council on the Arts - 2017	3,550.46					3,550.46
Home Support & Adult Day Care - 2017	30,706.00			26,476.96		4,229.04

SCHEDULE OF RESERVE FOR STATE AND
FEDERAL GRANTS - APPROPRIATED

<u>PROGRAM</u>	<u>BALANCE DEC. 31, 2017</u>	<u>TRANSFERRED FROM 2018 BUDGET</u>	<u>12/31/17 ENCUMBRANCE</u>	<u>PAID OR CHARGED</u>	<u>12/31/18 ENCUMBRANCE</u>	<u>CANCELED</u>	<u>BALANCE DEC. 31, 2018</u>
Hudson City Historical Partnership - 2017	5,150.00						5,150.00
Clean Communities Program - 2017	73,777.56		3,009.70	73,183.20			3,604.06
Recycling Tonnage Grant - 2017	73,840.44			73,840.44			-
NJ DOT Pedestrian Crossing Improvement - 2017	434,663.00						434,663.00
Cities of Service - 2017	13,157.94		3,211.25	14,050.01			2,319.18
Public Entity Grant Program - 2017	10,494.00						10,494.00
Summer Food Program - 2017	16,067.62		6,857.25	1,068.28			21,856.59
NJ Publ Board of Utilities - 2017	-		157,000.00	144,000.00	13,000.00		-
Drive Sober or Get Pulled Over/Labor Day - 2017	440.00						440.00
NJ DOT Newark Street Green St. Improvements - 2017	451,000.00						451,000.00
Homeland Security (DHS) Federal Emergency - Fire SAFER - 2017	667,539.00			89,443.60			578,095.40
Body Armor Fund - 2017	11,426.93			2,743.50		5,487.00	3,196.43
Pedestrian Safety - 2017	17,500.00		500.00	14,470.00			3,530.00
Bullet Proof Vest - 2017	10,224.93						10,224.93
Assist 4 Firefighters (FEMA) - 2017	50,188.00		2,340.00	52,528.00			-
Assist 4 Firefighters (FEMA) - 2017 - Match	4,992.00		260.00	5,252.00			-
Drive Sober or Get Pulled Over -2017	5,500.00			3,795.00			1,705.00
Recycling Tonnage Grant	38,829.93						38,829.93
Drunk Driving Enforcement Fund	8,736.85						8,736.85
NJ DOT FY 2018 Aid to Various Streets	1,032,700.00						1,032,700.00
Local Arts Project							-
Office of Aging Disability	123,176.00			63,578.86			59,597.14
Municipal Alliance	43,200.00						43,200.00
Municipal Alliance - Match	10,800.00			3,700.85	200.00		6,899.15
NJ Urban & Community Forestry Stewardship Grant	30,000.00						30,000.00
Madison Street Park Improvement	500,000.00				500,000.00		-
2018 Year End Holiday Crackdown	5,500.00						5,500.00
Summer Food Program	84,763.55			59,672.88	2,233.00		22,857.67
Division of Travel and Tourism	12,450.00			12,450.00			-
Historic Preservation Grant Firehouse	55,245.00						55,245.00
Hud City Off Cult Herit Affairs	2,000.00						2,000.00
Municipal Court DWI	2,123.74			1,823.74			300.00
Clean Community Grant	86,271.63			21,843.80	1,784.00		62,643.83
Hudson City History Partnership Prog	4,500.00			1,406.66			3,093.34
NJ Community Forestry Program	3,000.00						3,000.00
	<u>\$ 4,824,452.42</u>	<u>\$ 2,043,296.70</u>	<u>\$ 965,112.33</u>	<u>\$ 997,139.43</u>	<u>\$ 1,199,542.72</u>	<u>\$ 2,247.00</u>	<u>\$ 5,633,932.30</u>

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SCHEDULE OF RESERVE FOR STATE AND
FEDERAL GRANTS - UNAPPROPRIATED

<u>Grant</u>	Transferred			<u>Balance</u> <u>Dec. 31, 2018</u>
	<u>to</u>	<u>Grants Receivable</u>	<u>Receipts</u>	
Recycling Tonnage Grant	\$ 38,829.83	\$ 5,400.00	\$ 38,829.83	\$ 5,400.00
	<u>\$ 38,829.83</u>	<u>\$ 5,400.00</u>	<u>\$ 38,829.83</u>	<u>\$ 5,400.00</u>

Ref. A

TRUST FUND

CITY OF HOBOKENScheduled of Cash and Reserve Activity

	<u>Balance</u> <u>December 31, 2017</u>	<u>Cash</u>	<u>Cash</u>		<u>Balance</u> <u>December 31, 2018</u>
		<u>Receipts</u>	<u>Disbursements</u>	<u>Adjustments</u>	
Animal Control:					
Due (from)/to Current Fund	\$ 7,901.00	-		\$ 10,358.80	\$ 18,259.80
Due NJ - State License Fees	360.00	\$ 1,582.60	(1,766.80)		175.80
Animal Control Reserves	<u>18,352.00</u>	<u>8,504.40</u>		<u>(10,358.80)</u>	<u>16,497.60</u>
Total	26,613.00	10,087.00	(1,766.80)		34,933.20
Trust - Other Funds:					
Escrow Funds and Reserves	18,092,517.54	31,764,443.25	(29,859,149.92)		19,997,810.87
Due from section 8	-	-	(50,000.00)	-	(50,000.00)
Due (from)/to Current Fund	-	-	-	-	-
Open Space Notes Rec. - General Cap.	(730,000.00)	730,000.00	(2,240,000.00)	-	(2,240,000.00)
Due to State of N.J.	<u>105,133.00</u>	<u>192,160.00</u>	<u>(208,996.00)</u>		<u>88,297.00</u>
Total	17,467,650.54	32,686,603.25	(32,358,145.92)		17,796,107.87
Section 8 - Housing Assistance Program:					
Section 8 Housing Reserve	348,376.92	-	-		348,376.92
Due to Grantor	47,711.00				47,711.00
Due to Trust Other		50,000.00			50,000.00
Due (from)/to Comm. Dev. Grant	<u>340,280.38</u>		<u>(80,859.58)</u>		<u>259,420.80</u>
Total	736,368.30	50,000.00	(80,859.58)		705,508.72
Community Development Block Grant Fund:					
Comm. Dev. Grant Receivable	(2,249,316.20)	424,224.03			(1,825,092.17)
Due from/to Section 8 Program	(340,280.38)	80,859.58			(259,420.80)
Comm. Dev. Prog. Reserve	<u>2,589,596.58</u>	<u>1,075,286.00</u>	<u>(1,580,369.61)</u>		<u>2,084,512.97</u>
Total	-	1,580,369.61	(1,580,369.61)		-
Payroll and Payroll Agency:					
Payroll & Deductions Payable (Net)	525,752.73	70,669,786.25	(70,583,139.23)		612,399.75
Flexible Spending	1,617.56	15,391.26	(9,254.72)		7,754.10
Due (from)/to Current Fund		5,107.40			5,107.40
Total	527,370.29	70,685,177.51	(70,592,393.95)		625,261.25
Total - All Funds	\$ 18,758,002.13	\$ 105,014,791.07	\$ (104,613,535.86)	\$ -	\$ 19,161,811.04

Ref.

B

B

CITY OF HOBOKEN

Schedule of Animal Control Account Balance Calculation
For the year ended December 31, 2018

Footnote: R.S. 4:19-15.11

" there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next proceeding."

<u>Year</u>	<u>Amount</u>
2016	\$ 8,956.00
2017	<u>7,541.60</u>
	<u>\$ 16,497.60</u>
Animal Control Balance - Before Adjustment	\$ 26,856.40
Statutory Excess to Current Fund	<u>(10,358.80)</u>
<u>Ref.</u> B	<u>Animal Control Balance - December 31, 2018</u>
	<u>\$ 16,497.60</u>

CITY OF HOBOKENSchedule of Trust Fund Miscellaneous Reserves

Reserve For:	Balance December 31 <u>2017</u>			Balance December 31 <u>2018</u>		
		<u>Increased</u>	<u>Decreased</u>			
Cultural Affairs Account	\$ 127,321.21	\$ 233,262.00	\$ 262,737.66	\$ 97,845.55		
Police Outside Employment	307,486.79	2,218,313.00	2,141,489.00	384,310.79		
Hoboken PAL	764.46	-	-	764.46		
Sept. 11th Memorial Fund						
Shade Tree Commission	47,458.29	26,775.00	22,825.00	51,408.29		
Unclaimed Bail	41,566.40	1,345.00	-	42,911.40		
Municipal Court Public Defender	8,427.00	2,800.00	-	11,227.00		
Fire Education Fund	232,224.43	86,386.00	67,311.53	251,298.90		
Fire Regular Penalties	125,091.32	15,250.00	-	140,341.32		
Police-LETF	329,520.69	70,910.00	-	400,430.69		
POAA Trust	455,900.44	73,407.16	48,616.10	480,691.50		
POAA Furniture Municipal Court	636.28	-	-	636.28		
Municipal Court-OT-POAA	42,789.54	47,836.10	78,457.30	12,168.34		
POAA Municipal Court	-	780.00	-	780.00		
Tax Collector Premiums	1,083,900.00	696,500.00	1,232,800.00	547,600.00		
St. Patricks Day Parade	130.00	-	-	130.00		
Bike Rack Donations	6,025.00	-	-	6,025.00		
Open Space	8,989,692.51	2,657,248.39	387,029.87	11,259,911.03		
Municipal Open Space - Rental Fees	162,404.18	116,611.50	38,462.12	240,553.56		
Escrow	1,774,611.17	1,103,878.59	821,166.28	2,057,323.48		
Developers Escrow	(1,389.83)	1,389.83	-	-		
Law Enforcement	36,158.02	22,645.85	15,431.06	43,392.81		
O&M Fund	12,319.75	-	4,745.20	7,574.55		
O&M Fund-Hoboken South Waterfront	1,312,100.37	-	171,992.11	1,140,108.26		
O&M Fund-W Hotel	626,458.23	-	-	626,458.23		
OEP-Washington Street Re-Design(T&M)	90,147.29	1,156,591.00	1,213,182.17	33,556.12		
OEP Rebuild by design Project	-	67,200.00	59,400.00	7,800.00		
North Haledon RCA Escrow	25,003.41	409.71	-	25,413.12		
Hazmat	1,088.12	-	-	1,088.12		
Redevelopment	19,556.38	-	-	19,556.38		
Board Inspection	32,245.00	4,200.00	-	36,445.00		
Collector Of Revenue Redemption Trust	26,691.75	1,140,163.22	1,162,301.72	4,553.25		
Recreation Fees	31,731.37	200,639.50	159,661.96	72,708.91		
City Parks	1,285.17	300.00	1,414.70	170.47		
Hurricane Sandy Donation	1,802.61	-	-	1,802.61		
Green Team	3,068.31	840.00	3,150.00	758.31		
Snow Removal	196,432.14	-	-	196,432.14		
Unemployment Compensation	120,476.03	71,003.16	133,672.48	57,806.71		
Affordable Housing	336,606.57	205,263.55	-	541,870.12		
Reserve Community Resource Account	-	390.69	-	390.69		
Self Insurance Fund	1,484,787.14	21,542,104.00	21,833,323.66	1,193,567.48		
	<u>\$ 18,092,517.54</u>	<u>\$ 31,764,443.25</u>	<u>\$ 29,859,149.92</u>	<u>\$ 19,997,810.87</u>		

Ref.

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GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH AND INVESTMENTS - TREASURERREF.

Balance - December 31, 2017	C	\$	6,713,575.46
Increased by Receipts:			
Deferred Charges - Unfunded - NJEIT Ibank			262,179.00
Deferred Charges - Unfunded - Budget			201,659.00
Serial Bonds Issued			57,413,000.00
Bond Anticipation Notes			2,240,000.00
Capital Improvement Fund			420,000.00
PSEG Land Transaction			<u>2,603,282.54</u>
			<u>63,140,120.54</u>
			69,853,696.00
Decreased by Disbursements:			
Fund Balance			1,064,000.00
Bond Anticipation Notes			45,786,000.00
Improvement Authorizations			20,362,455.20
PSEG Land Transaction			<u>1,301,641.27</u>
			<u>68,514,096.47</u>
Balance - December 31, 2018	C	\$	<u>1,339,599.53</u>

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	BALANCE <u>DEC. 31,2018</u>	BALANCE <u>DEC. 31,2017</u>
Fund Balance	\$ 364.79	\$ 1,064,364.12
Grants Receivable/Reserve	(538,159.00)	(800,338.00)
Capital Improvement Fund	147,327.00	12,327.00
Improvement Authorizations Funded	6,776,734.47	1,961,243.04
Improvement Authorizations Expended - Not Funded	(17,306,311.03)	(23,165,886.74)
Excess BAN Proceeds	153,644.57	3,191,219.84
Reserve for Encumbrances	10,225,753.81	23,872,042.55
Reserve for Hazmat Funds - Due from Grant	17,630.00	17,630.00
Reserve for Green Acres - 1600 Adams Street	200,000.00	200,000.00
Reserve for Payment of BAN's	360,973.65	360,973.65
Reserve for PSEG Land Transaction	<u>1,301,641.27</u>	<u>-</u>
	<u>\$ 1,339,599.53</u>	<u>\$ 6,713,575.46</u>

Ref.

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**SCHEDULE OF DUE FROM VARIOUS GRANTOR AGENCIES
GRANTS AND TEMPORARY LOANS RECEIVABLE
GENERAL CAPITAL FUND**

	Ordinance <u>Number</u>	Balance December 31, 2017	Increases	Decreases	Balance December 31, 2018
Receivables:					
Grants Receivable:					
Port Authority					
Reconstruction of Pier C	DR-326	\$ 1,658,521.00	\$ -	\$ 1,658,521.00	\$ -
New Jersey Dep. of Environmental Protect.					
Reconstruction of Pier C	DR-326	351,000.00		351,000.00	-
Various Improvements to Elysian Park	Z-252	400,000.00			400,000.00
Subtotal Grants Receivable		2,409,521.00		2,009,521.00	400,000.00
NJEIT					
2017 Project Financing					
Acquisition of Property for Open Space	Z-370/Z-441	400,338.00	2,351,418.00	310,914.00	2,440,842.00
Temporary Loans Receivable:					
NJEIT - NJ I-Bank:					
CFP-18-1	B-6/Z-360		7,200,000.00		7,200,000.00
CFP-18-2	B-6/Z-360		4,335,696.00		4,335,696.00
Subtotal Temporary Loans Receivable		400,338.00	13,887,114.00	310,914.00	13,976,538.00
Total Grants and Loans Receivable		\$ 2,809,859.00	\$ 13,887,114.00	\$ 2,320,435.00	\$ 14,376,538.00
	<u>Ref.</u>	C			C
Temporary Notes Receivable			\$ 13,976,538.00		
Deferred Unfunded			(89,424.00)		
			\$ 13,887,114.00		
Improvement Authorizations - Disbursed on behalf Cancelled				\$ 310,914.00	
				2,009,521.00	
				\$ 2,320,435.00	

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

REF.

Balance - December 31, 2017	C	\$ 41,526,299.99
Increased by:		
General Oblig Bonds		<u>57,413,000.00</u>
		<u>57,413,000.00</u>
Decreased by:		
Budget Approp. to Pay Bonds:		98,939,299.99
General Serial Bonds		5,523,000.00
Green Acres Loan Payable		110,803.81
NJ Environmental Infrastructure Loan		<u>622,780.98</u>
		<u>6,256,584.79</u>
Balance - December 31, 2018	C	<u>\$ 92,682,715.20</u>

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION
UNFUNDED**

CAP NO.	IMPROVEMENT DESCRIPTION	DATE OF ORDINANCE	BALANCE DEC. 31, 2017	2018 AUTHOR.	2018 FUNDING	BONDS ISSUED	BALANCE DEC. 31, 2018	ANALYSIS OF BALANCE - DEC. 31, 2018			UNEXPENDED BALANCE OF IMPROV. AUTH.
								BOND ANTICIPATION NOTES	TEMPORARY NJEIT LOAN	EXPENDITURES	
General Improvements:											
DR-233	Creation of North Park	04/01/98	\$ 334,500.00		\$ -		\$ 334,500.00			\$334,500.00	
DR-261/388	Bond Ordinance for Tax Overpayment Refunds	06/16/06	241,052.00				241,052.00			241,052.00	
DR-326	Acquisition of Vehicles and Equipment		230.00				230.00			230.00	
DR-326	Acquisition of Vehicles and Equipment	06/16/06	1,484,000.00			1,484,000.00	-		-	-	
Z-18	Reconstruction of Pier C	09/19/07	1,468,494.88		201,659.00		1,266,835.88			1,261,025.88	5,810.00
Z-23	Developer's Share; Reserve for Maxwell Place Walkway	03/04/09	101,730.00				101,730.00			101,730.00	
Z-33	Improvements to 1600 Park Ave & Hoboken Cove	07/01/10	1,309,394.00				69,394.00			69,394.00	
Z-40	Acquisition of Fire Apparatus	09/03/10	554,821.00		34,500.00		530,321.00	410,500.00		-	119,821.00
Z-40	Various Capital Improvements	09/30/10	333,750.00				333,750.00			-	
Z-40	Acquisition of Public Works Garage	09/04/14	14,595,000.00				14,595,000.00			-	
Z-95	Acquisition of Various Parcels of Land	03/16/11	19,000,000.00				19,000,000.00	1,546,000.00		1,181,971.01	16,272,028.99
Z-149	Improvements to Various Parks	03/16/11	1,362,500.00				1,362,500.00			-	
Z-234	Acquisition of Capital Equipment & Completion of Various Capital Improvements	12/21/11	2,667,500.00		11,500.00		2,372,500.00	283,500.00		-	
Z-234	Completion of Capital Improvements to Various Parks and Recreation Facilities	03/20/13	1,080,000.00				1,080,000.00			-	
Z-235	Rehabilitation/Reconstruction of Pier "A"	10/02/13	2,375,000.00				2,375,000.00			-	
Z-248	Acquisition of emergency back-up electrical generators and a high water vehicle	09/03/13	883,750.00				883,750.00			-	
Z-262	Completion of Various Improvements to Elysian Park		200,000.00				200,000.00			200,000.00	
Z-296	Resurfacing of Various Streets and Roads	05/22/15	1,900,000.00				1,900,000.00			-	
Z-299	Resurfacing of Various Streets and Roads	07/10/15	1,710,000.00				1,710,000.00			-	
Z-326	Various Improvements to Stormwater System	12/17/15	3,305,852.00		262,179.00		3,043,673.00			160,336.97	2,883,336.03
Z-360	Rehab and/or Replacement of Water Mains, Completion of Phase I Drainage and Green Infrastructure Imps. and the Completion of Roadway and Traffic Signalization Imps. Enhancements Along Washington Street	07/13/15	9,485,000.00				285,000.00	9,200,000.00		8,786,399.93	413,600.07
Z-361	Various Capital Improvements	07/13/15	2,042,500.00				2,042,500.00			-	
Z-370	Acquisition of Property for Open Space	09/16/15	12,582,919.00		(89,424.00)		12,672,343.00		11,639,861.00	583,773.68	448,708.32
Z-375	Acquisition of Public Safety Communication Equipment	09/16/15	712,500.00				712,500.00			-	
Z-405	Acquisition of Equipment for the Fire Department	03/02/16	665,000.00				665,000.00			-	
Z-416	Milling, Paving and Rehabilitation of Washington Ave	05/04/16	11,400,000.00				11,400,000.00			-	
Z-420	Various Capital Improvements & Acquisition of Various Capital Equipment	06/15/16	3,144,500.00				3,144,500.00			-	
Z-426	Reconstruction of a Meter Chamber & Rehabilitation and/or Replacement of Water Mains	07/06/16	5,250,000.00				5,250,000.00			435,375.00	4,814,625.00
Z-431	Resurfacing of Various Street and Imps to Various Intersections	09/08/16	1,306,000.00				1,306,000.00			-	
Z-441	Supplemental Funding for the Acquisition of Property for Open Space, Construction of Northwest Resiliency Park (BASP) and Construction of Stormwater Management and Flood Control Systems	10/05/16	19,500,000.00				19,500,000.00		17,521,561.00	489,966.17	1,688,472.83
Z-474	Reconstruction Pier A	03/15/17	3,800,000.00				3,800,000.00			-	
Z-497	Rehab/ Replace Various Water Mains	06/21/17	4,009,000.00				4,009,000.00			-	4,009,000.00
Z-498	Vari Capital Equip for Police & Recons City Roads	06/21/17	5,000,000.00				4,009,000.00	991,000.00		-	991,000.00
Z-503	Acquire Real Property for Open Space Expand SW Park and Stormwater Control	06/21/17	4,949,000.00				4,949,000.00			3,617.52	4,945,382.48
Z-523	Acquis of Public Safety Communications Equipment	11/01/17	712,500.00				712,000.00	500.00			500.00
B-5	Completion of Various Capital Improvements	02/21/18	2,090,000.00				2,090,000.00			761,470.83	1,328,529.17
B-6	Rehab/Replace Water Mains and Green Infrastructure (NJEIT)	02/21/18	3,107,481.00				3,107,481.00			1,841,835.06	1,265,645.94
B-47	Compl of Var Capital Improvs and Acquis Var Cap Equip	06/20/18	3,325,000.00				3,325,000.00			1,061,185.98	2,263,814.02
			\$ 139,466,492.88	\$ 8,522,481.00	\$ 410,414.00	\$ 57,413,000.00	\$ 90,165,559.88	\$ 2,240,000.00	\$ 28,961,422.00	\$ 17,444,470.03	\$ 41,519,667.85

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Imp. Auth. Sch. \$ 41,673,312.42

Cash Received	\$ 463,838.00	
Budget Appropriation	36,000.00	
Temporary Notes Receivable	(89,424.00)	
	\$ 410,414.00	
Less: Unexpended Proceeds of BAN's Issued - Ordinance		
Z-23		28,951.83
Z-149		124,692.74
		\$ 153,644.57
		\$ 41,519,667.85

SCHEDULE OF SERIAL BONDS - GENERAL CAPITAL FUND

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES</u>	<u>OF BONDS</u>	<u>INTEREST RATE</u>	<u>BALANCE</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE</u>
			<u>OUTSTANDING - DATE</u>	<u>DEC. 31,2018 AMOUNT</u>		<u>DEC. 31,2017</u>			<u>DEC. 31,2018</u>
Early Retirement Pension									
Refunding Bonds	08/01/03	\$ 7,382,000.00	04/01/19	360,000.00	6.50%	\$ 5,992,442.00	\$ -	\$ 330,000.00	\$ 5,662,442.00
			04/01/20	380,000.00	6.50%				
			04/01/21	440,000.00	6.50%				
			04/01/22	475,000.00	6.50%				
			04/01/23	525,000.00	6.50%				
			04/01/24	580,000.00	6.50%				
			04/01/25	660,000.00	6.50%				
			04/01/26	775,000.00	6.50%				
			04/01/27	217,820.00	7.14%				
			04/01/28	213,756.00	7.14%				
			04/01/29	212,557.00	7.14%				
			04/01/30	209,767.00	7.14%				
			04/01/31	207,099.00	7.14%				
			04/01/32	204,501.00	7.14%				
			04/01/33	201,942.00	7.14%				
Qualified General Improv. Refunding Bonds,									
Tax Exempt Series 2003B	11/01/03	38,325,000.00				4,430,000.00		4,430,000.00	-
Taxable General Obligation									
Bonds - 2013	03/17/15	7,907,000.00	02/01/19	305,000.00	3.000%	7,330,000.00		295,000.00	7,035,000.00
			02/01/20	315,000.00	3.000%				
			02/01/21	325,000.00	3.000%				
			02/01/22	335,000.00	3.000%				
			02/01/23	345,000.00	3.000%				
			02/01/24	360,000.00	3.000%				
			02/01/25	370,000.00	3.000%				
			02/01/26	385,000.00	3.000%				
			02/01/27	400,000.00	3.000%				
			02/01/28	420,000.00	3.000%				
			02/01/29	435,000.00	3.000%				
			02/01/30	450,000.00	3.000%				
			02/01/31	470,000.00	3.000%				
			02/01/32	495,000.00	3.000%				
			02/01/33	520,000.00	3.000%				
			02/01/34	545,000.00	3.125%				
			02/01/35	560,000.00	3.250%				

SCHEDULE OF SERIAL BONDS - GENERAL CAPITAL FUND

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES</u>	<u>OF BONDS</u>	<u>INTEREST RATE</u>	<u>BALANCE DEC. 31,2017</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31,2018</u>
			<u>OUTSTANDING - DATE</u>	<u>DEC. 31,2018 AMOUNT</u>					
General Obligation Bonds - 2017									
	03/13/17	11,273,000.00	02/01/19	645,000.00	2.000%	11,273,000.00		468,000.00	10,805,000.00
			02/01/20	660,000.00	2.250%				
			02/01/21	675,000.00	2.250%				
			02/01/22	690,000.00	2.250%				
			02/01/23	710,000.00	2.250%				
			02/01/24	725,000.00	2.250%				
			02/01/25	750,000.00	2.250%				
			02/01/26	770,000.00	2.250%				
			02/01/27	795,000.00	2.500%				
			02/01/28	820,000.00	3.000%				
			02/01/29	850,000.00	3.000%				
			02/01/30	875,000.00	3.000%				
			02/01/31	905,000.00	3.000%				
			02/01/32	935,000.00	3.000%				
General Obligation Bonds - 2018									
	03/08/18	57,413,000.00	02/01/19	2,373,000.00	2.000%	-	57,413,000.00	-	57,413,000.00
			02/01/20	3,055,000.00	2.000%				
			02/01/21	3,125,000.00	3.000%				
			02/01/22	3,195,000.00	3.000%				
			02/01/23	3,265,000.00	3.000%				
			02/01/24	3,345,000.00	3.000%				
			02/01/25	3,430,000.00	3.000%				
			02/01/26	3,520,000.00	3.000%				
			02/01/27	3,610,000.00	3.000%				
			02/01/28	3,710,000.00	3.000%				
			02/01/29	3,820,000.00	3.000%				
			02/01/30	3,935,000.00	3.000%				
			02/01/31	4,055,000.00	3.000%				
			02/01/32	4,185,000.00	3.000%				
			02/01/32	4,325,000.00	3.000%				
			02/01/32	4,465,000.00	3.000%				
							\$ 29,025,442.00	\$ 57,413,000.00	\$ 5,523,000.00
									\$ 80,915,442.00

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SCHEDULE OF BOND ANTICIPATION NOTES

ORD. NO.	IMPROVEMENT DESCRIPTION	AMOUNT OF ORIGINAL ISSUE	DATE OF ORIGINAL ISSUE					INTEREST RATE	BALANCE DEC. 31, 2017	B.A.N.S ISSUED	DECREASED	BALANCE DEC. 31, 2018
			ISSUE	ISSUE	MATURITY	DATE OF						
DR-388	Various Road Improvements	\$ 850,000.00	09/09/09	03/13/17	03/12/18	3.000%	\$ 434,000.00	\$ -	\$ 434,000.00	\$ -		
DR-388	Various Road Improvements	1,050,000.00	05/22/14	03/13/17	03/12/18	3.000%	1,050,000.00		1,050,000.00			
Z-33	Various Capital Improvements	403,750.00	08/31/10	03/03/17	03/12/18	3.000%	333,750.00		333,750.00			
Z-40	Acquisition of Public Works Garage	15,950,000.00	08/31/10	03/03/17	03/12/18	3.000%	14,595,000.00		14,595,000.00			
Z-30	Repair of Castle Point Park & Sinatra Walk	9,000,000.00	08/07/12	03/03/17	03/12/18	3.000%	-		-			
Z-95	Improvements to Various Parks	1,520,000.00	08/07/12	03/03/17	03/12/18	3.000%	1,362,500.00		1,362,500.00			
Z-149	Acquisition of Capital Equipment & Completion of Various Capital Improvements	1,480,000.00	08/07/12	03/03/17	03/12/18	3.000%	1,277,557.00		1,277,557.00			
Z-149	Acquisition of Capital Equipment & Completion of Various Capital Improvements	1,094,943.00	05/22/14	03/03/17	03/12/18	3.000%	1,094,943.00		1,094,943.00			
Z-18	Improvements to 1600 Park Ave & Hoboken	1,500,000.00	07/01/10	03/03/17	03/12/18	3.000%	1,240,000.00		1,240,000.00			
Z-30	Repair of Castle Point Park & Sinatra Walk	3,000,000.00	07/01/10	03/03/17	03/12/18	3.000%	-		-			
Z-248	Acquisition of emergency back-up electrical generators and a high water vehicle	916,750.00	05/22/14	03/03/17	03/12/18	3.000%	883,750.00		883,750.00			
Z-234	Completion of Capital Improvements to Various Parks and Recreation Facilities	1,140,000.00	05/22/14	03/03/17	03/12/18	3.000%	1,080,000.00		1,080,000.00			
Z-235	Rehabilitation/Reconstruction of Pier "A"	2,375,000.00	03/03/15	03/13/17	03/12/18	3.000%	2,375,000.00		2,375,000.00			
Z-296	Resurfacing of Various Streets and Roads	1,900,000.00	03/03/15	03/13/17	03/12/18	3.000%	1,900,000.00		1,900,000.00			
Z-299	Resurfacing of Various Streets and Roads	1,710,000.00	03/03/15	03/13/17	03/12/18	3.000%	1,710,000.00		1,710,000.00			
Z-361	Various Capital Improvements	2,042,500.00	03/15/16	03/13/17	03/12/18	3.000%	2,042,500.00		2,042,500.00			
Z-375	Acquisition of Public Safety Telecommunicaton Equipment	712,500.00	03/15/16	03/13/17	03/12/18	3.000%	712,500.00		712,500.00			
Z-360	Roadway and Traffic Signalization	285,000.00	03/13/17	03/13/17	03/12/18	3.000%	285,000.00		285,000.00			
Z-405	Acquisition of Fire Equipment	665,000.00	03/13/17	03/13/17	03/12/18	3.000%	665,000.00		665,000.00			
Z-416	Milling and Repaving of Washington Street	11,400,000.00	03/13/17	03/13/17	03/12/18	3.000%	7,600,000.00		7,600,000.00			
Z-420	Various Capital Improvements and Equipme	3,144,500.00	03/13/17	03/13/17	03/12/18	3.000%	3,144,500.00		3,144,500.00			
Z-431	Resurfacing of Various Streets/Intersections	1,306,000.00	03/13/17	03/13/17	03/12/18	3.000%	1,306,000.00		1,306,000.00			
Subtotal								45,092,000.00	-	45,092,000.00		
Issued to Open Space (Trust-Other Fund):												
Z-23	Acquisition of Fire Apparatus	459,679.00	03/13/17	03/12/18	03/07/19	2.139%	435,000.00	410,500.00	435,000.00	410,500.00		
Z-149	Acquisition of Capital Equipment & Completion of Various Capital Improvements	306,834.00	03/13/17	03/12/18	03/07/19	2.139%	295,000.00	283,500.00	295,000.00	283,500.00		
Z-94	Acquisition of Various Parcels of Land	1,546,000.00	08/08/18	08/08/18	03/07/19	2.750%		1,546,000.00				
Subtotal								730,000.00	2,240,000.00	730,000.00	2,240,000.00	
								\$ 45,822,000.00	\$ 2,240,000.00	\$ 45,822,000.00	2,240,000.00	

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Cash	\$ 45,786,000.00
Budget	36,000.00

\$ 45,822,000.00

GREEN ACRES TRUST LOANS PAYABLE - GENERAL CAPITAL FUND

<u>PURPOSE</u>	<u>DRAWDOWN</u>		<u>ANNUAL PAYMENTS*</u>		<u>INTEREST RATE</u>	<u>BALANCE</u>		<u>BALANCE DEC. 31,2018</u>
	<u>DATE</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>		<u>DEC. 31,2017</u>	<u>INCREASED</u>	
City of Hoboken Multi-Parks	09/19/07	\$ 1,000,000.00	(1)	2018-2023	\$ 64,936.10	2.000%	\$ 336,617.03	\$ 58,495.15 \$ 278,121.88
City of Hoboken Castle Point Park	03/12/14	375,000.00	(2)	2018-2022	23,318.70	2.000%	99,874.18	21,427.82 78,446.36
City of Hoboken 1600 Park	07/15/15	700,000.00	(3)	2018-2035	43,528.24	2.000%	640,051.77	30,880.84 609,170.93
							\$ 1,076,542.98 \$ -	\$ 110,803.81 \$ 965,739.17

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* Annual Payments are due in semi-annual installments of each year and include principal and interest. Loan Amortization Schedule reflects a 2% interest rate.

(1) - Annual Payments are due in semi-annual installments on March 22 and September 22.

(2) - Annual Payments are due in semi-annual installments on March 6 and September 6.

(3) - Annual Payments are due in semi-annual installments on April 15 and October 15.

**SCHEDULE OF INFRASTRUCTURE
TRUST LOAN PAYABLE**

DESCRIPTION	DATE OF ISSUE	AMOUNT OF ISSUE	INTEREST RATE	MATURITIES OF LOANS		BALANCE DEC. 31, 2017	<u>INCREASED</u>	<u>DECREASED</u>	BALANCE DEC. 31, 2018
				YEAR	AMOUNT				
New Jersey Environmental Infrastructure Trust 2015 Loan									
	11/07/15	\$2,715,000.00	5.000%	08/01/19	105,000.00	\$ 2,620,000.00	\$		\$ 100,000.00
			5.000%	08/01/20	110,000.00				\$ 2,520,000.00
			5.000%	08/01/21	115,000.00				
			5.000%	08/01/22	120,000.00				
			5.000%	08/01/23	125,000.00				
			5.000%	08/01/24	130,000.00				
			5.000%	08/01/25	140,000.00				
			3.000%	08/01/26	145,000.00				
			3.000%	08/01/27	150,000.00				
			3.000%	08/01/28	155,000.00				
			3.000%	08/01/29	160,000.00				
			3.000%	08/01/30	165,000.00				
			3.000%	08/01/31	170,000.00				
			3.000%	08/01/32	175,000.00				
			3.125%	08/01/33	180,000.00				
			3.125%	08/01/34	185,000.00				
			3.125%	08/01/35	190,000.00				
						<u>Feb 1,</u>	<u>Aug 1,</u>		
New Jersey Environmental Infrastructure Fund 2015 Loan									
	11/07/15	5,929,148.00	0.00%	2019	105,877.64	211,755.28	5,717,392.72		317,632.92
			0.00%	2020	105,877.64	211,755.28			61,889.00
			0.00%	2021	105,877.64	211,755.28			
			0.00%	2022	105,877.64	211,755.28			
			0.00%	2023	105,877.64	211,755.28			
			0.00%	2024	105,877.64	211,755.28			
			0.00%	2025	105,877.64	211,755.28			
			0.00%	2026	105,877.64	211,755.28			
			0.00%	2027	105,877.64	211,755.28			
			0.00%	2028	105,877.64	211,755.28			
			0.00%	2029	105,877.64	211,755.28			
			0.00%	2030	105,877.64	211,755.28			
			0.00%	2031	105,877.64	211,755.28			
			0.00%	2032	105,877.64	211,755.28			
			0.00%	2033	105,877.64	211,755.28			
			0.00%	2034	105,877.64	211,755.28			
			0.00%	2035	105,877.64	211,755.28			
4/6/2018:									
NJEIT Principal Forgiveness									
	8/1/2035	\$211,755.44	0.00%		105,877.64	211,755.28			
	Reduction	(61,889.00)	0.00%		105,877.64	211,755.28			
		<u>\$149,866.44</u>	0.00%		105,877.64	<u>149,866.44</u>			

**SCHEDULE OF INFRASTRUCTURE
TRUST LOAN PAYABLE**

<u>DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>INTEREST RATE</u>	<u>YEAR</u>	<u>MATURITIES OF LOANS</u>	<u>BALANCE DEC. 31, 2017</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2018</u>
New Jersey Environmental Infrastructure Trust 2017 Loan									
	11/07/17	\$1,030,000.00	5.000%	08/01/19	40,000.00				
			5.000%	08/01/20	40,000.00				
			5.000%	08/01/21	40,000.00				
			5.000%	08/01/22	45,000.00				
			5.000%	08/01/23	45,000.00				
			5.000%	08/01/24	50,000.00				
			5.000%	08/01/25	50,000.00				
			3.000%	08/01/26	55,000.00				
			3.000%	08/01/27	55,000.00				
			3.000%	08/01/28	55,000.00				
			3.000%	08/01/29	60,000.00				
			3.000%	08/01/30	60,000.00				
			3.000%	08/01/31	60,000.00				
			3.000%	08/01/32	65,000.00				
			3.125%	08/01/33	65,000.00				
			3.250%	08/01/34	70,000.00				
			3.250%	08/01/35	70,000.00				
			3.375%	08/01/36	70,000.00				

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

CAP No.	Dept. No.	Improvement Description	DATE	AMOUNT	ORDINANCE		BALANCE, DEC. 31, 2017		2018		BALANCE - DEC. 31, 2018	
					FORCED	LINEDORED	AUTHORIZED	ESCROWED	PAID OR CHARGED	CANCELLED	ENDED	UNFUNDED
R-302	55- 800-815	General Improvements- City Hall	04/01/98	\$ 156,000.00	\$ 181.50	-	6.67	-	\$ 6.67	-	\$ 181.50	-
P73	55- 800-804	Improvements- City Library	09/19/07	200,000.00	-	5,026.69	-	-	51,317.55	631,439.93	5,026.69	5,810.00
D-26113	55- 800-824	Various Road Improvements	06/16/06	200,000.00	-	5,810.00	-	-	63,439.93	5,000.00	-	-
DR-42448	55- 801-809	Improv. to City Parks	01/01/07	11,621,723.00	95,671.50	-	1,095,453.87	-	103,772.83	45,000.00	82,125.25	69,321.50
D-236	55- 852-000	Construction of Waterfront Walkway	07/01/10	4,127,000.00	-	-	-	-	-	-	-	93,055.87
B-18	60- 705-200	Improvements to Ely Park and Hoboken Cove	09/01/10	615,000.00	-	-	-	-	-	-	-	148,777.83
B-23	60- 707-200	Acquisition of Fire Apparatus	09/01/10	12,000,000.00	186,072.85	-	-	-	-	-	-	6,754.08
Z-30	60- 708-200	Castle Point and Shinn Park Waterfront Walkway	09/01/10	425,000.00	-	182.00	-	-	-	-	-	182.00
Z-33	60- 708-200	Various Capital Improvements	09/01/10	15,950,000.00	-	137.53	-	-	121,801.01	121,931.51	-	0.03
Z-40	60- 710-200	Acquisition of Public Works Garage	09/01/14	310,000.00	32,701.00	-	-	-	-	-	-	-
Z-77	60- 720-200	Acquisition of Quantum Station & SXEMC	01/01/11	20,000,000.00	-	16,523,765.06	-	391,533.65	32,701.00	316,395.35	-	16,272,028.99
Z-79	60- 711-100	Acquisition of Various Parcels of Land	03/16/11	1,600,000.00	-	574.58	-	-	1,900.00	-	5,101.84	-
Z-95	60- 711-200	Improvements to Various Parks	03/16/11	-	-	-	-	-	-	-	-	-
Z-149	60- 711-300	Acquisition of Capital Equipment and the Completion of Various Parts and Restoration Facilities	12/21/11	3,053,500.00	-	105,113.18	-	-	65,912.28	59,148.21	-	124,592.74
Z-218	55- 859-866	Affordable Housing Project	10/17/12	1,950,000.00	1,141,341.18	-	-	-	306,530.32	23,214.00	-	786,811.18
Z-234	60- 713-100	Completion of Capital Improvements to Various Parks and Recreation Facilities	03/20/13	1,200,000.00	-	5,491.43	-	-	8,551.92	-	-	2,615.51
Z-240	60- 713-400	Rehabilitation/Reconstruction of Pier "A"	10/02/13	2,500,000.00	-	589,432.32	-	-	1,464,104.30	1,401,610.90	-	589,432.32
Z-248	60- 713-300	Acq. of Emergency Backup Electrical Generators and a High Water Vehicle	09/01/13	965,000.00	844.32	-	-	-	109,041.63	-	-	102,885.95
Z-296	60- 714-100	Resurfacing Streets & Improvements to Intersections	07/12/15	2,000,000.00	-	514.39	-	-	124,150.09	91,786.66	-	63,574.39
Z-399	60- 714-400	Resurfacing Streets & Improvements to Intersections	07/12/15	1,800,000.00	-	143,839.39	-	-	37,611.57	245,093.40	-	231,042.91
Z-300	60- 714-300	Various Improvements to Stormwater System	12/27/15	1,950,000.00	-	2,833,335.03	-	-	105,000.00	-	-	2,883,336.03
Z-355	60- 715-100	Library Improvements	06/01/15	500,000.00	148,480.69	-	-	-	-	-	-	148,480.69
Z-360	60- 715-100	Rehd and Repl of Watermain, Drivage & Infrastructure Imps., Phase I of R & Traffic & Signalization, Imps. & Enhancements	07/01/15	9,937,930.00	-	413,925.07	-	-	4,472,343.93	290,450.75	-	411,600.07
Z-361	60- 715-200	Various Capital Improvements	07/11/15	2,150,000.00	-	348,136.78	-	-	66,589.47	67,192.87	-	289,271.53
Z-370	60- 715-300	Acquisition of Property for Open Space	09/16/15	16,742,400.00	-	514,002.00	-	-	2,437,073.87	1,221,907.42	-	448,708.32
Z-375	60- 715-400	Public Safety Communication Equipment	09/16/15	750,000.00	-	649,490.00	-	-	4,52,650.00	1,196,040.00	-	13,296.70
Z-405	60- 716-000	Requisition of Equipment for the Fire Department	03/02/16	800,000.00	-	13,296.70	-	-	-	-	-	720,056.15
Z-416	60- 716-000	Milling, Paving and Rehabilitation of Washington St	03/04/16	12,000,000.00	-	444,133.95	-	-	8,348,809.52	4,873,725.47	-	3,198,911.85
Z-418	60- 716-900	Historic Preservation, Restoration & Rehabilitation of Hoboken Public Library	06/01/15	500,000.00	-	107,500.00	-	-	-	-	-	107,500.00
Z-420	60- 716-000	Various Capital Imps. & Acquisition of Various Capital Equipment	06/15/16	3,310,000.00	-	362,811.98	-	-	92,475.44	198,534.59	-	120,640.35
Z-426	60- 716-400	Reconsntruction Pier A	07/06/16	5,250,000.00	-	4,863,537.08	-	-	235,803.68	79,096.95	-	4,414,625.00
Z-431	60- 716-500	Resurfacing of Various Streets and Imps. To Various Intersections	09/08/16	1,375,000.00	-	16,915.00	-	-	75,593.00	58,339.79	-	10,615.00
Z-441	60- 716-600	Suppl. Funding for the Act of Proprietary for Open Space, Construction of Northwest Railency Park (BNF) and Construction of Stormwater Management and Flood Control Systems	05/18/16	107,500.00	-	-	-	-	-	-	-	-
Z-474	60- 717-100	Reconstruction Pier A	03/15/17	4,000,000.00	-	2,064,650.83	-	-	3,136,374.59	49,291.32	-	1,638,472.83
Z-497	60- 717-300	Rehd/Replace Various Water Mains	04/21/17	5,000,000.00	-	162.00	-	-	5,000,000.00	545,385.91	-	991,000.00
Z-498	60- 717-500	Var Capital Equip for Police & Recns City Roads	06/21/17	4,220,000.00	-	3,183,810.91	-	-	375,532.80	779,844.61	-	1,357,070.81
Z-503	60- 717-600	Acquire Real Property for Open Space Expand SW Park and Stormwater Control	06/21/17	4,949,000.00	-	4,945,387.48	-	-	3,500.00	431,228.29	-	4,945,387.48
B-47	60- 718-100	Completion of Various Capital Improvements	11/03/17	750,000.00	37,500.00	-	-	-	587,107.53	1,500.00	-	590,000
B-5	60- 718-100	Completion of Various Capital Improvements	03/21/18	2,200,000.00	-	2,200,000.00	-	-	348,631.79	502,839.04	-	1,328,529.17
B-6	60- 718-200	Rehabilitation and/or Replacement of Water Mains and Completion of Drainage and Green Infrastructure Improvs. (NET)	02/21/18	3,107,481.00	-	3,107,481.00	-	-	1,198,594.10	64,120.96	-	1,265,645.94
B-47	60- 718-300	Completion of Various Capital Improvements and Acquisition of Various Capital Equipment	06/20/18	3,500,000.00	-	-	-	-	3,500,000.00	373,162.07	-	2,663,814.02
				\$ 1,750,243.04	\$ 44,919,403.98	\$ 8,807,481.00	\$ 23,872,042.55	\$ 20,673,369.20	\$ 6,675	\$ 676,734.47	\$ 41,914,312.42	
										C	C	
										C	C	

Deferred Charges to Future Taxation - Unfunded
Capital Improvement Fund
NET Accounts Receivable - Disbursed on behalf
Disbursed

Exhibit - C-12

SCHEDULE OF CAPITAL IMPROVEMENT FUND

REF.

Balance - December 31, 2017 C \$ 12,327.00

Increased by:

Budget Approp. 420,000.00

432,327.00

Decreased by:

Appropriated to Finance Improvement

Authorizations 285,000.00

Balance - December 31, 2018 C \$ 147,327.00

SCHEDULE OF VARIOUS RESERVES
GRANTS RECEIVABLE
GENERAL CAPITAL FUND

Ordinance Number	Balance			Decreases	Balance
	December 31, 2017	Increases	December 31, 2018		
Reserve for:					
Hazmat Fund	\$ 17,630.00	\$ -	\$ 17,630.00		
Green Acres - 1600 Adams Street	200,000.00		200,000.00		
Payment of BAN's	360,973.65		360,973.65		
PSEG Land Transaction		1,301,641.27	1,301,641.27		
Grants Receivable:					
Reconstruction of Pier C	DR-326	2,009,521.00		2,009,521.00	-
		<u>\$ 2,588,124.65</u>	<u>\$ 1,301,641.27</u>	<u>\$ 2,009,521.00</u>	<u>\$ 1,880,244.92</u>

Ref.

C

C

NJ ENVIRONMENTAL INFRASTRUCTURE TEMPORARY NOTES PAYABLE

	<u>REF.</u>	
Balance - December 31, 2017	C	\$28,961,422.00
Increased by:		
Loans Issued/Receivable:		
CFP 16-01		2,440,842.00
CFP 18-01/18-02		11,535,696.00
		13,976,538.00
Balance - December 31, 2018	C	<u>\$42,937,960.00</u>

The maturity date for the CFP 16-01 note issued by the NJEIT in connection with the financing of Project S340635-06, in the original principal amount of \$31,402,264, based upon the "First Amendment to Note," dated, December 12, 2017, was redesignated as June 30, 2020, or such other date to which repayment of the Note shall be extended by the Trust in its sole discretion. The Note currently carries a 0.00% interest rate. It is expected the Note will be paid with permanent financing issued through the NJEIT.

Notes CFP-18-01 and CFP-18-02 are short-term authorizations which carry a 0.00% interest rate with a designated maturity date of June 30, 2021; or such earlier date as determined by the Trust. The Notes are expected to be paid with permanent financing. No proceeds have been drawn down with respect to the 2018 notes as of December 31, 2018.

<u>Note</u>	<u>Original Date of Note</u>	<u>Ord. No.</u>	<u>Interest Rate</u>	<u>Status</u>	<u>Original Amount of Note</u>
CFP-16-01	12/14/16	Z-370/Z-441	0.00%	Issued	\$ 29,272,336.00
CFP-16-01	12/14/16	Z-370/Z-441	0.00%	Not Issued	2,129,928.00
			Subtotal		31,402,264.00
CFP-18-01	06/21/18	B-6/Z-360	0.00%	Not Issued	7,200,000.00
CFP-18-02	06/21/18	B-6/Z-360	0.00%	Not Issued	4,335,696.00
			Subtotal		11,535,696.00
					<u>\$ 42,937,960.00</u>

Analysis:

		<u>Issued</u>	<u>Not Issued</u>
CFP 16-01:			
	Z-370	\$ 11,902,264.00	\$ -
	Z-441	17,370,072.00	2,129,928.00
		29,272,336.00	2,129,928.00
CFP 18-01:			
	Z-360	\$ -	\$ 7,200,000.00
CFP 18-02:			
	B-6	\$ -	\$ 3,100,000.00
	Z-360	1,235,696.00	4,335,696.00
Totals		\$ 29,272,336.00	\$ 13,665,624.00

**SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED**

<u>CAP. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DEC. 31,2017</u>	<u>2018 AUTHORIZED</u>	<u>2018 FUNDING</u>	<u>NJ EIT LOANS ISSUED</u>	<u>BONDS ISSUED</u>	<u>B.A.N.S ISSUED</u>	<u>BALANCE DEC. 31,2018</u>
<u>General Improvements:</u>									
	Creation of North Park	04/01/98	\$ 334,500.00						\$ 334,500.00
	Bond Ordinance for Tax Overpayment Refunds	06/16/06	241,052.00		(201,659.00)				39,393.00
DR-233	Improvements to Parks and Buildings, Acquisition of Land, Vehicles and Equipment		230.00						
DR-326	Reconstruction of Pier C	09/19/07	1,468,494.88						230.00
Z-18	Developer's Share: Reserve for Maxwell Place Walkway	03/04/09	101,730.00						1,468,494.88
Z-23	Improvements to 1600 Park Ave & Hoboken Cove	07/01/10	69,394.00						101,730.00
Z-94	Acquisition of Fire Apparatus	09/03/10	119,821.00						69,394.00
Z-149	Acquisition of Various Parcels of Land	03/16/11	19,000,000.00						119,821.00
Z-262	Completion of Various Improvements to Elysian Park		200,000.00						17,454,000.00
Z-326	Various Improvements to Stormwater System	12/17/15	3,305,852.00		(262,179.00)				200,000.00
Z-360	Rehab and/or Replacement of Water Mains, Completion of Phase I Drainage and Green Infrastructure Imps. and the Completion of Roadway and Traffic Signalization Imps. Enhancements Along Washington Street	07/13/15	9,200,000.00						3,043,673.00
Z-370	Acquisition of Property for Open Space, Construction of Northwest and Southwest Resiliency Park and the Construction of Stormwater Management and Flood Control Systems at Each Such Park	09/16/15	943,058.00		89,424.00				-
Z-405	Acquisition of Equipment for the Fire Department	03/02/16	-						1,032,482.00
Z-416	Milling, Paving and Rehabilitation of Washington Ave	05/04/16	3,800,000.00						-
Z-420	Various Capital Improvements & Acquisition of Various Capital Equipment	06/15/16	-						-
Z-426	Reconstruction of a Meter Chamber & Rehabilitation and/or Replacement of Water Mains	07/06/16	5,250,000.00						5,250,000.00
Z-431	Resurfacing of Various Street and Imps to Various Intersection	09/08/16	-						-
Z-441	Supplemental Funding for the Acquisition of Property for Open Space, Construction of Northwest Resiliency Park (BASF) and Construction of Stormwater Management and Flood Control Systems	10/05/16	2,178,439.00						2,178,439.00
Z-474	Reconstruction Pier A	03/15/17	3,800,000.00						-
Z-497	Various Capital Equipment for Police & Reconstruct City Ro:	06/21/17	4,009,000.00						4,009,000.00
Z-498	Rehab/ Replace Various Water Mains	06/21/17	5,000,000.00						991,000.00
Z-503	Acquire Real Property for Open Space Expand SW Park and Stormwater Control	06/21/17	4,949,000.00						-
Z-523	Acquisition of Public Safety Communications Equipment	11/01/17	712,500.00						4,949,000.00
B-5	Completion of Various Capital Improvements	02/21/18	2,090,000.00						500.00
B-6	Rehab/Replace Water Mains and Green Infrastructure (NJEIT)	02/21/18	3,107,481.00						2,090,000.00
B-47	Compl of Var Capital Improvs and Acquis Var Cap Equip	06/20/18	3,325,000.00						3,107,481.00
									3,325,000.00
			\$ 64,683,070.88	\$ 8,522,481.00	\$ (374,414.00)	\$ -	\$ (12,321,000.00)	\$ (1,546,000.00)	\$ 58,964,137.88

Ref:

Footnote C

PARKING UTILITY FUND

**SCHEDULE OF CASH
PARKING UTILITY FUND**

<u>Ref.</u>	Operating Fund	Capital Fund
Balance, December 31, 2017	D	\$5,120,823.35
Increased by Receipts:		\$4,037,186.90
Budget Revenues	\$ 16,078,477.38	\$ -
Miscellaneous Revenue Not Anticipated	192,685.16	
Bonds Issued		7,985,000.00
BANs Issued		<u>3,610,000.00</u>
	16,271,162.54	11,595,000.00
	21,391,985.89	15,632,186.90
Decreased by Disbursements:		
Budget Expenditures	17,084,047.18	
Appropriation Reserves	413,703.22	
Various Reserves	11,039.83	
BANs Redeemed		11,595,000.00
Improvement Authorizations		961,497.99
Interfunds Receivable/Payable	100,000.00	12,556,497.99
	17,608,790.23	12,556,497.99
Balance, December 31, 2018	D	<u>\$3,783,195.66</u>
		<u>\$3,075,688.91</u>

SCHEDULE OF FIXED CAPITAL
PARKING UTILITY CAPITAL FUND

	<u>Ref.</u>	
Balance - December 31, 2017	D	\$45,242,466.62
Balance - December 31, 2018	D	<u>\$45,242,466.62</u>

**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
PARKING UTILITY CAPITAL FUND**

Ord. No.	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2017</u>	<u>2018 Authorizations</u>	<u>Transferred to Fixed Capital</u>	<u>Canceled</u>	<u>Balance December 31, 2018</u>
		<u>Date</u>	<u>Amount</u>					
Z-99	Various Parking Utility Improvements	4/20/2011	\$ 1,600,000.00	\$ 1,600,000.00	\$	\$	\$	\$ 1,600,000.00
n/a	Automatic Licenses Plate Readers	n/a	n/a	141,120.00				141,120.00
Z-313	Installation of Automated Parking Meters	10/1/2014	5,000,000.00	5,000,000.00				5,000,000.00
Z-372	Acquis. of Real Property	9/2/2015	1,610,000.00	1,610,000.00				1,610,000.00
Z-442	Acquis. of Real Property	10/20/2016	2,650,000.00	2,650,000.00				2,650,000.00
				\$ 11,001,120.00	\$ -	\$ -	\$ -	\$ 11,001,120.00

Ref.

D

D

PARKING UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Balance December 31, 2017	Reserve for Encumbrances December 31, 2017	Amount After Modification	Paid or Charged	Accounts Payable December 31, 2018	Balance Lapsed
Operating:						
Salaries and Wages	\$ 327,366.63	\$ -	\$ 277,366.63	\$ -	\$ -	\$ 277,366.63
Other Expenses	150,647.66	358,048.59	558,696.25	413,703.22	36,986.56	108,006.47
Group Health Benefits	-	-	-	-	-	-
Capital Improvements:						
Capital Outlay	126,408.66	4,800.00	131,208.66	-	-	131,208.66
	<hr/> <u>\$ 604,422.95</u>	<hr/> <u>\$ 362,848.59</u>	<hr/> <u>\$ 967,271.54</u>	<hr/> <u>\$ 413,703.22</u>	<hr/> <u>\$ 36,986.56</u>	<hr/> <u>\$ 516,581.76</u>

**SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Balance, December 31, 2017</u>	<u>Reserve for Encumbrances Beginning</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Adjustments</u>	<u>Reserve for Encumbrances Ending</u>	<u>Balance, December 31, 2018</u>
Accounts Payable:							
Vendor Accounts Payable	\$ 20,635.69	\$ -	\$ -	\$ (11,039.83)	\$ (9,595.86)	\$ 36,986.56	\$ 36,986.56
Reserve for Retro Payments	-						-
Security Deposits	<u>23,150.00</u>				<u>(10,639.00)</u>		<u>12,511.00</u>
Total	<u>\$ 43,785.69</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,039.83)</u>	<u>\$ (20,234.86)</u>	<u>\$ 36,986.56</u>	<u>\$ 49,497.56</u>

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
PARKING UTILITY OPERATING FUND

	<u>Ref.</u>
Balance - December 31, 2017	D \$ 433,755.80
Increased by:	
Budget Appropriation	<u> </u>
	433,755.80
Decreased by:	
Canceled	<u> </u> 4,090.12
Balance - December 31, 2018	<u>D \$ 429,665.68</u>

Analysis of Balance - December 31, 2018:

Principal Outstanding <u>12/31/18</u>	Interest Rate	From	To	Period	Amount
Serial Bonds:					
\$5,580,000.00	Various	7/1	12/31	6 months	\$ 139,500.00
3,015,000.00	Various	8/1	12/31	5 months	43,809.38
7,985,000.00	Various	8/1	12/31	5 months	183,869.37
Taxable Bond Anticipation Notes:					
\$1,610,000.00	2.13998%	3/8	12/31	292 days	\$ 27,868.13
2,000,000.00	2.13998%	3/8	12/31	292 days	<u>34,618.80</u>
					<u>\$ 429,665.68</u>

CITY OF HOBOKEN
PARKING UTILITY CAPITAL FUND

SCHEDULE OF PARKING UTILITY CAPITAL SERIAL BONDS

<u>DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS</u>		<u>INTEREST RATE</u>	<u>BALANCE Dec. 31, 2017</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE Dec. 31, 2018</u>
			<u>DATE</u>	<u>AMOUNT</u>					
Parking Utility General Obligation									
Refunding Bonds - Series 2	1/1/2014	\$ 10,980,000.00	2019	1,550,000.00	5.000%				
			2020	1,395,000.00	5.000%				
			2021	835,000.00	5.000%				
			2022	875,000.00	5.000%				
			2023	925,000.00	5.000%	7,000,000.00		1,420,000.00	5,580,000.00
Parking Utility General Obligation									
Bonds - Series 2015	3/17/2015	3,400,000.00	2019	130,000.00	3.000%				
			2020	135,000.00	3.000%				
			2021	140,000.00	3.000%				
			2022	140,000.00	3.000%				
			2023	145,000.00	3.000%				
			2024	150,000.00	3.000%				
			2025	155,000.00	3.000%				
			2026	165,000.00	3.000%				
			2027	170,000.00	3.125%				
			2028	180,000.00	3.300%				
			2029	185,000.00	3.400%				
			2030	195,000.00	4.000%				
			2031	205,000.00	4.000%				
			2032	215,000.00	4.000%				
			2033	225,000.00	4.000%				
			2034	235,000.00	4.000%				
			2035	245,000.00	4.000%	3,145,000.00		130,000.00	3,015,000.00
Parking Utility General Obligation									
Bonds - Series 2018	3/8/2018	7,985,000.00	2/1/2019	645,000.00	2.000%				
			2020	740,000.00	2.000%				
			2021	760,000.00	3.000%				
			2022	775,000.00	3.000%				
			2028	900,000.00	3.000%				
						7,985,000.00			7,985,000.00
						\$ 10,145,000.00	\$ 7,985,000.00	\$ 1,550,000.00	\$ 16,580,000.00

Ref.

D

D

**CITY OF HOBOKEN
PARKING UTILITY CAPITAL FUND**

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

ORD. NUMBER	PURPOSE	ORIGINAL ISSUE DATE	AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DEC. 31, 2017	INCREASED	DECREASED	BALANCE DEC. 31, 2018
Tax - Exempt BAN's										
DR399	Var Improvs to Existing Parking Garage	07/01/10		03/13/17	03/12/18	3.000%	\$ 1,470,000.00		\$1,470,000.00	\$ -
Z-99	Parking Utility Improvements	09/16/14		03/13/17	03/12/18	3.000%	1,515,000.00		1,515,000.00	-
Z-313	Acquis & Install Automated Pay Stations	03/17/15		03/13/17	03/12/18	3.000%	5,000,000.00		5,000,000.00	-
Subtotal							7,985,000.00	-	7,985,000.00	-
Taxable BAN's										
Z-372	Acq of Property, Prelim Cost Constr Parki	03/13/17	1,610,000.00	03/08/18	03/07/19	2.13998%	1,610,000.00	1,610,000.00	1,610,000.00	1,610,000.00
Z-442	Acq of Property, Prelim Cost Constr Parki	03/13/17	2,000,000.00	03/08/18	03/07/19	2.13998%	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
Subtotal							3,610,000.00	3,610,000.00	3,610,000.00	3,610,000.00
Total							\$ 11,595,000.00	\$ 3,610,000.00	\$ 11,595,000.00	\$ 3,610,000.00
Ref.							D			D
Bonds Sold								\$ 7,985,000.00		
BAN's Redeemed								3,610,000.00		
								\$ 11,595,000.00		

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
PARKING UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2017		2018 Authorizations	2017 Reserve for Encumbrances	Paid or Charged	2018		Balance December 31, 2018	
		Date	Amount	Funded	Unfunded				Reserve for Encumbrances	Canceled	Funded	Unfunded
DR-399	Improvements to Parking Garage	12/19/07	\$ 2,200,000.00	\$ -	\$ 200,500.00	\$ 175,500.00	\$ -	\$ 25,000.00				
Z-99	Various Parking Utility Improvements	4/20/11	1,600,000.00	101,950.89	5,500.00	10,000.00	5,500.00	91,950.89	-			
Z-313	Installation of Automated Parking Meters	10/1/14	5,000,000.00	2,592,551.67	1,110,927.58	944,433.37	125,429.38	2,633,616.50	-			
Z-372	Acquis. of Real Property - Prelim Costs - Constr. of Parking Facility	9/2/15	1,610,000.00	240,363.57		7,064.62		-				233,298.95
Z-442	Acquis. of Real Property - Prelim Costs - Constr. of Parking Facility	10/20/16	2,650,000.00	631,971.39				-				631,971.39
				\$ -	\$ 3,566,837.52	\$ -	\$ 1,316,927.58	\$ 961,497.99	\$ 306,429.38	\$ -	\$ 2,725,567.39	\$ 890,270.34
		Ref.		D	D		D		D		D	D

SCHEDULE OF RESERVE FOR PAYMENT OF
FUTURE DEBT SERVICE

Ref.

Balance - December 31, 2017 D \$ 3,395.00

Balance - December 31, 2018 D \$ 3,395.00

SCHEDULE RESERVE FOR AMORTIZATION
PARKING UTILITY CAPITAL FUND

	<u>Ref.</u>	
Balance - December 31, 2017	D	\$ 33,653,613.42
Increased by:		
Serial Bonds Principal Paid		1,550,000.00
		1,550,000.00
Balance - December 31, 2018	D	\$ 35,203,613.42

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
PARKING UTILITY CAPITAL FUND

Ord. No.	<u>Improvement Description</u>	Ordinance		Balance Dec. 31, 2018			Balance Dec. 31, 2018	
		Date	Amount	2017	Authorizations	Issued	Canceled	
DR-399	Improvements to Parking Garage	12/19/2007	\$ 2,200,000.00	\$ 200,000.00	\$	\$	\$	\$ 200,000.00
Z-442	Acquisition of Real Property	10/20/2016	2,650,000.00	650,000.00				650,000.00
				\$ 850,000.00	\$ -	\$ -	\$ -	\$ 850,000.00

Footnote D

PART IV - SUPPLEMENTARY DATA

**CITY OF HOBOKEN
COUNTY OF HUDSON, NEW JERSEY**

**COMBINED BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2018**

	CURRENT FUND	TRUST FUND	GENERAL	PARKING	GOVERNMENTAL	MEMORANDUM ONLY TOTALS	
			CAPITAL FUND	UTILITY FUND	FIXED ASSETS	DEC. 31, 2018	DEC. 31, 2017
ASSETS							
Cash and Investments	\$ 37,865,888.60	\$ 21,401,811.04	\$ 1,339,599.53	\$ 6,859,384.57	\$	\$ 67,466,683.74	\$ 91,036,453.16
Accounts Receivable							
State and Federal Grants Receivable	5,643,291.28	1,825,092.17	400,000.00			7,868,383.45	9,575,180.52
Due from State of New Jersey	45,550.83					45,550.83	4,593,360.33
Taxes, Assessments, Liens &							
Utility Charges	1,363,429.15					1,363,429.15	1,318,627.25
Interfund Loans	23,367.20	309,420.80		100,000.00		432,788.00	349,798.94
Other Accounts Receivable	343,132.02		13,665,624.00			14,008,756.02	352,645.68
Property Acquired For Taxes at Assessed Valuation	2,806,900.00					2,806,900.00	2,806,900.00
Prepaid School Taxes							
Inventory							
Fixed Assets - Governmental					120,894,624.00	120,894,624.00	108,920,117.00
Fixed Capital - Utility				45,242,466.62		45,242,466.62	45,242,466.62
Fixed Capital - Authorized and Uncompleted - Utility				11,001,120.00		11,001,120.00	11,001,120.00
Deferred Charges to Revenue of Succeeding Years							
Deferred Charges to Future Taxation:							
General Capital Fund/Open Space Fund			183,159,189.08			183,159,189.08	180,992,792.87
Total Assets	\$ 48,091,559.08	\$ 23,536,324.01	\$ 198,564,412.61	\$ 63,202,971.19	\$ 120,894,624.00	\$ 454,289,890.89	\$ 456,189,462.37
LIABILITIES, RESERVES AND FUND BALANCE							
Bonds and Notes Payable	\$		\$ 83,155,442.00	\$ 20,190,000.00	\$	\$ 103,345,442.00	\$ 96,587,442.00
Leases and Loans Payable			54,705,233.20			54,705,233.20	41,462,279.99
Prepaid Taxes, Assessments, Utility Charges and Licenses	1,988,947.54					1,988,947.54	18,862,181.82
Tax, Assessment, Lien, License and Utility Charge Overpayments	260,831.96					260,831.96	778,056.35
Appropriation Reserves	2,638,163.55			1,369,065.21		4,007,228.76	7,168,890.18
Reserves for Encumbrances/ Accounts Payable	3,873,457.41	612,399.75	10,225,753.81	625,279.80		15,336,890.77	29,516,657.80
Due County for Added Taxes	835,314.26					835,314.26	1,116,273.37
Other Liabilities	349,791.38	136,183.80		442,176.68		928,151.86	760,037.82
Amounts Pledged to Specific Purposes	12,557,494.64	2,457,141.59	2,027,571.92	3,395.00		17,045,603.15	13,338,566.12
Interfund Loans	100,000.00	332,788.00		-		432,788.00	349,798.94
Escrow Funds		19,997,810.87				19,997,810.87	18,092,517.37
Improvement Authorizations			48,450,046.89	3,615,837.73		52,065,884.62	50,236,484.54
Investments in Governmental Fixed Assets					120,894,624.00	120,894,624.00	108,920,117.00
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				35,203,613.42		35,203,613.42	33,653,613.42
Reserve for Certain Assets Acquired or Receivables & Inventories	4,536,828.37					4,536,828.37	6,497,212.49
Fund Balance	20,950,729.97		364.79	1,753,603.35		22,704,698.11	28,849,333.16
Total Liabilities, Reserves and Fund Balance	\$ 48,091,559.08	\$ 23,536,324.01	\$ 198,564,412.61	\$ 63,202,971.19	\$ 120,894,624.00	\$ 454,289,890.89	\$ 456,189,462.37

CITY OF HOBOKEN
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

<u>REVENUE AND OTHER INCOME REALIZED</u>	CALENDAR YEAR 2018		CALENDAR YEAR 2017	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
Fund Balance Utilized	\$ 11,300,000.00	4.55	\$ 10,000,000.00	4.06
Miscellaneous - From Other than Local Property Tax Levies	52,489,287.49	21.13	52,402,889.03	21.28
Collection of Delinquent Taxes and Tax Title Liens	791,852.56	0.32	1,045,906.79	0.42
Collections of Current Tax Levy	<u>183,782,690.75</u>	<u>74.00</u>	<u>182,831,366.16</u>	<u>74.24</u>
Total Income	\$ <u>248,363,830.80</u>	<u>100.00</u>	\$ <u>246,280,161.98</u>	<u>100.00</u>
<u>EXPENDITURES</u>				
Budget Expenditures				
Municipal Purposes	\$ 116,024,344.43	48.30	\$ 111,925,430.96	47.64
County Taxes	77,801,725.12	32.39	76,858,207.28	32.72
Local School Taxes	44,064,809.00	18.34	43,857,211.00	18.67
Municipal Open Space	2,330,681.00	0.97	2,272,191.00	0.97
Other Expenditures	-	0.00	7,091.92	0.00
Total Expenditures	<u>240,221,559.55</u>	<u>100.00</u>	<u>234,920,132.16</u>	<u>100.00</u>
Less: Expenditures to be Raised by Future Taxes	-	-	-	-
Total Adjusted Expenditures	<u>240,221,559.55</u>		<u>234,920,132.16</u>	
Excess in Revenue	8,142,271.25		11,360,029.82	
Fund Balance January 1	<u>24,108,458.72</u>		<u>22,748,428.90</u>	
	32,250,729.97		34,108,458.72	
Less: Util. as Anticipated Revenue	<u>11,300,000.00</u>		<u>10,000,000.00</u>	
Fund Balance December 31	\$ <u>20,950,729.97</u>		\$ <u>24,108,458.72</u>	

CITY OF HOBOKEN
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - PARKING UTILITY FUND

<u>REVENUE AND OTHER INCOME REALIZED</u>	CALENDAR YEAR 2018		CALENDAR YEAR 2017	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
Fund Balance Utilized	\$ 2,025,000.00	10.75	\$ 1,625,000.00	8.59
Water and Fire Service Rents	16,078,477.38	85.36	16,925,716.09	89.46
Miscellaneous - From Other than Rent Charges	<u>733,591.90</u>	<u>3.89</u>	<u>369,509.34</u>	<u>1.95</u>
Total Income	<u>\$ 18,837,069.28</u>	<u>100.00</u>	<u>\$ 18,920,225.43</u>	<u>100.00</u>
<u>EXPENDITURES</u>				
Budget Expenditures				
Operating	\$ 10,881,994.00	58.08	\$ 9,841,744.00	55.59
Debt Service	2,224,522.25	11.87	2,447,165.50	13.82
Deferred Charges & Statutory Expend.	1,160,000.00	6.19	1,100,000.00	6.21
Capital Improvements	68,460.00	0.37	216,490.00	1.22
Other Charges	-	-	-	-
Surplus (General Budget)	<u>4,400,000.00</u>	<u>23.49</u>	<u>4,100,000.00</u>	<u>23.16</u>
Total Expenditures	<u>18,734,976.25</u>	<u>100.00</u>	<u>17,705,399.50</u>	<u>100.00</u>
Excess/(Deficit) in Revenue	102,093.03		1,214,825.93	
Fund Balance January 1	<u>3,676,510.32</u>		<u>4,086,684.39</u>	
Fund Balance December 31	\$ <u>1,753,603.35</u>		\$ <u>3,676,510.32</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Tax Rate:</u>	\$1,580	\$1,592	\$1,551
<u>Apportionment of Tax Rate:</u>			
Municipal	\$0.540	\$0.538	\$0.539
County (Inc. Library & Open Space Taxes)	\$0.661	\$0.668	\$0.640
Local School	\$0.379	\$0.386	\$0.372
<u>Assessed Valuation (Net Valuation Taxable - Hudson County Abstract of Ratables):</u>			
2018	<u>\$ 11,653,405,320</u>		
2017		<u>\$ 11,360,951,986</u>	
2016			<u>\$ 11,223,489,397</u>

COMPARISON OF TAX LEVIES AND COLLECTION 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.

<u>Year</u>	<u>Tax Levy</u>	<u>C U R R E N T L Y</u>		<u>Percentage of Collection</u>
		<u>Cash Collections</u>		
2018	\$ 186,116,366.18	\$ 183,782,690.75		98.75%
2017	183,699,356.21	182,831,366.16		99.53%
2016	176,880,817.00	175,816,417.00		99.40%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Dec. 31</u>	<u>Amount of</u>	<u>Amount of</u>	<u>Total</u>	<u>Percentage of</u>
<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Delinquent</u>	<u>Tax Levy</u>
2018	\$ 431,618.76	\$ 931,806.06	\$ 1,363,424.82	0.73%
2017	437,260.55	881,366.70	1,318,627.25	0.72%
2016	434,759.00	1,013,795.00	1,448,554.00	0.82%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2018 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:

Calendar <u>Year</u>	<u>Amount</u>
2018	\$2,806,900.00
2017	2,806,900.00
2016	2,806,900.00

COMPARATIVE SCHEDULE OF FUND BALANCES

		Utilized in Budget of Succeeding <u>Year</u>
Calendar <u>Year</u>	<u>Balance</u>	<u>Year</u>
Current Fund	2018	\$20,950,729.97
	2017	24,108,458.72
	2016	22,748,429.00
	2015	22,472,709.00
	2014	21,410,963.00
Parking Utility	2018	\$1,753,603.35
Operating Fund	2017	3,676,510.32
	2016	4,086,686.00
	2015	3,726,017.00
	2014	1,937,489.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Ravinder Bhalla	Mayor	
Ruben Ramos, Jr.	Council President	
Jennifer Giattino	Council Vice President	
Peter Cunningham	Councilperson	
Michael DeFusco	Councilperson	
James Doyle	Councilperson	
Vanessa Falco	Councilperson	
Tiffanie Fisher	Councilperson	
Emily Jabbour	Councilperson	
Michael Russo	Councilperson	
Stephen D. Marks	Business Administrator	(A)
James J. Farina	City Clerk	(A)
George DeStefano	Chief Financial Officer	(A)
Sharon Curran	Tax Collector	(A)
Michael Mongiello	Municipal Court Judge	(A)
Cataldo Fazio	Municipal Court Judge	(A)
Kerri Azzoline	Municipal Court Administrator	(A)

A - Public Employee Dishonesty Bond, in the amount of \$1,000,000, covers all employees entitled to file statutory bonds

PART V – GENERAL COMMENTS AND RECOMMENDATIONS

**CITY OF HOBOKEN
COUNTY OF HUDSON, NEW JERSEY
YEAR ENDED DECEMBER 31, 2018**

GENERAL COMMENTS

An audit of the financial accounts and transactions of the City of Hoboken, County of Somerset, New Jersey, for the calendar year ended December 31, 2018, has been completed. The General Comments are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the City of Hoboken, County of Somerset, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. Cash on hand was counted and cash and investment balances were reconciled with independent certifications obtained directly from the depositories. Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of City of Hoboken, County of Hudson, New Jersey as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency 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 misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

GENERAL COMMENTS

INTERNAL CONTROL MATTERS (Cont'd.)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

With respect to the reporting of internal control matters, standards require that only a significant deficiency and/or a material weakness need be reported in writing to management and those charged with governance.

The control deficiencies reported are not considered to be significant deficiencies nor material weaknesses. In addition, these control deficiencies are not required to be reported in writing, however, control deficiencies are presented to management and those charged with governance in this report as a means to present those matters identified in review of the City's internal controls and as a means to inform management and those charged with governance as to the auditing standards requirements with respect to internal controls.

As indicated below, we identified certain deficiencies in internal control that we consider to be control deficiencies.

In addition, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated August 8, 2019 on the financial statements of the City of Hoboken. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies.

Control Deficiencies:

2018-1 Segregation of Duties

Conditions exist whereby the same person may collect, record and turn over cash receipts in the following offices – Clerk; Police; Fire; Recreation; Construction; Cultural Affairs; Rent Control and Zoning and Planning.

This condition is the result of the staffing levels and multi-tasks performed by personnel within the respective offices.

GENERAL COMMENTS

INTERNAL CONTROL MATTERS (Cont'd.)

OTHER MATTERS

Contracts and Agreements Required to be Advertised Per N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3, of this act, shall be made or awarded only after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 except by contract or agreement."

On September 28, 2015, the Local Public Contracts Law was amended, effective on July 1, 2015. The amendment addresses the bid threshold (Section 7, N.J.S.A. 40A:11-3), thereby increasing the amount from \$36,000.00 to \$40,000.00 under which a contract may be awarded without public advertising for those municipalities that have appointed a Qualified Purchasing Agent. The maximum bid threshold remains at \$17,500.00 for those municipalities that do not have a Qualified Purchasing Agent. As of December 31, 2018, the City has a Qualified Purchasing Agent.

A review of the City's purchasing procedures indicates bids were requested by public advertising for the following items tested, as disclosed in the official minutes:

Materials and Supplies:

Prepackaged meals for Summer Food Service Program; Sporting Goods; Trash/recycling containers; Church Square Park lighting

Equipment:

Equipment for environmental services; Police vehicles

Contracts:

Improvements to the public safety radio system; Parking management and permitting services; Health and Wellness Counseling Service Provider; Special data logic enterprise license; Repairs and inspection; Milling and resurfacing improvements to Harrison Street; Energy efficiency upgrades; Tree Planting; Elevator inspections services provider; Madison Street Park Renovations

GENERAL COMMENTS

OTHER MATTERS (Cont'd.)

Contracts and Agreements Required to be Advertised Per N.J.S.A. 40A:11-4 (Cont'd.)

The minutes indicated the adoption of resolutions authorizing the purchase through state approved vendors as required by N.J.A.C. 5:34-1.2.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding contracts or agreements for "Professional Services" per N.J.S.A. 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 materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

A test examination of expenditures revealed individual payments, contracts or agreements in excess of \$17,500 or \$40,000 as applicable "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.A. 40A:11-6, for various printed materials.

Compliance with P.L. 2005, c.271

The threshold for Pay-to-Play is set at \$17,500, with no escalator provision. "Pay-to-Play" laws cover all contracts (not only professional services). Any contract (or aggregation of purchases of similar goods or services) that does not meet "fair and open" standards requires the City to obtain the necessary c. 271 documents. The provisions of c. 271 became effective on January 1, 2006.

A non-compliance would result with the issuance of purchase orders exceeding \$17,500 during the fiscal period without a "fair and open" process, and without obtaining the requisite disclosures; or a "fair and open" process without governing body authorization. Of note is the laws and regulations implementing "Pay-to-Play" focus on vendors rather than categories of goods and services. This difference can expand the monitoring required to assure continuing compliance.

Tests of expenditures indicated the City did provide the documentation indicating compliance with P.L. 2005, c.271, for items tested

Any interpretations as to possible violation of N.J.S.A. 40A:11-4; N.J.A.C. 5:30-14 and P.L. 2005, c.271 would be in the province of the municipal solicitor.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S. 54:4-67, as amended, provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

GENERAL COMMENTS

OTHER MATTERS (Cont'd.)

Collection of Interest on Delinquent Taxes and Assessments (Cont'd.)

The governing body adopted the following resolution authorizing interest to be charged on delinquent taxes for 2018:

WHEREAS, R.S. 54:4-67 has been amended to permit the governing body to fix the rate of interest to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent and may provide that no interest shall be charged if payment of any installment is made within ten (10) days after the date upon which the same is payable;

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby fix the rate of interest at eight percent (8%) per annum on the first One Thousand Five Hundred Dollars (\$1,500) and at eighteen percent (18%) per annum on any amount in excess of One thousand Five Hundred Dollars (\$1,500) from the date when any tax installment shall be payable and delinquent until the said installment together with interest is paid provided, however, that if any installments shall be paid within ten (10) days after the date payable, in that event there shall be no interest charged.

"In addition, pursuant to N.J.S.A. 54:4-67, there is hereby fixed as a penalty to be charged to a tax payer with a delinquency in excess of \$10,000 who fails to pay the delinquency prior to the end of the calendar year of 6 percent to the amount of delinquency".

The audit of the Collector's records on a test basis indicated that interest on all delinquent accounts was calculated in accordance with the foregoing resolution for items tested.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on September 8, 2018.

A test verification of delinquent charges and current payments was made in accordance with the requirements of the Division of Local Government Services.

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

<u>Year</u>	<u>Number of Liens</u>
CY 2018	50
CY 2017	49
CY 2016	46

GENERAL COMMENTS

OTHER MATTERS (Cont'd.)

Investments

The City has adopted a formal cash management plan policy in compliance with N.J.S.A. 40A:5-14 of the Local Fiscal Affairs Law, which requires that "each local unit shall adopt a cash management plan and shall deposit its fund pursuant to that plan".

Interfund Balances

Interfund Balances appear in the balance sheets of the City's financial statements of the year ended December 31, 2018.

These interfunds were minor in nature and should be cleared by cash transfer where feasible.

Purchase Order and Encumbrance System

The City of Hoboken utilizes a purchase order system for its expenditures in connection with its budgetary accounting system during the year under review. The accounting is processed on a data processing system for budgetary control. Transactions are approved based on availability of funds. Purchase orders were available for all cash disbursement transactions selected by us for testing. Tests of the system disclosed that compliance was in generally good order during the year. Tests of purchases orders and encumbrances indicated the City had the required documentation for items tested, however a number of confirming orders were noted. We suggest the City increase efforts to require purchases to be committed within the City's encumbrance system prior to purchases being made or the services provided.

Surety Bonds

The "List of Officials", included as part of the Supplementary Data section of this report, discloses the status of surety bond coverage's in effect at December 31, 2018. The minimum surety bond requirements for both the Tax Collector and Municipal Court were met for fiscal year 2018.

During July 1998, the Local Finance Board completed a readopting of the Board's general rules in the New Jersey Administrative Code. Based upon the new provisions of N.J.A.C. 5:30-8.3 and 8.4, local units are encouraged to utilize new recommended amounts in lieu of the minimum amounts in order to provide a higher level of security of public funds. The City's surety bond Coverage meets the revised recommended amounts as it is covered under the Garden State Joint Insurance Fund.

Municipal Court

The financial records maintained by the Municipal Court during the period were reviewed. The examination of the general account included review, on a test basis, that deposits were properly recorded and spread by receipt category and disbursements were made to the appropriate agencies on a timely basis.

GENERAL COMMENTS

OTHER MATTERS (Cont'd.)

Condition of Records - Other Officials Collecting Fees

The review of the records maintained for other officials collecting fees were designed to determine that minimum levels of internal controls and accountability were met; that cash receipts were turned over to the Treasurer's accounts within a 48-hour period as required by N.J.S.A. 40A:5-15; that the fees charged were in accordance with the provisions of the City Code; and that monthly financial reports are being submitted to the Finance Department timely and the reports are in agreement with Finance records. The previous year's report noted findings with respect to the maintenance and accuracy of cash receipts journals maintained by certain outside offices. The current year review indicated the outside offices are utilizing a spreadsheet to record daily receipts. These spreadsheets are also utilized as the monthly reporting mechanism to Finance. In the previous year, it was noted the Dog License reports issued to the State of New Jersey were not being issued on a monthly basis in compliance with New Jersey Code Chapter 4:16-15.5. This matter was corrected during the year 2018.

Condition of Records - Collector of Revenues

The records maintained by the Collector of Revenues were reviewed. For items tested, no exceptions were noted with respect to real estate tax billings, billing adjustments and collections for real estate taxes.

Condition of Records - Finance Office

The financial records maintained by the Finance Department during the period were reviewed. A general ledger was maintained for each fund was suitable to serve as the basis for financial statement preparation. Control accounts were in proof with subsidiary ledgers.

At December 31, 2018, it was noted there are unfunded ordinances over five-years old for which expenditures have been made that have not been funded. We suggest the City continue to monitor its unfunded debt to in order to fund unfinanced expenditures within the Division of Local Government Services requirements.

Accrued Compensated Absences

The City allows for the accrual of certain benefits for the potential payout to employees upon retirement, as disclosed in the notes to the financial statements. Also as disclosed, the City was requested by the N.J. State Commission of Investigation to provide documentation for benefit payments that occurred in prior year. Currently, certain departments maintain the information related the accumulation of these benefits separately. We suggest the City review its current practices to determine if efficiencies can be realized with the centralization of this recordkeeping.

GENERAL COMMENTS

OTHER MATTERS (Cont'd.)

Administration and Accounting of State & Federal Grants

During CY 2018, the City operated programs that were funded in whole or in part by state or federal grant awards. As part of the acceptance of these funds, the City is required to make assurances to the grantor agency that it will comply, in its general operations as well as in the operation of grant funded programs, with various laws and regulations. In addition, the individual grant contracts impose specific compliance requirements for the operations of each program. Also, the single audit places the requirement for the preparation of the schedule of expenditure of federal awards and the schedule of expenditures of state assistance with the grantee (the "SEFA"). The federal and state SEFAs required adjustment to be used as the basis of major program determination.

The acceptance of grant funds also places additional requirements upon the City with respect to the City's system of internal controls. Based upon the matrix of requirements applicable to a specific grant, the City's internal controls are required to include systems and policies and procedures designed to ensure compliance with the many requirements.

It was noted that the City continues to carry unexpended balances of grant awards that are several years old along with Section 8 Housing financial accounts that have not had activity in recent years. We suggest that the City continue to monitor prior years' unexpended grant reserves and Section 8 Housing and that proper disposition is made in compliance with the terms and conditions of the grant agreements.

Cybersecurity

As part of its overall risk management, the City reviews security measures in place relating to its Information Technology (IT), including the use of specialized assessments. With the ever increasing challenges relating to cybersecurity, each organization determines what particular assessment or combination of assessments best fits its information security strategy. We suggest management continue to assess risks related to cybersecurity along with the utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

Internal Control Documentation

Statement on Auditing Standards 115 sets forth requirements upon the auditee that includes the documentation of its internal controls. We suggest the City initiate this process and also consider utilizing the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls, as follows: Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. In addition, we suggest the documentation should also include the internal controls that exist over grant compliance along with providing for this documentation in conjunction with information relating to job descriptions and procedures manual.

GENERAL COMMENTS

OTHER MATTERS (Cont'd.)

The Local Finance Board, Department of Community Affairs, State of New Jersey, adopted the following requirements, previously identified as "technical accounting directives" as codified in the New Jersey Administrative Code, as follows:

Compliance with N.J.A.C. 5:30:

N.J.A.C. 5:30 – 5.2 - Encumbrance Accounting: This directive requires the development and implementation of accounting systems, which can reflect the commitment of funds at the point of commitment.

N.J.A.C. 5:30 -5.6 - Fixed Asset Accounting: This directive requires the development and implementation of accounting systems which assigns values to covered assets and can track additions, retirements and transfers of inventoried assets.

N.J.A.C. 5:30 – 5.7 - General Ledger Accounting System: This directive requires the establishment and maintenance of a general ledger for, at least, the Current Fund. The City is in compliance with these three (3) directives.

Compliance with Local Finance Notices

The City prepared and filed a corrective action plan for the year 2017, pursuant to Local Finance Notice No. 92-15 issued by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Summary of Suggestions:

We suggest the following:

The City increase efforts to require purchases to be committed within the City's encumbrance system prior to purchases being made or the services provided.

The City continue to monitor its unfunded debt to in order to fund unfinanced expenditures within the Division of Local Government Services requirements.

The City continue to monitor prior years' unexpended grant reserves and Section 8 Housing and that proper disposition is made in compliance with the terms and conditions of the grant agreements.

Management continue to assess risks related to cybersecurity along with the utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

We suggest written documentation with respect to the internal controls that exist over grant compliance be developed.

RECOMMENDATIONS

We recommend the following:

None.

* * * * *

ACKNOWLEDGMENT

During the course of our audit we received the complete cooperation of the various officials of the City, and the courtesies extended to us were greatly appreciated.

Should any questions arise as to our comments or recommendations or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.

Very truly yours,

HODULIK & MORRISON, P.A.



Andrew G. Hodulik, CPA, RMA
No. 406