

**CITY OF HOBOKEN**

**Financial Statements With  
Supplementary Information**

**December 31, 2015**

**(With Independent Auditors' Reports Thereon)**

**CITY OF HOBOKEN**

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**CITY OF HOBOKEN**

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**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2015**

# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkotz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## 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 account group of the City of Hoboken (the "City"), County of Hudson, New Jersey, as of December 31, 2015 and 2014, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the 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 basis of accounting prescribed by 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 misstatements, whether due to fraud or error.

### ***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 audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the City of Hoboken on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

***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 above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Hoboken as of December 31, 2015 and 2014, or changes in financial position for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2015 and 2014, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2015 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hoboken's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2016 on our consideration of the City of Hoboken's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over

Honorable Mayor and  
Members of the City Council  
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financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hoboken's internal control over financial reporting and compliance.



Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CROO413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

June 1, 2016

## CITY OF HOBOKEN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2015 and 2014

		<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Current Fund:			
Current Assets:			
Cash - Operating Accounts	A-4	32,149,434	29,923,811
Cash - Change Fund	A-5	400	400
		<u>32,149,834</u>	<u>29,924,211</u>
Due from State of New Jersey:			
Per Ch. 129, P.L. 1976	A-6	42,932	40,650
Qualified Bond Aid	A-7	4,321,190	4,222,060
		<u>4,364,122</u>	<u>4,262,710</u>
		<u>36,513,956</u>	<u>34,186,921</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-8	952,199	913,514
Tax Title Liens	A-9	431,392	432,106
Property Acquired for Taxes - Assessed Valuation	A-10	2,806,900	2,806,900
Water Liens	A-11	1,038	1,038
Revenue Accounts Receivable	A-12	392,065	433,224
Interfunds Receivable	A-13	13,617	216,758
		<u>4,597,211</u>	<u>4,803,540</u>
Deferred Charges - Special Emergency Authorizations	A-21	2,840,000	4,965,000
		<u>2,840,000</u>	<u>4,965,000</u>
		<u>43,951,167</u>	<u>43,955,461</u>
Federal and State Grant Fund:			
Cash - Operating Accounts	A-4	210,568	446
Interfunds	A-13		5
Grants Receivable	A-23	4,763,439	7,212,136
		<u>4,974,007</u>	<u>7,212,587</u>
		<u>\$ 48,925,174</u>	<u>51,168,048</u>

## CITY OF HOBOKEN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2015 and 2014

		<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves:			
Encumbered	A-3/A-14 \$	2,310,251	1,208,800
Unencumbered	A-3/A-14	3,914,208	4,998,223
County Taxes Payable	A-15	417,794	468,637
Tax Overpayment	A-16	484,560	520,805
Accounts Payable	A-18	479,592	347,791
Prepaid Taxes	A-19	1,576,512	1,391,471
Interfunds Payable	A-13	13,761	5
Various Reserves	A-20	4,844,569	4,200,226
Special Emergency Notes Payable	A-22	<u>2,840,000</u>	<u>4,605,000</u>
		16,881,247	17,740,958
Reserve for Receivables	Contra	4,597,211	4,803,540
Fund Balance	A-1	<u>22,472,709</u>	<u>21,410,963</u>
		<u>43,951,167</u>	<u>43,955,461</u>
Federal and State Grant Fund			
Unappropriated Reserve for Grants	A-24	84,021	107,073
Interfunds Payable	A-25	105,000	309,975
Appropriated Reserve for Grants	A-26	3,388,794	6,565,302
Reserve for Encumbrances	A-27	<u>1,396,192</u>	<u>708,448</u>
		<u>4,974,007</u>	<u>7,690,798</u>
	\$	<u>48,925,174</u>	<u>51,646,259</u>

See accompanying notes to financial statements.

## CITY OF HOBOKEN, N.J.

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

## Current Fund

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues and Other Income:		
Fund Balance Utilized	9,000,000	9,838,522
Miscellaneous Revenue Anticipated	44,076,198	46,144,909
Receipts from Delinquent Taxes	834,793	1,160,233
Receipts from Current Taxes	166,691,885	157,083,767
Non-Budget Revenue	1,526,512	181,174
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	3,675,761	2,917,241
Prior Year Interfunds Returned	215,769	929,837
Cancelled Liabilities - Grants	54,958	
Cancelled Liabilities - Accounts Payable	30,107	52,651
	<u>226,105,983</u>	<u>218,308,334</u>
Total Revenues and Other Income		
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	41,037,662	41,066,085
Other Expenses	44,083,315	44,291,743
Capital Improvement Fund	442,000	320,000
Municipal Debt Service	6,738,472	7,351,435
Statutory Expenditures and Deferred Charges	11,537,526	12,577,226
Judgements	1,300,000	1,476,350
Local District School Tax	40,245,654	38,733,329
County Taxes	68,381,133	61,381,201
Municipal Open Space Taxes	2,245,392	2,221,882
Revenue Refunds	33,083	93,642
	<u>216,044,237</u>	<u>209,512,893</u>
Total Expenditures		
Excess (Deficit) Revenue Over Expenditures	10,061,746	8,795,441
Fund Balance - December 31, 2014	<u>21,410,963</u>	<u>22,454,044</u>
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>9,000,000</u>	<u>9,838,522</u>
Fund Balance - December 31, 2015	<u>22,472,709</u>	<u>21,410,963</u>

See accompanying notes to the financial statements.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2015

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 9,000,000	9,000,000	
Miscellaneous Revenues:			
Licenses and Fees:			
Alcoholic Beverages	311,000	312,185	1,185
Other	32,000	30,296	(1,704)
Fees and Permits	266,000	244,963	(21,037)
Zoning Board of Adjustment Fees	284,000	217,797	(66,203)
Planning Board Fees	19,000	33,650	14,650
Rent Leveling Fees	49,000	52,180	3,180
Fines and Costs:			
Municipal Court	4,978,000	4,979,588	1,588
Interest and Costs on Taxes	250,000	237,158	(12,842)
Parking Tax	1,728,000	1,743,334	15,334
Riverview Cablevision Associates	506,010	506,010	
Interest on Investments and Deposits	129,000	130,600	1,600
Rents on City Owned Property	33,000	86,320	53,320
SJP Properties - Block A-Phase I	1,227,720	1,227,720	
SJP Properties - Block A-Phase II	1,227,705	1,227,705	
Applied Development Co. - South Waterfront - Block C 1300 Grand Street (Pilot Payment)	1,714,170	1,922,617	208,447
Grogan Marineview Plaza	560,000	590,508	30,508
Clocktowers	676,656	728,125	51,469
Marion Towers Associates	136,631	141,594	4,963
Church Towers Urban Renewal	178,575	180,880	2,305
Columbian Towers	437,803	488,029	50,226
Columbian Arms	121,036	123,619	2,583
Willow Avenue Associates - 800 - 812 Willow Avenue 1200 Grand Street	25,000	29,747	4,747
Applied Housing - 1203-1219 Williw Avenue	70,217	103,426	33,209
Applied Housing - 1201-1221 Washington Estates	728,000	743,361	15,361
Applied Housing - 1200-1220 Hudson Estates	183,219	218,752	35,533
Applied Housing - 1301-1309 Bloomfield Estates	314,508	383,608	69,100
Applied Housing - Midway 500-508 Adams Street	346,681	416,241	69,560
Applied Housing - Elysian Estates	124,984	133,259	8,275
Applied Housing - Church Square	144,065	199,182	55,117
Applied Housing - Eastview Associates	101,465	108,103	6,638
Applied Housing - Westview Associates	165,987	182,703	16,716
Applied Housing - Northvale I - 911-923 Clinton Street	141,312	144,745	3,433
Applied Housing - Northvale II - 901-919 Clinton Street	207,836	211,362	3,526
Applied Housing - Northvale IIIA	286,426	326,760	40,334
Applied Housing - Northvale III B - 1106-1014 Clinton Street	219,535	275,830	56,295
Applied Housing - Northvale IV - 58 11th Street	116,342	131,843	15,501
1118 Adams St	184,203	231,476	47,273
1100 Adams Street	20,970	21,553	583
NJ Transit Block 139, Lot 1.1	20,556	47,628	27,072
PILOTS Interest	434,000	453,326	19,326
201-219 River Street		7,639	7,639
Parking Utilities Surplus		5,879	5,879
Consolidated Municipal Property Tax Relief Aid	1,227,350	1,227,350	
Energy Receipts Tax	4,100,000	4,100,000	
	3,831,451	3,831,451	
	7,281,584	7,281,584	

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2015

	Budget	Realized	Excess or (Deficit)
Uniform Construction Code Fees	1,523,000	2,047,588	524,588
Hoboken Housing Authority PILOT		113,772	113,772
Municipal Alliance	43,200	43,200	
Asst 4 Firefighters (FEMA)	152,273	152,273	
Drive Sober or Get Pulled Over	5,000	5,000	
Comm. Forestry Management Plan	3,000	3,000	
Recycling Tonnage	75,462	75,462	
NJDOT-Washington Avenue Streetscape 2	457,030	457,030	
Justice Assistance Grant	15,926	15,926	
Municipal Court DWI	2,593	2,593	
Body Armor	11,698	11,698	
Home Support and Adult Day Care	125,097	125,097	
Clean Communities	92,804	92,804	
Housing Inspection Program	76,350	76,350	
Summer Food Program	75,078	75,078	
Uniform Fire Safety Act	95,000	97,257	2,257
Outside Duty Police Administration	131,000	158,140	27,140
Verizon TV Franchise Fee	404,631	404,632	1
1001 Jefferson	614,097	633,815	19,718
W Hotel	548,642	559,615	10,973
Hotel/Motel Occupancy Fee	554,002	579,213	25,211
800 Jackson Ave. (PILOT)	620,000	636,969	16,969
United Water Concession	120,000	72,000	(48,000)
FEMA Reimbursement	1,270,000	1,270,000	
Capital Fund Balance	346,000	346,000	
	<u>42,502,880</u>	<u>44,076,198</u>	<u>1,573,318</u>
Total Miscellaneous Revenues			
Receipts from Delinquent Taxes	<u>964,000</u>	<u>834,793</u>	<u>(129,207)</u>
Subtotal General Revenues	<u>52,466,880</u>	<u>53,910,991</u>	<u>1,444,111</u>
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	52,377,117	54,975,804	2,598,687
Minimum Library Tax	4,143,902	4,143,902	
	<u>56,521,019</u>	<u>59,119,706</u>	<u>2,598,687</u>
Total Amount to be Raised by Taxes for Support of Municipal Budget			
Non-Budget Revenue		<u>1,526,512</u>	<u>1,526,512</u>
	<u>\$ 108,987,899</u>	<u>113,030,697</u>	<u>4,042,798</u>
Adopted Budget	108,416,494		
Appropriations by 40a:4-87	<u>571,405</u>		
	<u>\$ 108,987,899</u>		

## CITY OF HOBOKEN, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2015

Analysis of Realized Revenues

Revenue from Current Tax Collections		\$ 166,691,885
Allocated to County of Hudson	\$ 68,381,133	
Local School District	40,245,654	
Municipal Open Space	<u>2,245,392</u>	
		<u>110,872,179</u>
Balance for Support of Municipal Budget Appropriations		55,819,706
Add : Appropriation - Reserve for Uncollected Taxes		<u>3,300,000</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 59,119,706</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	\$ 822,509	
Tax Title Liens	<u>12,284</u>	
		<u>\$ 834,793</u>

Analysis of Non-budget Revenues

<u>Miscellaneous Revenue Not Anticipated</u>		
Grant Cancellations	\$ 227,028	
Miscellaneous	39,972	
Trust Closeouts	34,720	
Hoboken Historic	5,950	
Public Safety	7,099	
Note Premium	34,733	
Construction Penalties	60,769	
Premiums - Forfeited	459,583	
Variance	960	
Marine View Plaza Settlement Payment	634,910	
Restitution	6,907	
Duplicate Bills	<u>13,881</u>	
		<u>\$ 1,526,512</u>

See accompanying notes to the financial statements.

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	2015 <u>Budget</u>	Budget after Modification and <u>Transfer</u>	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
General Government:					
Mayor and Council					
Salaries and Wages	281,033	281,033	278,720	2,313	
Other Expenses	26,160	26,160	10,696	15,464	
City Council					
Salaries and Wages	219,588	219,588	219,585	3	
Other Expenses	27,000	27,000	21,403	5,597	
Office of the Clerk					
Salaries and Wages	564,151	564,151	541,284	22,867	
Other Expenses	15,200	15,200	8,513	6,687	
Other Expenses - Legal Advertising	65,000	64,500	52,988	11,512	
Other Expenses - Codification of Ordinances	30,000	30,000	6,530	23,470	
Salaries and Wages - Elections	35,000	35,000	26,798	8,202	
Other Expenses - Elections	60,000	60,000	55,566	4,434	
Department of Administration					
Business Administrator's Office					
Salaries and Wages	469,096	469,096	468,321	775	
Other Expenses	160,000	160,000	153,810	6,190	
Purchasing					
Salaries and Wages	188,996	188,996	181,500	7,496	
Other Expenses	4,650	4,650	4,611	39	
Personnel and Health Benefits					
Salaries and Wages	300,979	300,479	278,547	21,932	
Other Expenses	6,000	6,500	5,519	981	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>2015 Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Zoning and Administration					
Salaries and Wages	211,600	208,600	182,659	25,941	
Other Expenses	17,300	17,300	1,201	16,099	
Uniform Construction Code					
Salaries and Wages	702,700	702,700	680,904	21,796	
Other Expenses	244,000	244,000	238,549	5,451	
Corporation Council					
Salaries and Wages	313,256	313,256	261,568	51,688	
Other Expenses	25,000	25,000	16,124	8,876	
Other Expenses - Special Council	1,190,000	1,190,000	869,249	320,751	
Other Expenses - Labor Counsel	20,000	20,000	1,356	18,644	
Other Expenses - Expert Witness & Appraisal	12,000	12,000	12,000		
Revenue and Finance Director					
Salaries	624,741	624,741	586,137	38,604	
Other Expenses	177,500	177,500	78,893	98,607	
Annual Audit					
Other Expenses	85,000	85,000	85,000		
Tax Collections					
Salaries and Wages	264,530	264,530	250,394	14,136	
Other Expenses	68,260	68,260	36,157	32,103	
Information Technology					
Salaries and Wages	50,000	50,000		50,000	
Other Expenses	159,000	159,000	112,290	46,710	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	2015 <u>Budget</u>	Budget after Modification and <u>Transfer</u>	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Municipal Court					
Salaries and Wages	1,092,631	1,092,631	986,555	106,076	
Other Expenses	170,750	170,750	108,059	62,691	
Public Defender					
Other Expenses	43,000	43,000	40,320	2,680	
Office of the Tax Assessor					
Salaries and Wages	357,632	357,632	349,631	8,001	
Other Expenses	244,545	244,545	220,037	24,508	
Department of Human Services					
Director's Office					
Salaries and Wages	205,782	205,782	203,581	2,201	
Other Expenses	5,800	5,800	1,694	4,106	
Rent Leveling					
Salaries and Wages	242,243	244,743	244,102	641	
Other Expenses	38,500	38,500	35,593	2,907	
Housing Inspections					
Salaries and Wages	146,609	146,609	115,839	30,770	
Other Expenses	1,250	1,250	1,225	25	
Health					
Salaries and Wages	637,751	637,751	635,988	1,763	
Other Expenses	148,048	148,048	125,243	22,805	
Senior Citizens					
Salaries and Wages	287,114	284,614	270,543	14,071	
Other Expenses	13,000	13,000	10,479	2,521	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

		Current Fund			Unexpended
		Year Ended December 31, 2015			Balance
		2015	Budget after	Paid or	Canceled
		<u>Budget</u>	<u>Modification</u>	<u>Charged</u>	<u>Reserved</u>
			<u>and Transfer</u>		
Recreation and Cultural Affairs					
Salaries and Wages		414,627	414,627	385,533	29,094
Other Expenses		160,200	160,200	159,969	231
Cultural Affairs					
Salaries and Wages		89,902	89,902	88,370	1,532
Department of Environmental Services					
Director's Office					
Salaries and Wages		126,501	126,501	105,746	20,755
Other Expenses		4,500	4,500	154	4,346
Parks and Rec Funtions					
Parks					
Salaries and Wages		455,706	455,706	403,409	52,297
Other Expenses		114,910	114,910	111,242	3,668
Division of Public Property					
Salaries and Wages		892,158	842,158	828,730	13,428
Other Expenses		317,000	367,000	357,051	9,949
Streets and Roads					
Salaries and Wages		519,010	554,010	539,695	14,315
Other Expenses		308,000	308,000	260,598	47,402
Municipal Prosecutor					
Other Expenses		74,550	74,550	69,550	5,000
Central Garage					
Salaries and Wages		374,645	374,645	360,669	13,976
Other Expenses		244,000	244,000	225,166	18,834

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

	Current Fund					Unexpended
	Year Ended December 31, 2015					Balance
	2015	Budget after	Paid or	Reserved	Canceled	
	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>	<u></u>	<u></u>	
		<u>and Transfer</u>				
Sanitation						
Salaries and Wages	674,719	639,719	619,680	20,039		
Other Expenses	4,340,000	4,340,000	4,092,608	247,392		
Shade Tree Commission						
Other Expenses	50,000	50,000	50,000			
Department of Community Development						
Director's Office						
Salaries and Wages	198,680	198,680	170,201	28,479		
Other Expenses	4,000	4,000	3,707	293		
Grants Management						
Other Expenses	80,000	80,000	80,000			
Planning Board						
Salaries and Wages	69,121	72,121	71,317	804		
Other Expenses	115,000	115,000	91,287	23,713		
Zoning Board of Adjustment						
Other Expenses	140,000	140,000	88,096	51,904		
Redevelopment						
Other Expenses	525,000	525,000	494,202	30,798		
Historical Preservation Committee						
Other Expenses	22,500	22,500	15,689	6,811		
Department of Public Safety						
Police						
Salaries and Wages	16,517,857	16,417,857	16,175,373	242,484		
Other Expenses	608,500	608,500	586,207	22,293		
Acquisition of Vehicles	90,000	190,000	186,427	3,573		

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	2015 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Fire					
Salaries and Wages	13,115,382	13,065,382	12,876,089	189,293	
Other Expenses	266,582	316,582	301,091	15,491	
Office of Emergency Management					
Salaries and Wages	590,222	590,222	546,087	44,135	
Other Expenses	21,000	21,000	19,203	1,797	
Insurance					
General Liability	1,777,000	1,877,000	1,758,771	118,229	
Worker's Compensation	800,000	700,000	538,376	161,624	
Employee Group Health	18,864,000	18,864,000	18,368,643	495,357	
UNCLASSIFIED:					
Alcoholic Beverage Control Board					
Salaries and Wages	4,200	4,200	4,080	120	
Other Expenses	2,500	3,000	2,489	511	
Volunteer Ambulance					
Other Expenses	40,000	40,000	40,000		
North Hudson Regional Council of Mayors					
Other Expenses	73,700	73,700	73,700		
Settlement of Claims Against the City	10,000	10,000		10,000	
Towing/Storage of Abandoned Vehicles	7,500	7,500	242	7,258	
Engineering	350,000	350,000	325,780	24,220	
Municipal Dues and Memberships	3,500	3,500	3,009	491	
Celebration of Public Events	7,500	7,500	5,000	2,500	
Postage	150,000	150,000	144,784	5,216	
Copiers/ Printers	60,000	60,000	58,659	1,341	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	2015 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Central Office	50,000	50,000	30,534	19,466	
PILOT Payments to Hudson County	275,000	275,000	170,129	104,871	
Utilities:					
Electricity	435,000	385,000	305,459	79,541	
Street Lighting	730,000	780,000	695,888	84,112	
Gas (Natural)	120,000	120,000	89,182	30,818	
Gasoline	350,000	335,000	259,918	75,082	
Water and Sewer	30,000	45,000	29,978	15,022	
Communications	335,000	335,000	281,656	53,344	
Salary Adjustments	1,450,000	1,450,000	1,450,000		
Anticipated Terminal Leave Appropriation	600,000	600,000	600,000		
Total Operations within "CAPS"	78,301,567	78,301,567	74,675,184	3,626,383	
Total Operations Including Contingent-within "CAPS"	78,301,567	78,301,567	74,675,184	3,626,383	
Detail:					
Salaries & Wages	41,238,162	41,037,662	39,937,635	1,100,027	
Other Expenses (Including Contingent)	37,063,405	37,263,905	34,737,549	2,526,356	
Total:	78,301,567	78,301,567	74,675,184	3,626,383	

(E) Deferred Charges and Statutory Expenditures-

Municipal within "CAPS"

DEFERRED CHARGES:

Prior Years Bills:

MGL Printing Solutions

Boswell Engineering

Gold Type Business Machines

740

740

684

14,840

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>2015 Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<b>STATUTORY EXPENDITURES:</b>					
Contribution to:					
Social Security System (O.A.S.I.)	1,505,000	1,505,000	1,462,260	42,740	
Consolidated Police and Firemen's Pension Fund	34,000	34,000	15,214	18,786	
Police and Firemans Retirement System	6,881,152	6,881,152	6,881,152		
Public Employees Retirement System	1,340,191	1,340,191	1,333,513	6,678	
Unemployment Compensation Insurance	135,000	135,000	(6,564)	141,564	
	<u>9,911,607</u>	<u>9,911,607</u>	<u>9,701,099</u>	<u>209,768</u>	<u>740</u>
Total Deferred Charges and Statutory Expenditures-Municipal within "CAPS"					
	<u>88,213,174</u>	<u>88,213,174</u>	<u>84,376,283</u>	<u>3,836,151</u>	<u>740</u>
Total General Appropriations for Municipal Purposes within "CAPS"					
Operations - Excluded from "CAPS"					
Maintenance of Free Public Library(P.L. 1985 Ch. 22)	4,143,902	4,143,902	4,143,902		
Other Expenses	1,500,000	1,500,000	1,500,000		
Reserve for Tax Appeals					
	<u>5,643,902</u>	<u>5,643,902</u>	<u>5,643,902</u>		
Total Other Operations - Excluded from "CAPS"					

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	2015 <u>Budget</u>	Budget after Modification and <u>Transfer</u>	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Public and Private Programs Offset by Revenues					
Body Armor Grant		11,698	11,698		
Summer Food		75,078	75,078		
Municipal Court DWI		2,593	2,593		
Computer Program for the Elderly		125,097	125,097		
Clean Communities		92,804	92,804		
Housing Inspection Program	31,611	76,347	76,347		
Municipal Alliance		43,200	43,200		
Drive Sober or Get Pulled Over		5,000	5,000		
NJDOT Washington St Streetscape	457,030	457,030	457,030		
JAG		15,926	15,926		
Recycling Tonnage	75,462	75,462	75,462		
Assist 4 Firefighters (FEMA)		152,273	152,273		
Forestry Grant		3,000	3,000		
Matching Funds for Grants	40,000	40,000	30,525	9,475	
Total Public and Private Programs Offset by Revenues	604,103	1,175,508	1,166,033	9,475	
Total Operations-Excluded from "CAPS"	6,248,005	6,819,410	6,809,935	9,475	
Detail:					
Other Expenses	6,248,005	6,819,410	6,809,935	9,475	
Total	6,248,005	6,819,410	6,809,935	9,475	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund					
Year Ended December 31, 2015					
	2015 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Capital Improvements-Excluded from "CAPS"					
Capital Improvement Fund	275,000	275,000	275,000		
Computer Technology Updates	25,000	25,000	3,475	21,525	
2015 Police SUV Purchases	100,000	100,000	94,943	5,057	
Portable Radios	42,000	42,000		42,000	
<b>Total Capital Improvements Excluded from "CAPS"</b>	<b>442,000</b>	<b>442,000</b>	<b>373,418</b>	<b>68,582</b>	
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	4,010,000	4,010,000	4,010,000		500,500
Payment of Note Principal	1,423,000	1,423,000	922,500		41,002
Interest on Bonds	1,233,500	1,233,500	1,192,498		1
Interest on Notes	414,460	414,460	414,459		
Green Trust Loan Program					
Loan Repayments for Principal and Interest	205,696	205,696	199,015		6,681
<b>Total Municipal Debt Service-Excluded from "CAPS"</b>	<b>7,286,656</b>	<b>7,286,656</b>	<b>6,738,472</b>		<b>548,184</b>
DEFERRED CHARGES:					
5 Year Emergency Authorization	1,425,000	1,425,000	1,425,000		
Pier C North	201,659	201,659	201,659		
<b>Total Deferred Charges - Municipal - Excluded from "CAPS"</b>	<b>1,626,659</b>	<b>1,626,659</b>	<b>1,626,659</b>		
<b>Judgements</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>1,300,000</b>		

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	2015 <u>Budget</u>	Budget after Modification and Transfer	Paid or Charged	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>16,903,320</u>	<u>17,474,725</u>	<u>16,848,484</u>	<u>78,057</u>	<u>548,184</u>
Subtotal General Appropriations Reserve for Uncollected Taxes	105,116,494 3,300,000	105,687,899 3,300,000	101,224,767 3,300,000	3,914,208	548,924
Total General Appropriations	<u>\$ 108,416,494</u>	<u>108,987,899</u>	<u>104,524,767</u>	<u>3,914,208</u>	<u>548,924</u>
Adopted Budget	108,416,494				
Appropriations by 40a:4-87	<u>571,405</u>	<u>108,987,899</u>			
Reserve for Uncollected Taxes			3,300,000		
Deferred Charges			1,626,659		
Federal and State Grants			1,166,033		
Transfer to Reserves			4,323,477		
Encumbrances			2,310,251		
Cash Disbursements			<u>91,798,347</u>		
			<u>\$ 104,524,767</u>		

See accompanying notes to the financial statements.

**CITY OF HOBOKEN**  
**Comparative Balance Sheet - Regulatory Basis**  
**Trust Funds**  
**December 31, 2015 and 2014**

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<b>Animal License Fund:</b>			
Cash	B-1	\$ <u>33,227</u>	<u>33,637</u>
<b>Other Trust Funds:</b>			
Cash	B-1	13,814,252	12,891,222
Interfunds	B-5	<u>13,756</u>	<u>          </u>
		<u>13,828,008</u>	<u>12,891,222</u>
<b>Section 8 - Housing Assistance Program:</b>			
Cash	B-1	779,904	986,085
Interfunds	B-5	<u>5</u>	<u>5</u>
		<u>779,909</u>	<u>986,090</u>
<b>Community Development Block Grant Trust Fund:</b>			
Grants Receivable	B-12	1,369,160	499,760
Due from Section 8 - Housing Assistance Program	B-10	323,328	459,160
Due from Federal and State Grant Fund	B-13	<u>105,000</u>	<u>105,000</u>
		<u>1,797,488</u>	<u>1,063,920</u>
		<u>\$ 16,438,632</u>	<u>14,974,869</u>

## CITY OF HOBOKEN

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities and Reserves</u>			
Animal License Fund:			
Reserve for Animal License Fund expenditures	B-2	20,671	23,786
Due to State of New Jersey	B-3	63	65
Interfund	B-5	12,493	9,786
		<u>33,227</u>	<u>33,637</u>
Other Trust Funds:			
Due to State of New Jersey	B-4	92,567	75,074
Interfunds	B-5	512	304,630
Reserve for Other Trust Fund Deposits	B-6	13,734,929	12,511,518
		<u>13,828,008</u>	<u>12,891,222</u>
Section 8 - Housing Assistance Program:			
Due to Grantor - Section 8 Housing Assistance	B-8	47,711	47,711
Due to Community Development Block Grant Trust	B-9	323,328	459,160
Reserve for Sect. 8 - Housing Assistance Program	B-7	408,870	479,219
		<u>779,909</u>	<u>986,090</u>
Community Development Block Grant Trust Fund			
Reserve for Community Dev. Block Grant	B-11	1,797,488	1,063,920
		<u>1,797,488</u>	<u>1,063,920</u>
		<u>\$ 16,438,632</u>	<u>14,974,869</u>

See accompanying notes to financial statements.

## CITY OF HOBOKEN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash	C-2/C-3	\$ 8,272,643	4,051,501
Accounts Receivable:			
Port Authority	C-4	1,658,521	1,658,521
NJ DEP	C-4	351,000	351,000
Developer - Maxwell Place Walkway	C-4	101,730	101,730
Green Acres	C-4	400,000	400,000
NJDOT	C-4	457,030	
Deferred Charges to Future Taxation:			
Funded	C-5	37,073,294	24,011,987
Unfunded	C-6	97,082,532	88,003,005
		<u>\$ 145,396,750</u>	<u>118,577,744</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	\$ 27,084,442	23,187,442
Bond Anticipation Notes	C-9	42,957,456	45,802,186
Green Acres Trust Loan Payable	C-10	1,344,704	824,545
NJ Environmental Infrastructure Trust Loan Payable	C-11	2,715,000	
NJ Environmental Infrastructure Fund Loan Payable	C-12	5,929,148	
Improvement Authorizations:			
Funded	C-13	2,109,433	1,982,601
Unfunded	C-13	53,966,249	38,512,716
Interfunds	C-7		175,146
Reserve for Encumbrances	C-14	5,785,502	4,535,648
Capital Improvement Fund	C-15	237,827	622,827
Reserve for Hazmat Funds - Due from Grant	C-16	17,630	17,630
Reserve for Green Acres - 1600 Adams Street	C-16	200,000	200,000
Reserve for Green Acres - 1600 Park Avenue	C-16		341,000
Reserve for Grants Receivable:			
Reconstruction of Pier C	C-16	2,009,521	2,009,521
Reserve for Payment of BAN's	C-17	360,974	19,974
Fund Balance	C-1	678,864	346,508
		<u>\$ 145,396,750</u>	<u>118,577,744</u>

There were \$54,125,076 and \$42,200,819 of Bonds and Notes Authorized but Not Issued on December 31, 2015 and December 31, 2014 respectively (Exhibit C-18).

See accompanying notes to the financial statements.

## CITY OF HOBOKEN, N.J.

## Comparative Statement of Changes in Fund Balance - Regulatory Basis

## General Capital Fund

For the Years Ended December 31,

	<u>2015</u>	<u>2014</u>
Balance, December 31,	\$ 346,508	344,741
Increased by:		
Premium on Sale of Bond Anticipation Notes	<u>678,356</u>	<u>346,507</u>
	1,024,864	691,248
Decreased by:		
Budgeted Revenue	<u>346,000</u>	<u>344,740</u>
Balance, December 31,	<u>\$ 678,864</u>	<u>346,508</u>

See accompanying notes to the financial statements.

CITY OF HOBOKEN, N.J.

Comparative Balance Sheet - Regulatory Basis

Parking Utility Fund

December 31, 2015 and 2014

<u>Assets</u>		<u>2015</u>	<u>2014</u>
Parking Utility Operating Fund:			
Cash	D-4	\$ <u>5,806,290</u>	<u>3,428,838</u>
Total Parking Utility Operating Fund		<u>5,806,290</u>	<u>3,428,838</u>
Capital Fund:			
Cash	D-4	4,914,876	172,342
Fixed Capital	D-12	45,157,185	45,157,185
Due from Parking Utility Operating	D-14	37,131	
Fixed Capital Authorized and Uncompleted	D-13	<u>21,251,120</u>	<u>19,641,120</u>
Total Capital Fund		<u>71,360,312</u>	<u>64,970,647</u>
		<u>\$ 77,166,602</u>	<u>68,399,485</u>

## CITY OF HOBOKEN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Parking Utility Fund

December 31, 2015 and 2014

		<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Parking Utility Operating Fund:			
Appropriation Reserves	D-3,6	1,152,640	332,837
Interfund Accounts Payable:			
Due to Parking Utility Capital	D-5	37,131	
Security Deposits	D-7	23,150	233,776
Accrued Interest on Bonds and Notes	D-8	344,621	435,537
Reserve for Encumbrances	D-9	335,581	233,345
Reserve for Retro Pay - HPU	D-10	134,621	255,854
Accounts Payable	D-11	52,528	
Fund Balance	D-1	<u>3,726,018</u>	<u>1,937,489</u>
Total Parking Utility Operating Fund		<u>5,806,290</u>	<u>3,428,838</u>
Capital Fund:			
Bond Anticipation Notes	D-15	8,282,000	6,788,000
Serial Bonds Payable	D-16	16,030,000	13,925,000
Lease Purchase Agreements Payable	D-18	67,177	88,515
Improvement authorization:			
Funded	D-17		
Unfunded	D-17	8,682,007	7,292,342
Reserve for:			
Amortization	D-19	<u>38,299,128</u>	<u>36,876,790</u>
Total Capital Fund		<u>71,360,312</u>	<u>64,970,647</u>
		<u>\$ 77,166,602</u>	<u>68,399,485</u>

There were \$3,730,000 and \$7,120,000 of Bonds and Notes Authorized But Not Issued on December 31, 2015 and December 31, 2014 respectively (Exhibit D-20).

See accompanying notes to financial statements.

## CITY OF HOBOKEN, N.J.

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

## Parking Utility Operating Fund

Year Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenue and other income:		
Fund Balance Utilized	\$ 1,650,000	1,182,550
Revenues Anticipated	16,054,892	15,952,835
Miscellaneous Revenues not Anticipated	2,909,470	14,479
Unexpended balance appropriation reserve	<u>225,499</u>	<u>428,559</u>
Total revenue and other income	<u>20,839,861</u>	<u>17,578,423</u>
Expenditures:		
Operating	10,295,007	8,487,028
Capital Improvements	112,740	112,463
Debt service	1,841,959	2,160,795
Deferred charges and statutory expenditures	985,000	897,218
Surplus (General Budget)	4,100,000	4,100,000
Interfunds	37,131	
Refund of Prior Year Revenue	<u>3,114</u>	<u>24,216</u>
Total expenditures	<u>17,374,951</u>	<u>15,781,720</u>
Excess in revenues	3,464,910	1,796,703
Adjustments to Income before Surplus:		
Prior period adjustment - Accounts Payable	<u>26,381</u>	
Statutory excess to Surplus	<u>3,438,529</u>	<u>1,796,703</u>
Fund balance, Beginning	<u>1,937,489</u>	<u>1,323,336</u>
	5,376,018	3,120,039
Decreased by utilization by parking operating budget	<u>1,650,000</u>	<u>1,182,550</u>
Balance, Ending	<u>\$ 3,726,018</u>	<u>1,937,489</u>

See accompanying notes to financial statements.

## CITY OF HOBOKEN, N.J.

## Statement of Revenues - Regulatory Basis

## Parking Utility Operating Fund

Year Ended December 31, 2015

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus Anticipated	\$ 1,650,000	1,650,000	
Parking Fees - Continuing Operations	9,550,000	9,423,934	(126,066)
Permits	2,200,000	2,988,587	788,587
Coupons	300,000	370,905	70,905
Boot Releases	410,000	124,600	(285,400)
Meter Income	2,500,000	2,696,876	196,876
Rentals	200,000	195,674	(4,326)
Taxi Licenses	100,000	113,725	13,725
Miscellaneous	424,706	140,591	(284,115)
	<u>\$ 17,334,706</u>	<u>17,704,892</u>	<u>370,186</u>
	Surplus Anticipated \$	1,650,000	
	Cash	<u>16,054,892</u>	
		<u>\$ 17,704,892</u>	
Miscellaneous Revenues Not Anticipated:			
Marineview Housing Company Settlement	\$	2,619,916	
Security Deposits Cancelled		233,776	
Restitution		49,408	
Other		6,370	
		<u>2,909,470</u>	
	Transfer from Reserve \$	233,776	
	Cash	<u>2,675,694</u>	
		<u>\$ 2,909,470</u>	

See accompanying notes to financial statements.

## CITY OF HOBOKEN, N.J.

## Statement of Expenditures - Regulatory Basis

## Parking Utility Operating Fund

Year Ended December 31, 2015

	Appropriations		Paid or charged	Reserved
	Budget	Budget after Modification		
Operating:				
Salaries and Wages	\$ 4,777,840	4,777,840	4,493,419	284,421
Other Expenses	3,967,167	3,967,167	3,098,948	868,219
Other Expenses - Group Health Benefits	1,550,000	1,550,000	1,550,000	
Total Operating	10,295,007	10,295,007	9,142,367	1,152,640
Capital Improvements				
Capital Outlay	112,740	112,740	112,740	
Total Capital Improvements	112,740	112,740	112,740	
Debt Service:				
Payment of Bond Principal	1,295,000	1,295,000	1,295,000	
Payment of Note Principal	106,000	106,000	106,000	
Interest on Bonds	348,128	348,128	348,128	
Interest on Notes	92,831	92,831	92,831	
	1,841,959	1,841,959	1,841,959	
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures - Contribution to:				
Public Employees' Retirement System	480,000	480,000	480,000	
Social Security	315,000	315,000	315,000	
Workers Compensation	100,000	100,000	100,000	
Unemployment Compensation	90,000	90,000	90,000	
Total Deferred Charges and Statutory Expenditures	985,000	985,000	985,000	
Surplus (General Budget)	4,100,000	4,100,000	4,100,000	
	\$ 17,334,706	17,334,706	16,182,066	1,152,640
			Cash Disbursed \$ 15,030,526	
			Interfunds 375,000	
			Encumbered 335,581	
			Accrued Interest 440,959	
			\$ 16,182,066	

See accompanying notes to financial statements.

CITY OF HOBOKEN, N.J.

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
General Fixed Assets:		
Land	\$ 15,168,861	14,559,670
Buildings	37,843,470	37,637,848
Equipment	5,062,189	4,917,430
Vehicles	<u>10,779,721</u>	<u>10,640,425</u>
	<u>68,854,241</u>	<u>67,755,373</u>
Investment in General Fixed Assets	\$ <u>68,854,241</u>	<u>67,755,373</u>

See accompanying notes to financial statements.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial statements of the City of Hoboken have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is another comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The City of Hoboken (the "City") operates under a Mayor/Council form of government. The City's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the City do not include the Public Library, which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

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

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

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

The City has the following funds and account group:

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

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

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

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

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

Parking Utility Fund - This fund is used to account for revenues and expenditures for operation of the City's parking garage and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities are accounted for in the capital section of the fund.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

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

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

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

Basis of Accounting

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the City. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11<sup>th</sup> day of the 11<sup>th</sup> month of the current year that taxes are levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the City. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

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

Basis of Accounting, (continued)

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

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

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

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

- General Capital Fund
- Trust Fund
- Parking Utility Capital Fund

The governing body shall introduce and approve the annual budget not later than August 10, of the fiscal year. The budget shall be adopted not later than September 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

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

Basis of Accounting, (continued)

During the years ended December 31, 2015 and 2014, the Government Body approved additional revenues and appropriations of \$571,405 and \$2,776,693, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the Governing Body in 2015 and 2014.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

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

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

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

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

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

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

Basis of Accounting, (continued)

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

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

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

General Fixed Assets - The City of Hoboken has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

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

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

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

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

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

Basis of Accounting, (continued)

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

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

Recent Accounting Pronouncements

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

In April of 2013, the Government Accounting Standards Board issued GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2013 and will not have any impact on the entity's financial statement disclosures.

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

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(continued)

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

Basis of Accounting, (continued)

Recent Accounting Pronouncements, (continued)

In February 2015, the Government Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for periods beginning after June 15, 2015. The City is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for periods beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for periods beginning after June 15, 2016. The City is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for periods beginning after June 15, 2016. The City is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The City is currently reviewing what effect, if any, this Statement might have on future financial statements.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

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

Basis of Accounting, (continued)

Recent Accounting Pronouncements, (continued)

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. This Statement is effective for periods beginning after June 15, 2015. The City is currently reviewing what effect, if any, this Statement might have on future financial statements.

In August 2015, the Government Accounting Standards Board issued GASB Statement No. 77, *Tax Abatement Disclosures*, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The City is currently reviewing what effect, if any, this Statement might have on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The City is currently reviewing what effects, if any, this Statement might have on future financial statements.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

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

Basis of Accounting, (continued)

Recent Accounting Pronouncements, (continued)

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 79, Certain External Investment Pools and Pool Participants. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective for periods beginning after June 15, 2015, and for certain provisions, periods beginning after December 15, 2015. The City is currently reviewing what effects, if any, this Statement might have on future financial statements.

C. Basic Financial Statements

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

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodian credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2015 and 2014, \$-0- of the City's bank balance of \$68,129,562 and \$55,233,577, respectively, were exposed to custodial credit risk.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
(continued)

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**NOTE 3. MUNICIPAL DEBT**

Long-term liability activity for the year ended December 31, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds Payable:					
General Obligation Debt	\$23,187,442	\$7,907,000	\$4,010,000	\$27,084,442	\$4,547,000
Parking Utility Obligation Debt	<u>13,925,000</u>	<u>3,400,000</u>	<u>1,295,000</u>	<u>16,030,000</u>	<u>1,445,000</u>
Total Bonds Payable	<u>37,112,442</u>	<u>11,307,000</u>	<u>5,305,000</u>	<u>43,114,442</u>	<u>5,992,000</u>
Other Liabilities:					
Green Acres Trust Loan	824,545	700,000	179,841	1,344,704	159,540
NJEIT Trust Loans Payable		8,644,148		8,644,148	
Pension Deferrals Payable	2,658,417		198,410	2,460,007	211,574
Compensated Absences Payable	<u>7,716,157</u>	<u>2,538,135</u>	<u>1,047,364</u>	<u>9,206,928</u>	
Total Other Liabilities	<u>11,199,119</u>	<u>11,882,283</u>	<u>1,425,615</u>	<u>21,655,787</u>	<u>371,114</u>
	<u>\$48,311,561</u>	<u>\$23,189,283</u>	<u>\$6,730,615</u>	<u>\$64,770,229</u>	<u>\$6,363,114</u>

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

Long-term liability activity for the year ended December 31, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Bonds Payable:</b>					
General Obligation Debt	\$26,962,442	\$	\$3,775,000	\$23,187,442	\$4,010,000
Parking Utility Obligation Debt	<u>16,295,000</u>	<u>10,980,000</u>	<u>13,350,000</u>	<u>13,925,000</u>	<u>1,295,000</u>
Total Bonds Payable	<u>43,257,442</u>	<u>10,980,000</u>	<u>17,125,000</u>	<u>37,112,442</u>	<u>5,305,000</u>
<b>Other Liabilities:</b>					
Green Acres Trust Loan	1,000,842		176,297	824,545	179,841
Pension Deferrals Payable	2,838,616		180,199	2,658,417	198,410
Compensated Absences Payable	<u>9,845,460</u>	<u>10,967</u>	<u>2,140,270</u>	<u>7,716,157</u>	<u>378,251</u>
Total Other Liabilities	<u>13,684,918</u>	<u>10,967</u>	<u>2,496,766</u>	<u>11,199,119</u>	<u>378,251</u>
	<u>\$56,942,360</u>	<u>\$10,990,967</u>	<u>\$19,621,766</u>	<u>\$48,311,561</u>	<u>\$5,683,251</u>

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

The City's debt is summarized as follows:

	Year Ended December 31, <u>2015</u>	Year Ended December 31, <u>2014</u>	Year Ended December 31, <u>2013</u>
<b>Issued:</b>			
General Bonds, Notes and Loans	\$80,030,750	\$69,814,173	\$69,972,284
Parking Utility Bonds, Notes and Loans	<u>24,312,000</u>	<u>20,713,000</u>	<u>21,789,000</u>
Net Debt Issued	<u>104,342,750</u>	<u>90,527,173</u>	<u>91,761,284</u>
<b>Authorized But Not Issued:</b>			
General Bond and Notes	54,125,076	42,200,819	32,209,025
Parking Utility Bonds and Notes	<u>3,730,000</u>	<u>7,120,000</u>	<u>15,800,000</u>
Total Authorized But Not Issued	<u>57,855,076</u>	<u>49,320,819</u>	<u>48,009,025</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$162,197,826</u>	<u>\$139,847,992</u>	<u>\$139,770,309</u>

\*Guaranteed by the City of Hoboken.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.091% for 2015.

<u>2015</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Parking Utility Debt	\$28,042,000	\$28,042,000	\$ -
General Debt	<u>134,155,826</u>	<u>360,974</u>	<u>133,794,852</u>
	<u>\$162,197,826</u>	<u>\$28,402,974</u>	<u>\$133,794,852</u>

Net Debt \$133,794,852 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$12,258,159,822 equals 1.091%.

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.011% for 2014.

<u>2014</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Parking Utility Debt	\$27,833,000	\$27,833,000	\$ -
General Debt	<u>112,014,992</u>	<u>360,974</u>	<u>111,654,018</u>
	<u>\$139,847,992</u>	<u>\$28,193,974</u>	<u>\$111,654,018</u>

Net Debt \$111,654,018 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$11,040,012,592 equals 1.011%.

**BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED**

	<u>2015</u>	<u>2014</u>
3 ½% of equalized valuation basis (municipal)	\$429,035,594	\$354,640,821
Net Debt	<u>133,794,852</u>	<u>111,654,018</u>
Remaining borrowing power	<u>\$295,240,742</u>	<u>\$242,986,803</u>

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

CALCULATION OF "SELF-LIQUIDATING PURPOSE", PARKING UTILITY PER  
N.J.S.A. 40A:2-45

	<u>2015</u>	<u>2014</u>
Cash receipts from fees, rents or other charges for year	\$20,380,586	\$17,135,385
Deductions:		
Operating and Maintenance Cost	11,280,007	9,377,028
Debt Service	<u>1,841,959</u>	<u>2,160,794</u>
Total Deductions	<u>13,121,966</u>	<u>11,537,822</u>
Excess in Revenue - Self Liquidating	<u>\$7,258,620</u>	<u>\$5,597,563</u>

The City's long term debt consisted of the following at December 31, 2015 and 2014:

	<u>Amount Outstanding</u>	
	<u>2015</u>	<u>2014</u>
<u>General Obligation Bonds - Paid by Current Fund</u>		
\$7,382,000 Early Retirement Pension Refunding Bonds - with an interest rate of 5.45% to 7.14%, issued August 1, 2003, due through April 1, 2033	\$6,562,442	\$6,787,442
\$38,325,000 Refunding Serial Bonds - with an interest rate of 5.45% to 6.00%, issued November 1, 2003, due through February 1, 2018	12,615,000	16,400,000
\$7,970,000 General Obligation Bonds - with interest rates of 2.00% to 3.00%, issued March 3, 2015, due through February 1, 2035	<u>7,907,000</u>	<u>                    </u>
Total General Serial Bonds	<u>\$27,084,442</u>	<u>\$23,187,442</u>

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

Green Acres Loans - Paid By Current Fund

The City has three outstanding loan agreements with New Jersey Green Acres Bond Act of 1983 for the Little League Field, North Park, Castle Point Park and Multiple Park Project as follows:

	<u>Amount Outstanding</u>	
	<u>2015</u>	<u>2014</u>
The 2000 Little League Field and North Park award is a rate of 2.0%, in the amount of \$1,500,000 with semi-annual loan payments of various amounts made on July 29 and January 29 through January 29, 2016	\$141,472	\$157,611
The 2003 Castle Point Park project award is at a rate of 2.0%, in the amount of \$375,000 with semi-annual loan payments of various amounts made on September 6 and March 6 through March 6, 2022	53,061	161,658
The 2005 Multiple Park Project award is at a rate of 2.0%, in the amount of \$1,000,000 with semi-annual loan payments of various amounts made on September 22 and March 22 through March 22, 2023	450,171	505,276
The 2007 1600 Park Ave Development award is at a rate of 2.0%, in the amount of \$700,000 with semi-annual loan payments of various amounts made on April 15 and October 15 through April 2035	<u>700,000</u>	<u>          </u>
Total Green Acres Loans	<u>\$1,344,704</u>	<u>\$824,545</u>

Intergovernmental Loans Payable

The City has entered into a loan agreement with the New Jersey Environmental Infrastructure Trust for the financing related to the City's wet weather pump stations project.

	<u>Amount Outstanding</u>	
	<u>2015</u>	<u>2014</u>
\$5,929,148 Fund Loan due in annual installments of \$105,878 to \$211,755 through August 1, 2035	\$5,929,148	\$
\$2,715,000 Trust Loan due in annual installments of \$95,000 to \$190,000 through August 1, 2035, interest at 3.00% to 5.00%	<u>2,715,000</u>	<u>          </u>
Total New Jersey Environmental Infrastructure Trust Loan	<u>\$8,644,148</u>	<u>\$0</u>

**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

<u>Parking Utility Bonds - Paid by Parking Utility Fund</u>	<u>Amount Outstanding</u>	
	<u>2015</u>	<u>2014</u>
\$26,530,000 Parking Utility General Obligation Bonds Series 2002 - with an interest rate of 3.80% to 5.25% issued January 1, 2003, due through January 1, 2023	\$2,945,000	\$2,945,000
\$10,980,000 Parking Utility Qualified General Improvement Refunding Bonds - with interest rates of 1.25% to 5.00% issued January 14, 2014, due through January 1, 2023	9,685,000	10,980,000
\$3,400,000 Parking Utility General Obligation Bonds, Series 2015 - with interest rates of 3.00% to 4.00% issued March 3, 2015, due through February 1, 2035	<u>3,400,000</u>	<u>                    </u>
Total Parking Utility Bonds	<u>\$16,030,000</u>	<u>\$13,925,000</u>

The City's principal and interest for bonded debt and loans issued and outstanding as of December 31, 2015 is as follows:

	<u>General Capital</u>						<u>Parking Utility</u>		
	<u>General Bonds</u>		<u>Green Acres Loan</u>		<u>NJEIT Loan</u>		<u>Utility Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2016	\$4,547,000	\$1,112,306	\$159,540	\$25,834	\$	\$79,392	\$1,445,000	\$525,018	
2017	4,785,000	871,305	108,620	23,163	306,755	103,181	1,495,000	474,093	8,167,117
2018	5,055,000	616,716	110,803	20,980	417,633	98,431	1,550,000	414,493	8,284,056
2019	665,000	469,531	113,031	18,752	422,633	93,431	1,680,000	343,443	3,805,821
2020	695,000	436,181	115,303	16,481	427,633	88,181	1,760,000	265,843	3,804,622
2021-2025	4,415,000	1,568,781	362,497	52,462	2,218,165	353,406	6,080,000	634,538	15,684,849
2026-2030	3,718,900	4,706,894	188,477	29,164	2,363,165	210,906	895,000	307,409	12,419,915
2031-2035	<u>3,203,542</u>	<u>4,161,292</u>	<u>186,433</u>	<u>9,445</u>	<u>2,488,164</u>	<u>86,475</u>	<u>1,125,000</u>	<u>116,500</u>	<u>11,376,851</u>
	<u>\$27,084,442</u>	<u>\$13,943,006</u>	<u>\$1,344,704</u>	<u>\$196,281</u>	<u>\$8,644,148</u>	<u>\$1,113,403</u>	<u>\$16,030,000</u>	<u>\$3,081,337</u>	<u>\$71,437,321</u>

**NOTE 4. BOND ANTICIPATION NOTES**

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

**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(continued)**

**NOTE 4. BOND ANTICIPATION NOTES, (continued)**

On December 31, 2015 and 2014, the City had \$42,957,456 and \$45,802,186, respectively, in outstanding General Capital Bond Anticipation Notes. The City also had \$8,282,000 and \$6,788,000 of Parking Utility Capital Bond Anticipation Notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2015 and 2014:

	<u>Balance Dec. 31, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2015</u>
General Capital Fund:				
TD Securities LLC	\$	\$42,957,456	\$	\$42,957,456
Hudson County Improvement Authority	\$45,802,186		\$45,802,186	
Parking Utility Capital Fund:				
TD Securities LLC		8,282,000		8,282,000
Hudson County Improvement Authority	<u>6,788,000</u>	<u>                    </u>	<u>6,788,000</u>	<u>                    </u>
	<u>\$52,590,186</u>	<u>\$51,239,456</u>	<u>\$52,590,186</u>	<u>\$51,239,456</u>
	<u>Balance Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2014</u>
General Capital Fund:				
Hudson County Improvement Authority	\$42,009,000	\$45,802,186	\$42,009,000	\$45,802,186
Parking Utility Capital Fund:				
Hudson County Improvement Authority	<u>5,494,000</u>	<u>6,788,000</u>	<u>5,494,000</u>	<u>6,788,000</u>
	<u>\$47,503,000</u>	<u>\$52,590,186</u>	<u>\$47,503,000</u>	<u>\$52,590,186</u>

**NOTE 5. SPECIAL EMERGENCY NOTES**

Following the adoption of an ordinance or resolution for special emergency appropriations, the City may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/3 or 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the third or fifth year following the date of the special emergency resolution.

On December 31, 2015 and 2014, the City had \$2,840,000 and \$4,605,000, respectively, in outstanding Current Fund Special Emergency notes.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

**NOTE 5. SPECIAL EMERGENCY NOTES, (continued)**

The following activity related to special emergency notes occurred during the calendar years ended December 31, 2015 and 2014:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
TD Securities LLC	\$	\$2,840,000	\$	\$2,840,000
Depository Trust company	<u>4,605,000</u>	_____	<u>4,605,000</u>	_____
	<u>\$4,605,000</u>	<u>\$2,840,000</u>	<u>\$4,605,000</u>	<u>\$2,840,000</u>

  

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Depository Trust Company	<u>\$6,440,000</u>	<u>\$4,605,000</u>	<u>\$6,440,000</u>	<u>\$4,605,000</u>

**NOTE 6. OPERATING LEASES PAYABLE**

The City has entered into Operating Lease Purchase Agreements for the acquisition of snow removal equipment and automatic license plate readers for the Parking Utility. Principal and interest payments for the equipment are due annually through 2018. The following is a schedule of the future minimum lease payments under the agreements, and the present value of the net minimum lease payments at December 31, 2015:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>	<u>Automatic License</u> <u>Plate Readers</u>		<u>Snow Removal</u> <u>Equipment</u>	
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$50,077	\$21,857	\$1,634	\$25,285	\$1,301
2017	50,076	22,388	1,102	25,927	659
2018	<u>23,491</u>	<u>22,933</u>	<u>558</u>	_____	_____
	<u>\$123,644</u>	<u>\$67,178</u>	<u>\$3,294</u>	<u>\$51,212</u>	<u>\$1,960</u>

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

**NOTE 7. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	<u>Balance</u> <u>Dec. 31,</u>	<u>Subsequent</u> <u>Year Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Succeeding</u> <u>Year Budget</u>
<u>2015</u>			
Current Fund:			
Special Emergency Authorizations:			
Revaluation of Real Property	\$300,000	\$150,000	\$150,000
Hurricane Sandy	2,300,000	1,150,000	1,150,000
Hurricane Sandy Amendment	<u>240,000</u>	<u>120,000</u>	<u>120,000</u>
Total Deferred Charges	<u>\$2,840,000</u>	<u>\$1,420,000</u>	<u>\$1,420,000</u>
	<u>Balance</u> <u>Dec. 31,</u>	<u>Subsequent</u> <u>Year Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Succeeding</u> <u>Year Budget</u>
<u>2014</u>			
Current Fund:			
Special Emergency Authorizations:			
Revaluation of Real Property	\$555,000	\$155,000	\$400,000
Hurricane Sandy	4,050,000	1,150,000	2,900,000
Hurricane Sandy Amendment	<u>360,000</u>	<u>120,000</u>	<u>240,000</u>
Total Deferred Charges	<u>\$4,965,000</u>	<u>\$1,425,000</u>	<u>\$3,540,000</u>

**NOTE 8. PENSION PLANS**

Description of Systems:

Substantially all of the City's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. 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 systems terminate.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems: (continued)

*Public Employees' Retirement System (PERS)*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems: (continued)

*Public Employees' Retirement System (PERS), (continued)*

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

*Police and Firemens' Retirement System (PFRS)*

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system.

Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems: (continued)

*Police and Firemens' Retirement System (PFRS), (continued)*

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Defined Contribution Retirement Program, (continued)

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8 1/4 percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The City of Hoboken opted for this deferral in the amount of \$ 3,234,155. The amount outstanding at December 31, 2015 was \$2,460,007.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as

**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
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(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Contribution Requirements, (continued)

defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2015	\$1,520,191	\$6,511,152
2014	1,401,821	6,249,271
2013	1,573,815	6,269,414

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

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

**Public Employees Retirement System (PERS)**

At December 31, 2015, the City had a liability of \$47,865,441 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the City's proportion was .2132281243 percent, which was an increase/(decrease) of .03635969 percent from its proportion measured as of June 30, 2014.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

For the year ended December 31, 2015, the City recognized pension expense of \$1,520,191. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$1,141,901	\$
Changes of assumptions	5,140,366	
Net difference between projected and actual earnings on pension plan investments		769,584
Changes in proportion and differences between the City's contributions and proportionate share of contributions	<u>5,963,216</u>	<u>136,712</u>
Total	<u>\$12,245,483</u>	<u>\$906,296</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$1,003,586
2017	1,003,586
2018	1,003,586
2019	1,598,371
2020	903,554

**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Additional Information**

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
City s Proportion	.2132281243%	.176868437%

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

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

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Mortality Rates**

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

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

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2015</u>		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
City's proportionate share of the pension liability	\$59,490,887	\$47,865,441	\$38,118,751

**Pension Plan Fiduciary Net Position**

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

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

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

At December 31, 2015, the City had a liability of \$126,500,177 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the City's proportion was .7594636883 percent, which was an increase/(decrease) of (.0342632383) percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City recognized pension expense of \$6,511,152. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$23,355,075	\$1,091,105
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments		2,201,624
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>3,949,234</u>	<u>8,344,753</u>
Total	<u>\$27,304,309</u>	<u>\$11,637,482</u>

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$3,810,205
2017	3,810,205
2018	3,810,205
2019	6,247,423
2020	2,384,308

**Additional Information**

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,512,729,953	\$750,532,959
Collective deferred inflows of resources	871,083,367	1,561,923,934
Collective net pension liability	16,656,514,197	13,933,627,178
City's Proportion	.7594636883%	.7937269266%

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

**Mortality Rates**

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

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

**Discount Rate**

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made

**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2015, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>4.79%</u>	<u>5.79%</u>	<u>6.79%</u>
City's proportionate share of the pension liability	\$170,298,694	\$126,500,177	\$90,786,400

**Pension Plan Fiduciary Net Position**

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

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
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(continued)

**NOTE 9. ACCUMULATED VACATION AND SICK PAY**

Under the existing policies and labor agreements of the City, employees are allowed to accumulate (with certain restrictions) sick pay over the life of their working careers. Employees are allowed to accumulate unused vacation pay and redeem such unused time in cash (with certain limitations) upon death or retirement.

The estimated accumulated vacation time liability as of December 31, 2015 and 2014 was \$9,206,928 and \$7,716,157, respectively.

**NOTE 10. FIXED ASSETS**

The following is a summary of General Fixed Assets Account Group as of December 31, 2015:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Land	\$14,559,670	\$609,191	\$	\$15,168,861
Building and Improvements	37,637,848	205,622		37,843,470
Equipment	4,917,430	144,759		5,062,189
Vehicles	<u>10,640,425</u>	<u>320,656</u>	<u>181,360</u>	<u>10,779,721</u>
	<u>\$67,755,373</u>	<u>\$1,280,228</u>	<u>\$181,360</u>	<u>\$68,854,241</u>

**NOTE 11. DUE TO/FROM OTHER FUNDS**

Balances due from/to other funds at December 31, 2015 consist of the following:

\$105,000	Due to Community Development Trust Fund from the Federal and State Grant Fund for reimbursement of expenses.
12,493	Due to the Current Fund from the Animal License Trust Fund for statutory excess.
512	Due to the Current Fund from the Other Trust Fund for reimbursement of expenses.
612	Due to the Current Fund from the Flexible Spending Fund for reimbursement of expenses paid.
5	Due to the Section 8 Housing Trust Fund from the Current Fund for reimbursement of expenses paid.
<u>37,131</u>	Due to the Parking Utility Capital Fund from the Parking Utility Operating fund for reimbursement of expenses.
<u>\$155,753</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(continued)**

**NOTE 12. RISK MANAGEMENT**

The City is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has obtained insurance coverage to guard against these events which will provide minimum exposure to the City should they occur. During the 2015 calendar year, the City did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The City of Hoboken is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City of Hoboken is a member of the Garden State Municipal Joint Insurance Fund (the "JIF"). The JIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage for member municipalities. The City of Hoboken pays an annual assessment to the JIF and should it be determined that payments received by the JIF are deficient, additional assessments may be levied.

The JIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The JIF's members are also members of the New Jersey Municipal Environmental Risk Management Fund which provides commercial insurance coverage for environmental impairment liability.

The JIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program arranged by the MEL acting as a lead agency.

Financial statements for the Funds are available at the office of the Funds' Executive Director, Conner Strong/PERMA Risk Management Services.

The City of Hoboken continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(On December 1, 2015, the City instituted a self-insurance plan for employee health benefits).

**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(continued)**

**NOTE 13. TAXES COLLECTED IN ADVANCE**

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

	<u>Balance Dec. 31, 2015</u>	<u>Balance Dec. 31, 2014</u>
Prepaid Taxes	<u>\$1,576,512</u>	<u>\$1,391,471</u>
Cash Liability for Taxes Collected in Advance	<u>\$1,576,512</u>	<u>\$1,391,471</u>

**NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES**

We are advised by the City’s Special Counsel that the City is involved in several legal suits. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City. The following matters were identified by City’s Special Counsel to have significant risk exposure in the event the judgments are unfavorable to the City:

**INDIVIDUAL PENDING, THREATENED OR RECENTLY RESOLVED PENDING  
OR THREATENED LITIGATION, CLAIMS AND ASSESSMENTS:**

**Tartaglia v. City of Hoboken**

This matter was argued on December 12, 2013, and Plaintiff’s prevailed. The City’s financial exposure is \$1,740,671, of which \$389,898 was paid in 2014. **The remaining balance of one million, three hundred fifty thousand, seven hundred and seventy three dollars (\$1,350,773) will be paid over the next two years (2015-2016).**

**Garcia v. City of Hoboken (I)**

Plaintiff Carmelo Garcia was the Executive Director of the Hoboken Housing Authority and has filed a Complaint<sup>1</sup> against Mayor Dawn Zimmer ("Mayor"), Mayor of the City of Hoboken, Hoboken Housing Authority ("HHA"), Commissioner Jake Stuver ("Stuver") a Chairman for the Hoboken Housing Authority, and Stan Gossbard. Plaintiff’s Complaint alleges that he was subject to a hostile work environment because of his race and refusal to participate in unlawful activities as directed by the Defendants. **An estimate as to the amount or range of potential loss cannot be made at this time given the transitional stage of the proceedings in this case.**

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
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(continued)

NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

Shipyard Associates, L.P. v. City of Hoboken  
Docket No. HUD-L-1308-16

The complaint challenges two flood hazard prevention ordinances (Nos. Z-263 and Z-264) which were adopted by the City council in December 2013. This case was originally filed in the U.S. District Court for the District of New Jersey, in Shipyard Associates, L.P. v. City of Hoboken, Dkt. No. 2:14-cv-01145 (*see above*); however the plaintiff voluntarily dismissed its federal claims with prejudice, and refiled its state law claims in this action.

The claims asserted are that the ordinances are: (I) arbitrary and capricious; (II) preempted by state and federal law and *ultra vires*; (III) spot zoning; (IV) inapplicable to Shipyard's application to develop the Monarch project under the "time of application" provision of the Municipal Land Use Law (the "MLUL"), N.J.S.A. 40:55D-10.5; (V) inapplicable to Shipyard's application to develop the Monarch project, under the MLUL, N.J.S.A. 40:55D-52, because the application was deemed to have been finally approved before the ordinances were adopted; (VI) a taking of property without just compensation under the N.J. Constitution; and (VII) a violation of Shipyard's substantive due process rights under the N.J. Constitution.

The complaint seeks money damages, including compensatory and consequential damages and punitive damages, damages for inverse condemnation, damages for temporary confiscation of property; pre- and post-judgment interest and attorneys' fees, costs and expenses; however, the amount of claimed damages is not ascertainable at this point because discovery on damages has not yet occurred. **As estimate as to the amount or range of potential loss cannot be made at this time given the early stage of the proceedings in this case.**

Monroe Properties, LLC v. City of Hoboken and Zoning Bd. Of Adj. of City of Hoboken  
Docket No. HUD-L-1013-15

This action is brought by the owner of 914-930 Monroe Street, which is located in the Western Edge Redevelopment Area, to challenge the I-1 Industrial District Zoning as applied to the property, as well as the City's efforts to redevelop the Western Edge Area.

The claims asserted are: (I) that the I-1 Industrial District Zoning is arbitrary and capricious as applied to the property and void; (II) that the City has a policy of depressing the marketability and market value of properties in the Western Edge area in order to acquire properties without just compensation; (III) that the City's June 18, 2007 designation of the

**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(continued)**

**NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)**

Western Edge Area as "in need of redevelopment" was arbitrary, capricious and unreasonable and not supported by substantial evidence; (IV) that the Zoning Board's denial of plaintiff's March 27, 2014 variance application was arbitrary and capricious; (V) that the Western Edge redevelopment designation and Redevelopment Plan are invalid because they are tainted by the Memorandum of Understanding between the City and Tarragon/URSA Redevelopment Partnership, LLP, dated February 16, 2005; and (VI) that the Western Edge redevelopment designation and Redevelopment Plan are invalid because of a material change in conditions in the Western Edge Area. Plaintiff claims damages of \$100,000,000. **An estimate as to the amount or range of potential loss cannot be made at this time given that discovery is incomplete.**

**OTHER AGGREGATED PENDING OR THREATENED LITIGATION, CLAIMS AND ASSESSMENTS:**

The following items of pending litigation have an aggregated assessed risk exposure of approximately \$2,145,000.00 to \$3,550,000.00 in the event the judgments are unfavorable to the City.

**Bad-faith Layoffs/Terminations**

The City is involved with a number of cases for reinstatement and back-pay. The estimated liability is \$1,000,000.

**Liebler v. City of Hoboken, et als.**

Plaintiff filed a Complaint in the U.S. District Court in Newark arising from Plaintiff's attempt to speak to the City Council during the "public comment" portion of a City Council meeting on October 21, 2015; Plaintiff's Complaint was filed on November 20, 2015.

**Parker v. City of Hoboken, et als.**

Plaintiff has been employed with the City of Hoboken since 2001. She is currently employed by the City as a Senior Customer Service Representative. Plaintiff claims she was retaliated against for opposing the treatment of her cousin, Gregory Sherrill. Plaintiff was served with a Preliminary Notice of Disciplinary Action for Insubordination. Plaintiff was represented by counsel, and she apparently agreed to a thirty-day suspension. Nevertheless, Plaintiff claims that this suspension was retaliatory in nature, and that she was unaware that she had signed a waiver promising not to sue the City with respect to the aforementioned disciplinary action.

**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(continued)**

**NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)**

**Falco v. Zimmer, et als.**

Plaintiff was the Chief of Police from 2009 until his retirement on June 30, 2014. Essentially, Plaintiff claims that he was not provided with an "employment contract" that the City had provided Chiefs both preceding him and following him.

**Sherrill v. City of Hoboken, et als.**

Plaintiff initially asserted a claim in state court alleging a violation of the Law Against Discrimination and a violation of the New Jersey Civil Rights Act. Plaintiff filed a separate Complaint bearing Docket No. HUD-1635-16 naming additional Hoboken Defendants and also asserting a federal cause of action pursuant to 42 U.S.C. §1983. The Superior Court consolidated both Complaints on May 27, 2016. On May 31, 2016, Defendants filed a Notice of Removal in order to remove the consolidated matters to United States District Court.

**J.B., J.J., D.D. v. City of Hoboken, et als.**

**Docket No. HUD-L-1956-14**

Plaintiffs were candidates for the position of Firefighter for the City of Hoboken Fire Department. Hoboken is a Civil Service jurisdiction. Plaintiffs claim that former Chief Blohm had engaged in a conspiracy with Dr. McLendon which had caused Plaintiffs' names to be removed from the list of eligible candidates, and had allowed his sons to be appointed to the position of Firefighter instead of Plaintiffs.

**Chirino v. City of Hoboken and Dawn Zimmer, et als.**

**Docket No. HUD-L-1956-14**

A former police officer makes claims arising from his termination from the Police Department, which claims have been filed in the Superior Court, Law Division, Hudson County, which Complaint was filed on August 21, 2014. Plaintiff makes the following claims: 1) New Jersey Law Against Discrimination ("LAD") claims based upon Plaintiff's Hispanic national origin or ethnicity; 2) LAD "aiding and abetting" claims against Mayor Zimmer; 3) New Jersey Civil Rights Act ("NJCR") claims that Plaintiff's termination from the Police Department had violated Plaintiff's civil rights under the New Jersey Constitution because it was motivated by Plaintiff's race or ethnic background, because Plaintiff did not receive "progressive discipline," and because non-Hispanic police officers who had committed similar infractions were not terminated.

**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(continued)**

**NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)**

**Gilleran v. Hoboken**

Plaintiff filed this OPRA action seeking SOP's of the City Police Department, which the clerk denied. This office sought dismissal of action. The Court heard arguments on April 29, 2016, and a decision is pending. This matter involves whether or not the City validly denied an OPRA request. The City's exposure is limited to legal fees.

**NOTE 15. DUE TO HOBOKEN PARKING AUTHORITY/HOBOKEN PARKING UTILITY**

The Hoboken Parking Authority ("HPA") initiated legal action against the Marineview Housing Company No. 1 for nonpayment of amounts due under the garage agreement dated April 25, 1973. On February 27, 1978, HPA and the 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 HPA and the Marineview Housing Company No. 1, payment of the original settlement of \$192,400 and the revised current monthly payment have been deferred until such time as there is "surplus cash," as defined in the agreements, available to the Marineview Housing Company No. 1.

The Marineview Housing Company No. 1 has accrued the revised monthly payment since January 1, 1978. The related expense recognized under this agreement, for each of the years ending December 31, 2015 and December 31, 2014, was \$64,950. The aggregate amount due to HPA is \$-0- and \$2,490,016 as of December 31, 2015 and December 31, 2014, respectively.

**NOTE 16. FUND BALANCES**

Fund balances as of December 31, 2015 that have been anticipated as revenue in the 2016 budget is as follows:

Current Fund	\$10,000,000
Public Parking System Utility Operating Fund	\$1,625,000

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

**NOTE 17. POST RETIREMENT MEDICAL BENEFITS**

**Plan Description**

The City provides a post-employment healthcare plan for its eligible retirees and their spouses. The plan is a single-employer defined benefit healthcare plan administered by the City. In accordance with City ordinances, contracts and/or policies, the City provides payment of insurance premiums after retirement upon request by the retiree the entire cost of the premiums for health insurance selected by the City which shall include administrative fees and eligible dependents who have retired after 25 years or more of service credit in a State administered retirement system and a period of 25 years with the City at the time of retirement; or who have retired and reached the age of 65 years or older with 25 years or more of service credit in a State administered retirement system and a period of service of 15 years with the City at the time of retirement.

The City shall assume upon request by the retiree fifty (50%) percent of the costs for health insurance premiums selected by the City which shall include administrative fees and eligible dependents for retirees from a State administered retirement system who have retired and reached the age of 62 years or older with at least 15 years of service with the City; or who have retired on a disability pension with at least 10 years of service with the City.

**Covered Benefits**

Medical, prescription drugs, dental and vision benefits are offered to certain pre-65 and post-65 retirees on a fully insured basis through Horizon Blue Cross Blue Shield of New Jersey. Upon completing twenty-five (25) years of service, retiree is eligible for full coverage including medical, pharmacy, dental, and vision benefits. If employee retires at age 62 or later with 20 to 24 years of service, then eligible for medical and pharmacy benefits only. Retirees and spouses that are eligible for Medicare receive reimbursements for their Medicare Part B premium payments.

The number of retirees receiving premium-free benefits as of January 1, 2015, the effective date of the biannual Other Post-Employment Benefit, herein referred to as "OPEB", valuation is 455. Active employees number 536 as of the same valuation date.

**Funding Policy**

The required contribution is funded on a pay-as-you-go basis.

**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(continued)**

**NOTE 17. POST RETIREMENT MEDICAL BENEFITS, (continued)**

**Annual OPEB Cost and Net OPEB Obligation**

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan.

Annual Required Contribution	\$43,007,366
Total Annual OPEB Cost (Expense)	43,007,366
Contributions Made	<u>(10,317,867)</u>
Increase in Net OPEB Obligation	32,689,499
Net OPEB Obligation – Beginning of Year	<u>45,982,936</u>
Net OPEB Obligation – End of Year	<u>\$78,672,435</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years 2015, 2014 and 2013 were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligations</u>
December 31, 2015	\$10,317,867	13.12	\$78,672,435
December 31, 2014	10,268,835	22.33	45,982,936
December 31, 2013	10,268,335	30.87	22,991,468

**Funded Status and Funding Progress**

As of December 31, 2015 the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$472,770,532, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$472,770,532.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(continued)**

**NOTE 17. POST RETIREMENT MEDICAL BENEFITS, (continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan member) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 5.0 percent investment rate of return (net of administrative expense) which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5 percent after five years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investment over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2015 was 30 years.

**NOTE 18. SUBSEQUENT EVENTS**

The City has evaluated subsequent events through June 1, 2016, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**SUPPLEMENTARY DATA AND SCHEDULES**

# CITY OF HOBOKEN

## Supplementary Data

### 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>
Dawn Zimmer	Mayor	
Jennifer Giattino	Council President	
Ravinder Bhalla	Councilmember	
David Mello	Councilmember	
Theresa Castellano	Councilmember	
Elizabeth Mason	Councilmember	
Michael Russo	Councilmember	
James Doyle	Councilmember	
Tim Occhipinti	Councilmember	
Peter Cunningham	Councilmember	
Quentin Wiest	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 except those required to file statutory bonds

**CITY OF HOBOKEN**

**Supplementary data**

Comparative Schedule of Tax Rate Information

	Year ended December 31, <u>2015</u>	Year ended December 31, <u>2014</u>	Year ended December 31, <u>2013</u>
Tax rate	<u>1.497</u>	<u>1.428</u> *	<u>4.798</u>
Apportionment of tax rate:			
Municipal	0.526	0.522	1.803
School	0.361	0.352	1.241
County	<u>0.610</u>	<u>0.554</u>	<u>1.754</u>

Assessed Value

2015	\$ 12,720,003,505
2014	11,025,106,894 *
2013	3,029,016,830

\* - Revaluation

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Collections</u>	<u>Percentage of Collection</u>
2015	\$ 168,015,591	166,691,885	99.21%
2014	158,544,612	157,083,767	99.08%
2013	146,136,303	144,492,333	98.88%

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentages, 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 delinquent taxes</u>	<u>Tax title liens</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2015	\$ 952,199	431,392	1,383,591	0.82%
2014	913,514	432,106	1,345,620	0.85%
2013	1,164,281	426,922	1,591,203	1.09%

**CITY OF HOBOKEN**

**Supplementary data**

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2015 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:

<u>Year</u>		<u>Amount</u>
2015	\$	2,806,900
2014		2,806,900
2013		2,806,900

Comparative Schedule of Fund Balance

	<u>Year</u>	<u>Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund	December 31, 2015 \$	22,472,709	10,000,000
	December 31, 2014	21,410,963	9,000,000
	December 31, 2013	22,454,044	9,838,522
	December 31, 2012	19,221,457	9,838,522
	December 31, 2011	19,104,592	6,012,671
Parking Utility Operating Fund	December 31, 2015 \$	3,726,017	1,625,000
	December 31, 2014	1,937,489	1,650,000
	December 31, 2013	1,323,336	1,182,550
	December 31, 2012	999,972	792,223
	December 31, 2011	1,514,128	1,474,500

## CITY OF HOBOKEN, N.J.

## Cash Receipts and Disbursements -Treasurer

## Current Fund

Year Ended December 31, 2015

	Current Fund	Federal and State Grant Fund
Balance December 31, 2014	\$ 29,923,811	446
Increased by Receipts:		
Tax Collector	166,091,423	
Miscellaneous Revenue Not Anticipated	1,526,512	
Interfunds Received	926,256	832,833
Due From State of New Jersey	29,218	
Revenue Accounts Receivable	41,503,019	
Tax Overpayments	551,539	
Tax Title Liens Receivable	12,284	
Prepaid Taxes	1,576,512	
Various Reserves	35,279	
Unappropriated Reserves for Grants		84,021
State and Federal Grants Receivable		1,523,442
	<hr/>	<hr/>
	212,252,042	2,440,296
	<hr/>	<hr/>
	242,175,853	2,440,742
Decreased by:		
Current Year Budget Appropriations	91,798,347	
Appropriation Reserves	2,236,879	
Tax Overpayments	587,784	
County Taxes Payable	68,431,976	
Local District School Taxes	40,245,654	
Municipal Open Space	2,231,636	
Accounts Payable	132,475	
Various Reserves	1,801,732	
Interfunds	761,853	1,207,416
Special Emergency Notes	1,765,000	
Revenue Refunds	33,083	
Appropriated Reserves for Grants		314,310
Encumbrances Payable		708,448
	<hr/>	<hr/>
	210,026,419	2,230,174
	<hr/>	<hr/>
Balance December 31, 2015	\$ 32,149,434	210,568

**CITY OF HOBOKEN, N.J.**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2015**

Balance December 31, 2014	\$ <u>400</u>
Balance December 31, 2015	\$ <u><u>400</u></u>
Analysis of Balance:	
Tax Collector	\$ 300
Construction Code	<u>100</u>
	\$ <u><u>400</u></u>

CITY OF HOBOKEN, N.J.

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

Current Fund

Year Ended December 31, 2015

Balance December 31, 2014		\$	40,650
Increased by:			
Senior Citizens' Deductions Per Tax Billing	\$	5,500	
Veterans' Deductions Per Tax Billing		<u>26,000</u>	
			<u>31,500</u>
			72,150
Decreased by:			
State Share of Senior Citizens and Veteran Deductions Received in Cash			<u>29,218</u>
Balance December 31, 2015		\$	<u><u>42,932</u></u>

Schedule of Amount Due from/(to) State of New Jersey

Year Ended December 31, 2015

Balance December 31, 2014		\$	4,222,060
Increased by:			
Anticipated Revenue			<u>99,130</u>
Balance December 31, 2015		\$	<u><u>4,321,190</u></u>
	Qualified Bond Aid	\$	<u><u>4,321,190</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2015

Period	Balance, December 31, 2014	Levy	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2015
			2014	2015				
2014	913,514			822,509			91,005	
	913,514			822,509			91,005	
2015		168,015,591	1,391,471	165,268,914	31,500	4,059	367,448	952,199
	\$ 913,514	168,015,591	1,391,471	166,091,423	31,500	4,059	458,453	952,199

Analysis of Tax Levy

Tax yield:	
General Purpose Tax	\$ 166,988,131
Added/Omitted Taxes	1,027,460
	\$ 168,015,591
Tax Levy:	
Local District School Tax	\$ 40,245,654
Municipal Open Space Taxes	2,245,392
County Tax	\$ 67,963,339
County Added and Omitted Taxes	417,794
	68,381,133
	110,872,179
Local Tax for Municipal Purposes	56,521,019
Additional Taxes	622,393
	57,143,412
	\$ 168,015,591

**CITY OF HOBOKEN, N.J.**

**Schedule of Tax Title Liens**

**Current Fund**

**Year Ended December 31, 2015**

Balance December 31, 2014		\$	432,106
Increased by:			
Interest and Costs	\$	7,511	
Transfers from Taxes Receivable		<u>4,059</u>	
			<u>11,570</u>
			443,676
Decreased by:			
Cash Receipt			<u>12,284</u>
Balance December 31, 2015		\$	<u><u>431,392</u></u>

**Schedule of Property Aquired for Taxes**

**Current Fund**

**Year Ended December 31, 2015**

Balance December 31, 2014		\$	<u>2,806,900</u>
Balance December 31, 2015		\$	<u><u>2,806,900</u></u>

CITY OF HOBOKEN, N.J.  
Schedule of Water Liens Receivable  
Current Fund  
Year Ended December 31, 2015

Balance December 31, 2014	\$ <u>1,038</u>
Balance December 31, 2015	\$ <u><u>1,038</u></u>

**CITY OF HOBOKEN, N.J.**  
**Schedule of Revenue Accounts Receivable**

**Current Fund**

**Year Ended December 31, 2015**

<u>Source</u>	Balance December 31, <u>2014</u>	<u>Accrued</u>	<u>Collected</u>	Balance December 31, <u>2015</u>
Licenses and Fees:				
Alcoholic Beverages	\$	312,185	312,185	
Other		30,223	30,223	
Zoning Board of Adjustment Fees		217,797	217,797	
Planning Board Fees		33,650	33,650	
Rent Leveling Fees		52,180	52,180	
Fines and Costs:				
Municipal Court	433,224	4,936,443	4,977,602	392,065
Interest and Costs on Taxes		237,158	237,158	
Parking Tax		1,743,334	1,743,334	
Riverview Cablevision Associates		506,113	506,113	
Interest on Investments and Deposits		132,586	132,586	
Rents on City Owned Property		86,320	86,320	
SJP Properties - Block A-Phase I		1,227,720	1,227,720	
SJP Properties - Block A-Phase II		1,227,705	1,227,705	
Applied Development Co. - South Waterfront - Block C		1,922,617	1,922,617	
1300 Grand Street (Pilot Payment)		590,508	590,508	
Grogan Marineview Plaza		728,125	728,125	
Clocktowers		141,594	141,594	
Marion Towers Associates		180,880	180,880	
Church Towers Urban Renewal		488,029	488,029	
Columbian Towers		123,619	123,619	
Columbian Arms		29,747	29,747	
Willow Avenue Associates - 800 - 812 Willow Avenue		103,426	103,426	
1200 Grand Street		743,361	743,361	
Applied Housing - 1203-1219 Williw Avenue		218,752	218,752	
Applied Housing - 1201-1221 Washington Estates		383,608	383,608	
Applied Housing - 1200-1220 Hudson Estates		416,241	416,241	
Applied Housing - 1301-1309 Bloomfield Estates		133,259	133,259	
Applied Housing - Midway 500-508 Adams Street		199,182	199,182	
Applied Housing - Elysian Estates		108,103	108,103	
Applied Housing - Church Square		182,703	182,703	
Applied Housing - Eastview Associates		144,745	144,745	
Applied Housing - Westview Associates		211,362	211,362	
Applied Housing - Northvale I - 911-923 Clinton Street		326,760	326,760	
Applied Housing - Northvale II - 901-919 Clinton Street		275,830	275,830	
Applied Housing - Northvale IIIA		131,843	131,843	
Applied Housing - Northvale III B - 1106-1014 Clinton Street		231,476	231,476	
Applied Housing - Northvale IV - 58 11th Street		21,553	21,553	
1118 Adams Street		47,628	47,628	
1100 Adams Street		453,326	453,326	
NJ Transit Block 139 Lot 1.1		7,639	7,639	
PILOTS Interest		5,879	5,879	
201-219 River Street		1,227,350	1,227,350	
Parking Utilities Surplus		4,100,000	4,100,000	
Consolidated Municipal Property Tax Relief Aid		3,831,451	3,831,451	

## CITY OF HOBOKEN, N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

Year Ended December 31, 2015

<u>Source</u>	Balance December 31, <u>2014</u>	<u>Accrued</u>	<u>Collected</u>	Balance December 31, <u>2015</u>
Energy Receipts Tax		7,281,584	7,281,584	
Uniform Construction Code Fees		2,047,588	2,047,588	
Hoboken Housing Authority - Public Safety		113,772	113,772	
Uniform Fire Safety Act		97,257	97,257	
Outside Duty Police Administration		158,140	158,140	
Verizon TV Franchise Fee		404,632	404,632	
1001 Jefferson		633,815	633,815	
W Hotel		559,615	559,615	
Hotel/Motel Occupancy Fee		579,213	579,213	
800 Jackson Ave. (PILOT)		636,968	636,968	
United Water Concession		72,000	72,000	
FEMA Reimbursement		1,270,000	1,270,000	
Capital Fund Balance		346,000	346,000	
	<u>\$ 433,224</u>	<u>42,899,557</u>	<u>42,940,716</u>	<u>392,065</u>
			\$ 41,503,019	
			1,338,567	
			<u>99,130</u>	
			<u>\$ 42,940,716</u>	

CITY OF HOBOKEN, N.J.

Schedule of Interfunds Due from/(to) Various Funds

Current Fund

Year Ended December 31, 2015

<u>Fund</u>	Balance December 31, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2015</u>
Federal and State Grant Fund	204,975	2,529,626	2,734,601	
Trust Funds:				
Animal License Trust	9,786	12,511	9,804	12,493
Other Trust	400	385	273	512
Open Space Trust			13,756	(13,756)
Developers Escrow Trust	775		775	
Section 8 Housing	(5)			(5)
Flexible Spending Fund	827	8,600	8,815	612
	<u>216,758</u>	<u>2,551,122</u>	<u>2,768,024</u>	<u>(144)</u>
Due to Current Fund	216,763	2,551,122	2,754,268	13,617
Due from Current Fund	<u>(5)</u>		<u>13,756</u>	<u>(13,761)</u>
	<u>\$ 216,758</u>	<u>2,551,122</u>	<u>2,768,024</u>	<u>(144)</u>

Analysis of Changes

Disbursements	\$ 761,853	
Receipts		926,256
Grant Matching Funds		30,525
Grant Cancellation	1,776,758	1,496,660
Open Space Trust		13,756
Reimbursement for expenses paid		300,827
Statutory Excess	<u>12,511</u>	
	<u>\$ 2,551,122</u>	<u>2,768,024</u>

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2015

	Balance, December 31, <u>2014</u>	Balance after <u>Transfers and</u> <u>Encumbrances</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
General Government:				
Mayor and Council				
Salaries and Wages	372	372		372
Other Expenses	10,890	11,896	10,228	1,668
City Council				
Salaries and Wages	1,186	1,186		1,186
Other Expenses	6,297	11,338	9,291	2,047
Office of the Clerk				
Salaries and Wages	20,641	20,641		20,641
Other Expenses	108	1,643	1,535	108
Other Expenses - Legal Advertising	14,694	15,257	12,856	2,401
Other Expenses - Codification of Ordinances	18,292	18,292		18,292
Other Expenses - Elections	4,247	4,247		4,247
Department of Administration				
Business Administrator's Office				
Salaries and Wages	661	661		661
Other Expenses	39,897	137,648	127,401	10,247
Purchasing				
Salaries and Wages	292	292		292
Other Expenses	344	2,648	2,547	101
Personnel and Health Benefits				
Salaries and Wages	31,153	31,153		31,153
Other Expenses	1,083	3,790	2,568	1,222
Zoning and Administration				
Salaries and Wages	289	289		289
Other Expenses	196	2,285	2,089	196
Uniform Construction Code				
Salaries and Wages	26,083	26,083		26,083
Other Expenses	19,969	21,392	1,423	19,969
Corporation Council				
Salaries and Wages	49,090	49,090		49,090
Other Expenses	53,253	55,359	3,316	52,043
Other Expenses - Special Council	279,415	561,936	332,534	229,402
Other Expenses - Labor Counsel		15,831		15,831
Other Expenses - Expert Witness & Appraisal	20,000	20,000		20,000
Revenue and Finance Director				
Salaries	97,018	97,018		97,018
Other Expenses	23,019	73,231	32,797	40,434
Tax Collections				
Salaries and Wages	12,228	12,228		12,228
Other Expenses	33,776	36,101	819	35,282

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2015

	Balance, December 31, <u>2014</u>	Balance after <u>Transfers and</u> <u>Encumbrances</u>	<u>Paid or</u> <u>Charged</u>	Balance <u>Lapsed</u>
Information Technology				
Salaries and Wages	40,000	40,000	40,000	
Other Expenses	15,754	16,622	3,934	12,688
Municipal Court				
Salaries and Wages	181,722	181,722	56,516	125,206
Other Expenses	51,493	88,979	18,917	70,062
Public Defender				
Other Expenses	175	15,225	4,675	10,550
Prosecutor				
Other Expenses		10,200	2,925	7,275
Office of the Tax Assessor				
Salaries and Wages	2,116	2,116		2,116
Other Expenses	12,467	63,601	51,134	12,467
Department of Human Services				
Director's Office				
Salaries and Wages	1,436	1,436		1,436
Other Expenses	862	905	43	862
Rent Leveling				
Salaries and Wages	13,737	13,737		13,737
Other Expenses	534	707	73	634
Housing Inspections				
Salaries and Wages	255	255		255
Other Expenses	272	640	266	374
Health				
Salaries and Wages	13,894	13,894	1,987	11,907
Other Expenses	57,710	72,391	26,007	46,384
Senior Citizens				
Salaries and Wages	445	445		445
Other Expenses	464	926	847	79
Recreation and Cultural Affairs				
Salaries and Wages	5,135	5,315	180	5,135
Other Expenses	7,346	19,274	11,634	7,640
Cultural Affairs				
Salaries and Wages	711	711		711
Department of Environmental Services				
Director's Office				
Salaries and Wages	9,093	9,093		9,093
Other Expenses	8,485	13,169	5,602	7,567
Parks				
Salaries and Wages	106,508	106,508		106,508
Other Expenses	21,996	25,077	24,945	132

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2015

	Balance, December 31, <u>2014</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Public Property				
Salaries and Wages	79,604	79,604		79,604
Other Expenses	6,921	37,864	36,459	1,405
Streets and Roads				
Salaries and Wages	69,813	69,813		69,813
Other Expenses	111,780	127,709	69,145	58,564
Central Garage				
Salaries and Wages	39,243	39,243		39,243
Other Expenses	18,663	71,542	63,465	8,077
Sanitation				
Salaries and Wages	772	772		772
Other Expenses	224,052	233,715	222,153	11,562
Shade Tree Commission				
Other Expenses	41,201	41,201	41,200	1
Department of Community Development				
Director's Office				
Salaries and Wages	991	991		991
Other Expenses	565	1,166	601	565
Grants Management				
Other Expenses		16,671	16,665	6
Planning Board				
Salaries and Wages	1,179	1,179		1,179
Other Expenses	48,357	56,411	15,942	40,469
Zoning Board of Adjustment				
Other Expenses	87,855	105,093	22,455	82,638
Redevelopment				
Other Expenses	167,171	305,258	212,932	92,326
Historical Preservation Committee				
Other Expenses	6,868	11,258	4,390	6,868
Department of Public Safety				
Police				
Salaries and Wages	234,060	234,060	117,445	116,615
Other Expenses	107,128	174,854	78,189	96,665
Acquisition of Vehicles	1,965	1,965		1,965
Fire				
Salaries and Wages	375,127	375,127	101,138	273,989
Other Expenses	83,320	130,243	69,900	60,343
Office of Emergency Management				
Salaries and Wages	101,603	101,603		101,603
Other Expenses	22,955	25,293	2,900	22,393

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2015

	Balance, December 31, <u>2014</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Insurance				
General Liability	157,606	190,106	19,671	170,435
Worker's Compensation	318,650	318,650	130,344	188,306
Employee Group Health	512,282	558,179	19,638	538,541
Employee Group Waiver	25,000			
UNCLASSIFIED:				
Alcoholic Beverage Control Board				
Salaries and Wages	120	120		120
Other Expenses	2	190	188	2
North Hudson Regional Council of Mayors				
Other Expenses	17,015	17,015	17,008	7
Settlement of Claims Against the City	10,000	10,000		10,000
Towing/Storage of Abandoned Vehicles	4,672	4,672		4,672
Engineering	9,423	108,839	84,781	24,058
Labor Arbitrations	15,831			
Municipal Dues and Memberships	542	542		542
Celebration of Public Events	3,562	3,562		3,562
Postage	16,048	16,048	2,394	13,654
Copiers/ Printers		1,929	1,929	
PILOT Payments to Hudson County	73,146	73,146	73,146	
Stationary and Office Supplies	17,371	19,574	6,827	12,747
Utilities:				
Electricity	109,214	109,214	22,284	86,930
Street Lighting	76,889	76,889	67,884	9,005
Gasoline	15,968	15,968	9,310	6,658
Fuel	31,182	31,182		31,182
Water and Sewer	45,775	45,775	44	45,731
Communications	35,733	62,233	51,857	10,376
Anticipated Terminal Leave Appropriation	67,292	67,292	63,516	3,776
Total Operations within "CAPS"	<u>4,711,619</u>	<u>5,908,615</u>	<u>2,434,889</u>	<u>3,473,726</u>
STATUTORY EXPENDITURES:				
Contribution to:				
Social Security System (O.A.S.I.)	2,771	2,771		2,771
Consolidated Police and Firemen's Pension Fund	18,786	18,786		18,786
Public Employees Retirement System	182,564	182,564	61,433	121,131
Police and Fire Retirement	23,136	23,136	23,136	
Unemployment Compensation Insurance	8,475	8,475		8,475
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	<u>235,732</u>	<u>235,732</u>	<u>84,569</u>	<u>151,163</u>

CITY OF HOBOKEN, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2015

	Balance, December 31, <u>2014</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Public and Private Programs Offset by Revenues:				
Matching Funds for Grants	35,000	<u>35,000</u>		<u>35,000</u>
Total Public and Private Programs Offset by Revenues	<u>35,000</u>	<u>35,000</u>		<u>35,000</u>
Capital Improvements-Excluded from "CAPS"				
Computer Technology Updates	5,872	7,676	1,804	5,872
Acquisition of Salt Shed	10,000	10,000		10,000
Snow Tractor		<u>10,000</u>	<u>10,000</u>	
Total Capital Improvements-Excluded from "CAPS"	<u>15,872</u>	<u>27,676</u>	<u>11,804</u>	<u>15,872</u>
Total Expenditures	<u>\$ 4,998,223</u>	<u>6,207,023</u>	<u>2,531,262</u>	<u>3,675,761</u>
Appropriation Reserves \$		4,998,223		
Encumbrances		<u>1,208,800</u>		
		<u>\$ 6,207,023</u>		
			Transfer to Accounts Payable \$ 294,383	
			Cash <u>2,236,879</u>	
			<u>\$ 2,531,262</u>	

**CITY OF HOBOKEN, N.J.**  
**Schedule of County Taxes Payable**  
**Current Fund**  
**Year Ended December 31, 2015**

Balance December 31, 2014	\$ 468,637
Increased by:	
Levied	<u>68,381,133</u>
	68,849,770
Decreased by:	
Cash Disbursements	<u>68,431,976</u>
Balance December 31, 2015	<u><u>\$ 417,794</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Tax Overpayments

Current Fund

Year Ended December 31, 2015

Balance December 31, 2014	\$	520,805
Increased by:		
Collections		<u>551,539</u>
		1,072,344
Decreased by:		
Refunds		<u>587,784</u>
Balance December 31, 2015	\$	<u><u>484,560</u></u>

**CITY OF HOBOKEN, N.J.**

**Schedule of Local District School Taxes Payable**

**Current Fund**

**Year Ended December 31, 2015**

Increased by:	
Levy	\$ <u>40,245,654</u>
Decreased by:	
Payments	\$ <u><u>40,245,654</u></u>

**CITY OF HOBOKEN, N.J.**

**Schedule of Accounts Payable**

**Current Fund**

**Year Ended December 31, 2015**

Balance December 31, 2014		\$	347,791
Increased By:			
Transferred from Appropriation Reserves			<u>294,383</u>
			642,174
Decreased By:			
Cash Disbursements	\$	132,475	
Prior Year Encumbrances Cancelled		<u>30,107</u>	
			<u>162,582</u>
Balance December 31, 2015		\$	<u><u>479,592</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2015

Balance December 31, 2014	\$ 1,391,471
Increased By:	
Cash Receipts	<u>1,576,512</u>
	2,967,983
Decreased By:	
Applied	<u>1,391,471</u>
Balance December 31, 2015	<u><u>\$ 1,576,512</u></u>

## CITY OF HOBOKEN, N.J.

## Schedule of Various Reserves

## Current Fund

Year Ended December 31, 2015

<u>Program</u>	Balance, December 31, 2014	Increased by	Decreased by	Balance, December 31, 2015
Tax Appeals	\$ 617,069	1,552,636	1,284,125	885,580
Reserve for Retroactive Pay	687,726	1,317,727	74,425	1,931,028
PILOT - County Share	405,092		202,522	202,570
FEMA Fire Apparatus	23,290			23,290
Hurricane Sandy Expenditures	832,677	73,250	695,864	210,063
PERS/PFRS Payments		828,137		828,137
Deferred Revenue - Sandy Reimbursements	1,306,074	35,279	1,270,000	71,353
Terminal Leave		630,863		630,863
Prepaid PILOTS	68,567		68,567	
Security Deposit - Sinatra Park Café	15,300			15,300
Revaluation	244,431	46,750	244,796	46,385
	<u>\$ 4,200,226</u>	<u>4,484,642</u>	<u>3,840,299</u>	<u>4,844,569</u>
Disbursements		\$	1,801,732	
Receipts			35,279	
Delinquent Taxes Receivable			52,636	
Interfund			73,250	
Cancelled			700,000	
Budget Revenue			1,338,567	
Appropriations		<u>4,323,477</u>		
		<u>\$ 4,484,642</u>	<u>3,840,299</u>	

CITY OF HOBOKEN, N.J.

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

Current Fund

Year Ended December 31, 2015

<u>Purpose</u>	<u>Date</u>	<u>Amount Authorized</u>	<u>Not Less Than 1/5 of Amount Authorized</u>	<u>Balance, Dec. 31, 2014</u>	<u>Decreased</u>	<u>Cancelled</u>	<u>Balance, Dec. 31, 2015</u>
Revaluation of Real Property	9/19/2012	1,300,000	185,000 \$	555,000	155,000	100,000 \$	300,000
Hurricane Sandy	11/13/2012	6,750,000	1,350,000	4,050,000	1,150,000	600,000	2,300,000
Hurricane Sandy	2/20/2013	600,000	120,000	360,000	120,000		240,000
				\$ 4,965,000	1,425,000	700,000 \$	2,840,000

CITY OF HOBOKEN, N.J.

Schedule of Special Emergency Notes Payable

Current Fund

Year Ended December 31, 2015

Improvement description	Date of original issue	Date of issue	Date of maturity	Interest rate	Balance, Dec. 31, 2014	Increased	Decreased	Balance, Dec. 31, 2015
Revaluation of Real Property	December 28, 2012	3/17/2015	3/16/2016	1.50%	\$ 555,000	300,000	555,000	300,000
Hurricane Sandy	December 28, 2012	3/17/2015	3/16/2016	1.50%	4,050,000	2,540,000	4,050,000	2,540,000
					\$ 4,605,000	2,840,000	4,605,000	2,840,000
					Cash \$		1,765,000	
					Renewed	2,840,000	2,840,000	
					\$	2,840,000	4,605,000	

**CITY OF HOBOKEN, N.J.**  
**Schedule of Grants Receivable**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2015**

	Balance, December 31, <u>2014</u>	2015 Budget Revenue <u>Realized</u>	<u>Collections</u>	<u>Cancelled</u>	Balance, December 31, <u>2015</u>
1600 Park Ave Development	\$ 300,000			300,000	
State Local Cooperative Housing Inspection Program	25,003			25,003	
Multi Service Center Roof Replacement	200,000			200,000	
Click it or Ticket	4,000			4,000	
2008 Roadway Improvement Project	67,289			67,289	
Walk Safe Hoboken Pedestrians	2,800			2,800	
Clean Energy Program	41,692			41,692	
Over Limit/Under Arrest	600			600	
2009 Pedestrian Safety/Walk Safe	800			800	
Senior Emergency Funds	2,318			2,318	
Home Support and Adult Daycare	62,221			62,221	
NJEDA Hazardous Site Remediation	29,387				29,387
NJ Dept of Health H1N1	1,002			1,002	
Hudson County Open Space 1600 Park Ave	1,370				1,370
Hudson County Cultural and Heritage	1,184			1,184	
Body Armor Replacement Fund	1,743			1,743	
Clean Communities	12,084			12,084	
Homeland Security Safer Grant	42,491			42,491	
Hoboken 911 Memorial on Pier	250,000				250,000
Business Stimulus Fund Grant	6,500			6,500	
Summer Food Program	168			168	
State Local Cooperative Housing Inspection Program	54,716			54,716	
Cultural Affairs Studio Tour/Concert	800			800	
Green Acres - DEP Waterfront Reconstruction	900,000				900,000
Hudson Co. HHS Senior Citizens - 2011 #688	360			360	
Hudson Co. HHS Senior Citizens - 2011 #88	29,144			29,144	
FEMA - Fire Equipment Grant - Match	4,530			4,530	
Municipal Court DWI Grant	1			1	
NJ DOT - 2009 Roadway Improvements	265,220			265,220	
NJ DOT 2008/2009 Safe Streets to Transit	80,000			80,000	
US Soccer Foundation - 2011 Planning Grant	8,000				8,000
US Dept of Justice - National Police Athletic League - 2011-2012 Mentoring Program	28,381			28,381	
Cultural Affairs Partnership Arts	1,470			1,470	
Home Support and Adult Daycare	2			2	
FEMA - Fire Boat	4			4	
Hoboken PAL	11,971			11,971	
Hudson County Open Space	31,226		18,600		12,626
Sustainable Jersey Grant	10,000				10,000
Port Authority Security Grant	77,725				77,725
Justice Assistance Grant	14,579		14,475		104
Hoboken PAL	10,974			10,974	

**CITY OF HOBOKEN, N.J.**  
**Schedule of Grants Receivable**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2015**

	Balance, December 31, <u>2014</u>	2015 Budget Revenue <u>Realized</u>	<u>Collections</u>	<u>Cancelled</u>	Balance, December 31, <u>2015</u>
FEMA Safer Grant	680,184		429,138		251,046
Homeland Security Port Security	24,824			24,824	
Dirve Sober or Get Pulled Over	350			350	
Pedestrian Safety Highway Grant	9,200				9,200
Hudson County Open Space	3,000			3,000	
Firefighter Assistance Grant	16,394			16,394	
2013 Housing Inspection Program	14,815			14,815	
US Soccer Foundation - Synthetic Field 1600 Park	60,000				60,000
County of Hudson - Home Support & Adult Daycare	12,579			12,579	
Cert. Community Emergency Response Team	1,000				1,000
Hoboken PAL 2013 Grant	7,204			7,204	
NJ DOT - 2013 Road Improvement Program	89,070				89,070
NJ DOT - 2013 Transportation Enhancement, Redesign of Newark Street	118,000				118,000
NJ Historic Trust Grant	37,500				37,500
2013 Summer Food Program	14,284			14,284	
2013 Byrne Justice Assistance Grant	15,614				15,614
2013 Port Security Grant CBRNE Detection Unit - K-9	105,000			105,000	
Dept. of Environmental Protection: CSIP Tree Pruning Grant	20,000		20,000		
NJ Energy Allocation Initiative - 2013	142,080				142,080
Recreation Opportunities for Individuals with Special Needs	2,115				2,115
Hudson County Open Space - 2013 Allotment - Cove Boathouse	89,765		79,875		9,890
NJ Energy Allocation Initiative - 2013	107,920				107,920
Byrne Justice Assistance Grant	16,924				16,924
Post-Sandy Commercial Revital. Project	879,401				879,401
Arbor Day Grant	20,000				20,000
NJ Council on Arts	1,409		1,409		
Seniors/Home Support Adults	29,687				29,687
Post-Sandy Planning Assistance	200,000		174,672		25,328
Municipal Alliance	43,200		4,860		38,340
Housing Inspection Grant	38,742			38,742	
NJ DOT Various Streets	400,620		300,465		100,155
Summer Food Program	9,146				9,146
National Fish & Wildlife Foundation	250,000		225,000		25,000
Post-Sandy Planning Assistance Grant	100,000				100,000
ROID	10,000		10,000		
Drive Sober or Get Pulled Over	7,500		6,150		1,350
Police Hazard Mitigation	132,854				132,854
Hoboken Cove Park & Boathouse Improvements	500,000				500,000
Dept. of Environmental Protection - Rain Garden Grant	10,000				10,000
Community Development Block Grant - 2014	410,000				410,000
NJDOT Washington Street Streetscape		457,030	457,030		

CITY OF HOBOKEN, N.J.  
 Schedule of Grants Receivable  
 Federal and State Grant Fund  
 Year Ended December 31, 2015

	Balance, December 31, <u>2014</u>	2015 Budget Revenue <u>Realized</u>	<u>Collections</u>	<u>Cancelled</u>	Balance, December 31, <u>2015</u>
Recycling Tonnage Grant 2015		75,461	75,461		
Housing Inspection Grant FY 2015		76,347	76,347		
Clean Communities Grant FY 2015		92,804	92,804		
2015 Alcohol Ed Rehab Fund DWI		2,593	2,593		
Summer Food Service Program		75,079	48,628		26,451
Municipal Alliance Grant		43,200	38,340		4,860
Body Armor Grant CY 2015		11,698	11,698		
Byrne 2015		15,926			15,926
Drive Sober or get Pulled Over		5,000			5,000
Comp Program for the Elderly		125,097			125,097
FEMA Assistance to Firefighters		152,273			152,273
Forestry Grant		3,000			3,000
	<u>\$ 7,212,136</u>	<u>1,135,508</u>	<u>2,087,545</u>	<u>1,496,660</u>	<u>4,763,439</u>
		Received	1,523,442		
		Interfund	457,030		
Transfer from Unappropriated Reserves			<u>107,073</u>		
			<u>\$ 2,087,545</u>		

CITY OF HOBOKEN, N.J.

Schedule of Unappropriated Reserves

Federal and State Grant Fund

Year Ended December 31, 2015

<u>Program</u>	Balance, December 31, <u>2014</u>	<u>Received</u>	Anticipated Revenue in <u>2015</u>	Balance, December 31, <u>2015</u>
Recycling Tonnage Grant	\$ 75,462	73,936	75,462	73,936
Housing Inspection	<u>31,611</u>	<u>10,085</u>	<u>31,611</u>	<u>10,085</u>
	<u>\$ 107,073</u>	<u>84,021</u>	<u>107,073</u>	<u>84,021</u>

## CITY OF HOBOKEN, N.J.

## Schedule of Interfunds Due from/(to) Various Funds

## Federal and State Grant Fund

Year Ended December 31, 2015

	Balance, December 31, 2014	Increase	Decrease	Balance, December 31, 2015
Current Fund	(204,975)	2,734,601	2,529,626	
Community Development Trust Fund	(105,000)			(105,000)
Law Enforcement Trust Fund	53,070		53,070	
Municipal Open Space	250,000		250,000	
General Capital Fund	175,146	457,030	632,176	
	<u>\$ 168,241</u>	<u>3,191,631</u>	<u>3,464,872</u>	<u>(105,000)</u>
Due to Federal and State Grant Fund	478,216	457,030	965,771	(30,525)
Due from Federal and State Grant Fund	<u>(309,975)</u>	<u>2,734,601</u>	<u>2,499,101</u>	<u>(74,475)</u>
	<u>\$ 168,241</u>	<u>3,191,631</u>	<u>3,464,872</u>	<u>(105,000)</u>
		Cash Receipts \$	832,833	
		Cash Disbursements	1,207,416	
		Grant Award - Match	30,525	
		Grant Award	457,030	457,030
Reimbursement for Expenditures Paid			398,251	
		Grant Cancellations	1,496,660	1,776,758
		<u>\$ 3,191,631</u>	<u>3,464,872</u>	

CITY OF HOBOKEN, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	Balance, December 31, <u>2014</u>	2015 Grants <u>Budgeted</u>	<u>Expenditures</u>	<u>Canceled</u>	Balance, December 31, <u>2015</u>
Hudson County Open Space	1			(1)	
1600 Park Ave Development	300,000			(300,000)	
2008 Pedestrian Safety Walk Safe	941			(941)	
Summer Food Program	4,822			(4,822)	
Home Support and Adult Day Care	25,400			(25,400)	
City Recreation Program	10,000			(10,000)	
Click it or Ticket	4,000			(4,000)	
Body Armor Replacement Fund	997			(997)	
Walk Safe Hoboken Pedestrians	3,600			(3,600)	
Clean Communities	11,475			(11,475)	
Clean Communities	1,013			(1,013)	
2008 Roadway Improvement Project	63,205			(63,205)	
Save the Youth	86			(86)	
2009 Roadway Improvement Project	12,536			(12,536)	
Over Limit/Under Arrest	200			(200)	
2009 Pedestrian Safety/Walk Safe	90,905			(90,905)	
NJDOT 2010 Aid Program Various Streets	3,680				3,680
NJDOT-Safe Streets to Transit	80,000			(80,000)	
Drunk Driving Enforcement Grant	60			(60)	
NJEDA Hazardous Site Remediation	374				374
Clean Communities	1,136				1,136
Clean Communities	12,084			(12,084)	
Hepatitis B	4,705				4,705
NJ Health Officers Assn	300			(300)	
NJ Body Armor	4,564			(4,564)	
Pal of NJ, Juvenile Justice Program: FY'09/10 Afterschool	23,360			(23,360)	
Alcohol Education and Rehab 2008	53			(53)	
Hoboken 911 Memorial on Pier	186,729		(19,485)		206,214
Recycling Tonnage	25,021			(25,021)	
Summer Food Program	351			(351)	
Clean Communities	212			(212)	
Cultural Affairs Studio Tour/Concert	2,650				2,650
FEMA Grant - Fire Apparatus	436				436
Municipal Alliance - Grant (2011)			(217)	(217)	
Safe the Youth Program (2007)	1,760			(1,760)	
FEMA - Fire Equipment Grant	65,474			(65,474)	
NJ DOT - 2010 Hudson Place Funding	31,553				31,553
NJ DOT - 2009 Roadway Improvements	410,732			(410,732)	
FY 2011 State Tourism Grant	207			(207)	
NJ DOT 2008/2009 Safe Streets to Transit	5,040			(5,040)	
Summer Food Program 2011	2,824		(115)	(2,939)	
US Soccer Foundation - 2011 Planning Grant	8,000				8,000

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	Balance, December 31, <u>2014</u>	2015 Grants <u>Budgeted</u>	<u>Expenditures</u>	<u>Canceled</u>	Balance, December 31, <u>2015</u>
Domestic Violence	1,250			(1,250)	
Public Healthcare Management Caregivers	5,291			(5,291)	
Public Healthcare Management Caregivers	38,424			(38,424)	
Walk Safe Hoboken	8,000			(8,000)	
Computer Program for the Elderly - DYFS	674			(674)	
Clean Communities	97,387			(97,387)	
Fire Department Grant	47,438			(47,438)	
Senior Emergency Funds	3,059			(3,059)	
08-09 Summer Food	25,728			(25,728)	
Over the Limit Under Arrest	300			(300)	
Public Health Priority Funding	17,409			(17,409)	
Body Armor Replacement Fund	14,377			(14,377)	
Adult Day Care	27,055			(27,055)	
Cultural Affairs Studio Tourism	7,680			(7,680)	
Bullet Proof Vest - Federal	3,880			(3,880)	
Save the Youth	17,881			(17,881)	
Community Development Block Grant - 2011	6,600			(6,600)	
US Dept of Justice - National Police Athletic League - 2011-2012 Mentoring Program	1,015			(1,015)	
Recycling Tonnage	23,922				23,922
Edward Byrne Memorial Justice Assistance Grant - (JAG)	39			(39)	
Bike Corrals	519				519
Clean Communities			(2,815)		2,815
FEMA - Fire Boat	4			(4)	
Municipal Alliance - Grant (2012)	21				21
Municipal Alliance - Grant (2012) - Match	2,241				2,241
Firefighters Assistance Grant 2011-2012	58			(58)	
Firefighters Assistance Grant 2011-2013 - Match	14			(14)	
Hudson County Open Space	16,893				16,893
Sustainable Jersey Grant	16,000				16,000
Recycling Tonnage Grant	37,033				37,033
Port Authority Security Grant	77,682				77,682
Justice Assistance Grant	104			(104)	
Hoboken PAL	30,000			(30,000)	
FEMA Safer Grant	773,600		325,000		448,600
Homeland Security Port Security	24,824			(24,824)	
Firefighters Assistance Grant	3,381				3,381
Firefighters Assistance Grant - Match	3,678				3,678
Drive Sober or Get Pulled Over	350			(350)	
Pedestrian Safety Highway Grant	7,600				7,600
Summer Food	961			(961)	
Firefighter Assistance Grant	4,270				4,270
Cultural Affairs Partnership Arts	106			(106)	

**CITY OF HOBOKEN, N.J.**  
**Schedule of Appropriated Reserves for Grants**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2015**

<u>Grant</u>	Balance, December 31, <u>2014</u>	2015 Grants <u>Budgeted</u>	<u>Expenditures</u>	<u>Canceled</u>	Balance, December 31, <u>2015</u>
Municipal Alliance - 2013	6,779				6,779
Municipal Alliance - 2013 Match	1,079		750		329
Cultural Affairs Marketing Program	15,750				15,750
Forestry Grant	6,500			(6,500)	
State Housing Inspection Program	19,570			(19,570)	
FEMA - Firefighters Assistance Grant	16,394			(16,394)	
Summer Food Program	5,943			(5,943)	
Cert. Community Emergency Response Team	615				615
Clean Communities	24			(24)	
Junior Tennis Foundation - 2013	204				204
Hoboken PAL 2013 Grant	14,500			(14,500)	
NJ DOT - 2013 Road Improvement Program					
NJ DOT - 2013 Transportation Enhancement, Redesign of Newark Street	118,000				118,000
NJ Historic Trust Grant	1,250				1,250
Historic Trust Grant - Match					
Dept. of Homeland Security - FY12 Firefighters Assistance	6,412				6,412
Firefighters Assistance - Match	1,603				1,603
2013 Summer Food Program	12,530		(1,764)	(14,294)	
2013 Byrne Justice Assistance Grant	15,614		15,614		
2013 Port Security Grant CBRNE Detection Unit - K-9			(105,000)	(105,000)	
Dept. of Environmental Protection: CSIP Tree Pruning Gr	20,000		14,950		5,050
NJ Energy Allocation Initiative - 2013	250,000				250,000
Recycling Tonnage Grant 2011	82,998				82,998
Recreation Opportunities for Individuals with Special Need	3,047				3,047
ROID Grant - Match	2,400				2,400
Hudson County Open Space - 2013 Allotment - Cove Boathouse	3,000				3,000
Byrne Justice Assistance Grant	16,924		16,924		
Post-Sandy Commercial Revital. Project	800,401		754,401		46,000
Port Authority Surveillance	53,070			(53,070)	
Clean Communities	76,222		76,222		
Arbor Day Grant	20,000		19,806		194
Post-Sandy Planning Assistance	200,000		198,907		1,093
Municipal Alliance	19,420				19,420
Municipal Alliance City Match	2,655				2,655
Municipal Alliance	43,200		43,200		
Municipal Alliance City Match	6,605				6,605
NJ DOT Various Streets	400,620				400,620
Summer Food Program	1,802		1,802		
National Fish & Wildlife Foundation					
Post-Sandy Planning Assistance Grant	50,000		50,000		
ROID	5,000				5,000

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	Balance, December 31, <u>2014</u>	2015 Grants <u>Budgeted</u>	<u>Expenditures</u>	<u>Canceled</u>	Balance, December 31, <u>2015</u>
Body Armor Grant	15,390		15,390		
Drive Sober or Get Pulled Over	7,500				7,500
Police Hazard Mitigation	308,000		308,000		
Hoboken Cove Park & Boathouse Improvements	750,000				750,000
Community Development Block Grant	410,000				410,000
Body Armor Grant	15,341		15,341		
Dept. of Environmental Protection Rain Garden Grant	10,000				10,000
Alcohol Education and Rehabilitation Grant	1,706	2,593	1,250		3,049
NJDOT Washington St Streetscape 2015		457,030	457,030		
Recycling Tonnage Grant 2015		75,462			75,462
Housing Inspection Grant 2015		76,347	76,347		
Clean Communities Grant 2015		92,804	29,768		63,036
Summer Food Service Program 2015		75,078	66,626		8,452
Senior Citizens Adults Grant 2015		125,097	125,097		
Bryne Justice Assistance Grant 2015		15,926	15,926		
Municipal Alliance Grant 2015		43,200			43,200
Municipal Alliance Grant 2015 - Match		10,800	3,135		7,665
Bryne Justice Assistance Grant 2015 - Match		1,498	1,492		6
FEMA Assistance 2015		152,273	59,600		92,673
FEMA Assistance 2015 - Match		15,227			15,227
Body Armour Grant 2015		11,697			11,697
Community Forestry Management Grant 2015		3,000			3,000
Community Forestry Management Grant 2015 - Match		3,000			3,000
Drive Sober or Get Pulled Over 2015		5,000	2,600		2,400
	<u>\$ 6,565,302</u>	<u>1,166,032</u>	<u>2,565,782</u>	<u>(1,776,758)</u>	<u>3,388,794</u>

Budget Appropriations \$	564,103
Match	30,525
Appropriations by 40a:4-87	<u>571,404</u>
	<u>\$ 1,166,032</u>

Cash Disbursements \$	314,310
Interfunds	530,280
Budget Reimbursement	325,000
Encumbrances	<u>1,396,192</u>
	<u>\$ 2,565,782</u>

**CITY OF HOBOKEN, N.J.**

**Schedule of Reserve for Encumbrances**

**Federal and State Grant Fund**

**Year Ended December 31, 2015**

Balance December 31, 2014	\$	708,448
Increased By:		
Transferred from Budget Appropriations		<u>1,396,192</u>
		2,104,640
Decreased By:		
Cash Disbursements		<u>708,448</u>
Balance December 31, 2015	\$	<u><u>1,396,192</u></u>

## CITY OF HOBOKEN

## Schedule of Cash - Treasurer

## Trust Funds

Year Ended December 31, 2015

	Animal License Fund	Other Trust Funds	Section 8 - Housing Assistance Program
Balance - December 31, 2014	\$ 33,637	12,891,222	986,085
Increased by:			
Animal License Fees	9,396		
Due to State of New Jersey - Dog License Fees	1,486		
Marriage Licenses		12,325	
Burial Permits		10	
Construction Code DCA Fees		156,070	
Various Reserves		8,692,166	
Community Development Block Grant Receipts			217,476
	<u>10,882</u>	<u>8,860,571</u>	<u>217,476</u>
	<u>44,519</u>	<u>21,751,793</u>	<u>1,203,561</u>
Decreased by:			
Reserve for Animal License Expenditures			
Due to State of New Jersey	1,488	150,912	
Various Reserves		7,535,581	
Interfunds	9,804	251,048	
Community Development Block Grant Disbursements			353,308
Section 8 - Housing Assistance Program			70,349
	<u>11,292</u>	<u>7,937,541</u>	<u>423,657</u>
Balance - December 31, 2015	\$ <u>33,227</u>	<u>13,814,252</u>	<u>779,904</u>

CITY OF HOBOKEN

Schedule of Reserve for Expenditures -  
Animal License Fund

Trust Funds

Year Ended December 31, 2015

Balance - December 31, 2014	\$ 23,786
Increased by:	
Dog license fees	<u>9,396</u>
	33,182
Decreased by:	
Statutory Excess	<u>12,511</u>
Balance - December 31, 2015	<u><u>\$ 20,671</u></u>

<u>License Fees Collected</u>	
2014	9,394
2013	<u>11,277</u>
	<u><u>\$ 20,671</u></u>

CITY OF HOBOKEN

Schedule of Due to State of New Jersey-  
Animal License Fees

Trust Funds

Year Ended December 31, 2015

Balance - December 31, 2014	\$	65
Increased by:		
2015 Fees Collected		<u>1,486</u>
		1,551
Decreased by:		
Cash Disbursements		<u>1,488</u>
Balance - December 31, 2015	\$	<u><u>63</u></u>

CITY OF HOBOKEN

Schedule of Due to State of New Jersey  
Trust Funds

Year Ended December 31, 2015

	Due to/(from) Balance December 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance December 31, <u>2015</u>
Marriage Licenses	\$ 2,525	12,325	7,850	7,000
Burial Permits	10	10	10	10
Construction Code DCA Fees	<u>72,539</u>	<u>156,070</u>	<u>143,052</u>	<u>85,557</u>
	<u>\$ 75,074</u>	<u>168,405</u>	<u>150,912</u>	<u>92,567</u>

## CITY OF HOBOKEN

Schedule of Amount Due from/(to) Various Funds  
Trust Funds

Year Ended December 31, 2015

<u>Fund</u>	Balance December 31, 2014	<u>Increases</u>	<u>Decreases</u>	Balance December 31, 2015
Current Fund:				
Animal License Fund	(9,786)	9,804	12,511	(12,493)
Other Trust	(785)	273		(512)
Developers Escrow Trust	(775)	775		
Section 8 Housing	5			5
Open Space Trust		<u>13,756</u>		<u>13,756</u>
Federal & State Grant Fund:				
Open Space Trust	(250,000)	250,000		
Law Enforcement Trust	<u>(53,070)</u>	<u>53,070</u>		
	<u>(314,411)</u>	<u>327,678</u>	<u>12,511</u>	<u>756</u>
Due to Trust Funds	5	13,756		13,761
Due from Trust Funds	<u>(314,416)</u>	<u>313,922</u>	<u>12,511</u>	<u>(13,005)</u>
	<u>\$ (314,411)</u>	<u>327,678</u>	<u>12,511</u>	<u>756</u>

Analysis of Changes

Disbursements	\$ 260,852	
Statutory Excess		12,511
Liabilities Cancelled	53,070	
Open Space Trust	<u>13,756</u>	
	<u>\$ 327,678</u>	<u>12,511</u>

## CITY OF HOBOKEN

## Schedule of Miscellaneous Reserves

## Trust Funds

Year Ended December 31, 2015

	Balance, December 31 <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2015</u>
Reserve for:				
150th Anniversary	\$ 11,185		11,185	
Community Resource Account	24,885		24,885	
Cultural Affairs Account	236,656	292,007	347,688	180,975
Police Outside Employment	76,876	2,355,676	2,328,826	103,726
Hoboken PAL	2,374		1,610	764
Police Department Investigation	601		601	
Sept. 11th Memorial Fund	22,527		6,635	15,892
Shade Tree Commission	124,784	7,276	37,373	94,687
Unclaimed Bail	38,364	1,707		40,071
Municipal Court Public Defender	6,517	675		7,192
Ragamuffin Parade	125		125	
Fire Education Fund	171,082	143,096	61,557	252,621
Fire Regular Penalties	107,257	6,500		113,757
Police-LETF	322,992	102,952	22,204	403,740
POAA Trust	551,456	79,253	78,255	552,454
POAA Furniture Municipal Court	16,165		14,594	1,571
Municipal Court-OT-POAA	26,416	75,729	84,622	17,523
Tax Collector Premiums	961,898	1,188,502	1,279,900	870,500
Old Tax Collector Premiums	19,825	30,138	49,963	
St Patricks Day Parade	130			130
Bike Rack Donations	4,520	1,505		6,025
Open Space	4,472,303	2,262,838	189,933	6,545,208
Municipal Open Space - Rental Fees	36,350	76,200	29,530	83,020
Escrow	1,183,599	760,281	768,661	1,175,219
Tax Sale Premiums	489,721		489,721	
Law Enforcement	70,641	53,368	47,308	76,701
O & M Fund	478,987		385,093	93,894
O & M Fund-Hoboken South Waterfront	1,604,778		9,891	1,594,887
O & M Fund-W Hotel	629,465		3,007	626,458
North Haledon RCA Escrow	24,619	75		24,694
Hazmat	124,799		23,711	101,088
Redevelopment	19,557			19,557
Board Inspection	26,245	3,000		29,245
Collector of Revenue Redemption Trust	70,043	1,068,542	1,130,990	7,595
Recreation Fees	15,881	168,695	136,301	48,275
City Parks	1,512			1,512
Hurricane Sandy Donations	1,803			1,803
Recreation Umpires	250		250	
Green Team	1,622	825	1,300	1,147
Snow Removal	150,000	45,000		195,000
Unemployment Compensation	49,458	64,922		114,380
Affordable Housing	333,250	369		333,619
	<u>\$ 12,511,518</u>	<u>8,789,130</u>	<u>7,565,719</u>	<u>13,734,929</u>
Cash	\$ 8,692,166		7,535,581	
Liabilities Cancelled		53,070		
Reclass/Adjustments		30,138	30,138	
Interfunds		13,756		
	\$ <u>8,789,130</u>		<u>7,565,719</u>	

**CITY OF HOBOKEN**

**Section 8 - Housing Assistance Program**

**Schedule of Reserves for Section 8 - Housing Assistance Program**

**Year Ended December 31, 2015**

Balance - December 31, 2014	\$ 479,219
Decreased by:	
Cash Disbursements	<u>70,349</u>
Balance - December 31, 2015	<u><u>\$ 408,870</u></u>

**Section 8 - Housing Assistance Program**

**Schedule of Due to Grantor**

**Year Ended December 31, 2015**

Balance - December 31, 2014	\$ <u>47,711</u>
Balance - December 31, 2015	<u><u>\$ 47,711</u></u>

**CITY OF HOBOKEN**

**Section 8 - Housing Assistance Program**

**Schedule of Due to(from) Community Development Block Grant Trust Fund**

**Year Ended December 31, 2015**

Balance - December 31, 2014	\$ 459,160
Increased by:	
Cash Receipts	<u>217,476</u>
	676,636
Decreased by:	
Cash Disbursements	<u>353,308</u>
Balance - December 31, 2015	<u><u>\$ 323,328</u></u>

**Community Development Block Grant Trust Fund**

**Schedule of Due from(to) Section 8 - Housing Assistance Program**

**Year Ended December 31, 2015**

Balance - December 31, 2014	\$ 459,160
Increased by:	
Grants Receivable	<u>217,476</u>
	676,636
Decreased by:	
Reimbursement for Expenses Paid	<u>353,308</u>
Balance - December 31, 2015	<u><u>\$ 323,328</u></u>

CITY OF HOBOKEN

Community Development Block Grant Trust Fund

Schedule of Reserve for Community Development Block Grant

Year Ended December 31, 2015

Balance - December 31, 2014	\$ 1,063,920
Increased by:	
Grant Awards	<u>1,086,876</u>
	2,150,796
Decreased by:	
Interfund	<u>353,308</u>
Balance - December 31, 2015	<u>\$ 1,797,488</u>

Community Development Block Grant Trust Fund

Schedule of Community Development Block Grant Receivable

Year Ended December 31, 2015

Balance - December 31, 2014	\$ 499,760
Increased by:	
Grant Awards	<u>1,086,876</u>
	1,586,636
Decreased by:	
Interfund	<u>217,476</u>
Balance - December 31, 2015	<u>\$ 1,369,160</u>

CITY OF HOBOKEN

Community Development Block Grant Trust Fund

Schedule of Due From/(To) Federal and State Grant Fund

Year Ended December 31, 2015

Balance - December 31, 2014	\$ <u>105,000</u>
Balance - December 31, 2015	\$ <u><u>105,000</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2015

Balance, December 31, 2014		\$	4,051,501
Increased by Receipts:			
Grant Proceeds Received and Applied	\$	1,527,580	
Budget Appropriation		201,659	
Capital Improvement Fund		275,000	
Bond Anticipation Notes		5,985,000	
Loans Payable		700,000	
Fund Balance		<u>678,356</u>	
			<u>9,367,595</u>
			13,419,096
Decreased by Disbursements:			
Improvement Authorizations		89,429	
Not sold at Bond Sale - Ord. DR-233		230	
Encumbrances		4,710,794	
Fund Balance		<u>346,000</u>	
			<u>5,146,453</u>
Balance, December 31, 2015		\$	<u><u>8,272,643</u></u>

## CITY OF HOBOKEN, N.J.

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2015

Reserve for Encumbrances	\$	5,785,502
Capital Improvement Fund		237,827
Reserve for Hazmat Funds - Due from Grant		17,630
Reserve for Green Acres - 1600 Adams Street		200,000
Reserve for Grants Receivable:		
Reconstruction of Pier C		2,009,521
Reserve for Payment of BAN's		360,974
Fund Balance		678,864
Grants Receivable		(2,968,281)

## Improvement Authorizations:

Ordinance Number	Improvement Description	
	Creation of North Park	(267,836)
	Bond Ordinance for Tax Overpayment Refunds	(371,667)
R302	Improvements - City Hall	182
DR261/388	Various Road Improvements	2,906
DR233	Imps. To Parks and Buildings, Acq of Land, Vehicles and Equipment	(230)
DR326	Reconstruction of Pier C	(1,802,052)
	Construction of Waterfront Walkway	98,412
Z-18	Improvements to 1600 Park and Hoboken Cove	890,257
Z-23	Acquisition of Fire Apparatus	30,500
Z-30	Castle Point and Sinatra Park Waterfront Walkway	365,363
Z-33	Various Capital Improvements	76,415
Z-40	Acquisition of Public Works Garage	1,500
Z-77	Acquisition of Quantar Station & SX8MCX Conventional Master Repeaters	32,700
Z-94	Acquisition of Various Parcels of Land	(325,584)
Z-95	Improvements to Various Parks	697
Z-149	Acquisition of Capital Equipment and the Completion of Various Capital Improvements	584,502
Z-218	Affordable Housing Projects	1,363,707
Z-234	Completion of Capital Improvements to Various Parks and Recreation Facilities	492
Z-235	Rehabilitation/Reconstruction of Pier "A"	2,489,432
Z-248	Acquisition of emergency back-up electrical generators and a high water vehicle	
Z-262	Completion of Various Improvements to Elysian Park	(200,000)
Z-296	Resurfacing Streets & Improvements to Intersections	386
Z-299	Resurfacing Streets & Improvements to Intersections	412,791
Z-326	Various Improvements to Stormwater System	(396,549)
Z-355	Library Improvements	500,000
Z-360	Rehab and/or Replacement of Watermains, Drainage & Infrastructure Imps, Phase 1 of Roadway & Traffic Signalizaion Imps & Enhancements Washington St	(367,932)
Z-361	Various Capital Improvements	(1,146,416)
Z-375	Public Safety Communication Equipemnt	(21,370)
		<u>\$ 8,272,643</u>

**CITY OF HOBOKEN, N.J.**  
**Schedule of Grants Receivable**  
**General Capital Fund**  
**Year Ended December 31, 2015**

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance, Dec. 31, 2014</u>	<u>Awarded</u>	<u>Balance, Dec. 31, 2015</u>
	Port Authority:			
DR-326	Reconstruction of Pier C	\$ 1,658,521		1,658,521
	New Jersey Department of Environmental Protection:			
DR-326	Reconstruction of Pier C	351,000		351,000
Z-252	Various Improvements to Elysian Park	400,000		400,000
	New Jersey Department of Transportation			
Z-360	Washington St. Roadway & Traffic Rehab		457,030	457,030
	Developer's Share:			
	Reserve for Maxwell Place Walkway	<u>101,730</u>		<u>101,730</u>
		<u>\$ 2,511,251</u>	<u>457,030</u>	<u>2,968,281</u>

## CITY OF HOBOKEN, N.J.

Schedule of Deferred Charges to Future  
Taxation - Funded

## General Capital Fund

Year Ended December 31, 2015

Balance, December 31, 2014		\$ 24,011,987
Increased by:		
Green Acres Loans Issued	\$ 700,000	
Sale of Bonds	7,907,000	
NJEIT Trust Loans Issued	2,715,000	
NJEIT Fund Loans Issued	<u>5,929,148</u>	
		<u>17,251,148</u>
		41,263,135
Decreased by:		
Green Acres Loans Paid	\$ 179,841	
General Serial Bonds Paid	<u>4,010,000</u>	
		<u>4,189,841</u>
Balance, December 31, 2015		\$ <u><u>37,073,294</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Deferred Charges to  
Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	Authorizations	Funded	Balance Dec. 31, 2015	Analysis of Balance - December 31, 2015		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
	<u>General improvements:</u>							
R13	Reconstruction & Renovation of Certain Piers Creation of North Park	330,000 371,667		330,000	371,667 267,836		371,667 267,836	
DR42	Bond Ordinance for Tax Overpayment Refunds Various Projects and Improvements	3,380,000 2,104,650		3,380,000 2,104,650				
DR233	Improvements of Buildings and Equipment Acquisition of Vehicles and Equipment	422,580 2,000,000		422,350 2,000,000	230		230	
DR233	Land Parcel Acquisition	2,000,000		2,000,000				
DR261/388	Various Road Improvements	1,675,000		45,000	1,630,000			
DR326	Reconstruction of Pier C	2,009,521		201,659	1,807,862			5,810
Z-18	Improvements to 1600 Park Ave & Hoboken Cove	3,692,974		2,279,580	1,413,394		1,802,052	69,394
Z-23	Acquisition of Fire Apparatus	579,500			579,500			119,821
Z-30	Castle Point and Sinatra Park Waterfront Walkway	11,792,000		104,000	11,688,000			
Z-33	Various Capital Improvements	375,750		14,000	361,750			
Z-40	Acquisition of Public Works Garage	15,408,000		271,000	15,137,000			
Z-94	Acquisition of Various Parcels of Land	19,000,000			19,000,000			
Z-95	Improvements to Various Parks	1,520,000		52,500	1,467,500		325,585	18,674,415
Z-149	Acquisition of Capital Equipment and the Completion of Various Capital Improvements	2,881,777		54,000	2,827,777		2,827,777	
Z-234	Completion of Capital Improvements to Various Parks and Recreation Facilities	1,140,000			1,140,000			
Z-235	Rehabilitation and Reconstruction of Pier "A"	2,375,000			2,375,000		2,375,000	

CITY OF HOBOKEN, N.J.

Schedule of Deferred Charges to  
Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance		Funded	Balance Dec. 31, 2015	Analysis of Balance - December 31, 2015		Unexpended Improvement Authorization
		Dec. 31, 2014	Authorizations			Financed by Bond Anticipation Notes	Expenditures	
Z-248	Acquisition of Emergency Back-Up Electrical Generators and a High Water Vehicle	916,750			916,750	916,750		
Z-262	Completion of Various Improvements to Elysian Park	200,000			200,000		200,000	
Z-296	Resurfacing Streets & Improvements to Intersections	1,900,000			1,900,000	1,900,000		
Z-299	Resurfacing Streets & Improvements to Intersections	1,710,000			1,710,000	1,710,000		
Z-326	Various Improvements to Stormwater System	11,950,000		8,644,148	3,305,852		396,549	2,909,303
Z-360	Rehab and/or Replacement of Watermains, Drainage & Infrastructure Imps, Phase 1 of Roadway & Traffic Signalization Imps & Enhancements Washington St.		9,485,000		9,485,000		367,932	9,117,068
Z-361	Various Capital Improvements		2,042,500		2,042,500		1,146,415	896,085
Z-370	Acquisition of Property for Open Space		16,742,414		16,742,414			16,742,414
Z-375	Public Safety Communication Equipemnt		712,500		712,500		21,370	691,130
		<u>\$ 88,003,005</u>	<u>28,982,414</u>	<u>19,902,887</u>	<u>97,082,532</u>	<u>42,957,456</u>	<u>4,899,636</u>	<u>49,225,440</u>

Grant Proceeds Received and Applied	1,527,580
Loans Payable	700,000
NJEIT Loans Payable	8,644,148
Budget Appropriation	201,659
Bonds Issued	7,907,000
Paydown of Bond Anticipation Notes	922,500
	<u>\$ 19,902,887</u>

CITY OF HOBOKEN, N.J.

Schedule of Deferred Charges to  
Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	Authorizations	Funded	Balance Dec. 31, 2015	Analysis of Balance - December 31, 2015	
						Financed by Bond Anticipation Notes	Unexpended Improvement Authorization
						Expenditures	53,966,249
						Improvement Authorizations - Unfunded	
Less: Unexpended Bond Anticipation							
Note Proceeds:							
					Ordinance	DR261/388	2,906
						Z18	890,257
						Z23	30,500
						Z30	365,363
						Z33	76,415
						Z40	1,500
						Z95	697
						Z149	584,502
						Z234	492
						Z235	2,375,000
						Z296	386
						Z299	412,791
							<u>4,740,809</u>
							<u>\$ 49,225,440</u>

CITY OF HOBOKEN, N.J.

Schedule of Interfund Due from/(to) Various Funds

General Capital Fund

Year Ended December 31, 2015

	Balance Dec. 31, <u>2014</u>	<u>Increased</u>
Federal and State Grant Fund	\$ <u>(175,146)</u>	<u>175,146</u>
	\$ <u>(175,146)</u>	<u>175,146</u>
Reserve for Encumbrances		\$ <u>175,146</u>

CITY OF HOBOKEN, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Issued	Decreased	Balance Dec. 31, 2015
			Date	Amount					
Early Retirement Pension Refunding Bonds	Aug. 1, 2003	\$ 7,382,000	04/01/16	275,000	6.00%	\$ 6,787,442		225,000	6,562,442
			04/01/17	295,000	6.00%				
			04/01/18	330,000	6.00%				
			04/01/19	360,000	6.50%				
			04/01/20	380,000	6.50%				
			04/01/21	440,000	6.50%				
			04/01/22	475,000	6.50%				
			04/01/23	525,000	6.50%				
			04/01/24	580,000	6.50%				
			04/01/25	660,000	6.50%				
			04/01/26	775,000	6.50%				
			04/01/27	217,820	7.14%				
			04/01/28	213,756	7.14%				
		04/01/29	212,557	7.14%					
		04/01/30	209,767	7.14%					
		04/01/31	207,099	7.14%					
		04/01/32	204,501	7.14%					
		04/01/33	201,942	7.14%					
Qualified General Improvement Refunding Bonds, Tax Exempt Series 2003B	Nov. 1, 2003	\$ 38,325,000	02/01/16	3,985,000	5.33%	16,400,000		3,785,000	12,615,000
			02/01/17	4,200,000	5.33%				
			02/01/18	4,430,000	5.33%				

**CITY OF HOBOKEN, N.J.**  
**Schedule of General Serial Bonds Payable**  
**General Capital Fund**  
**Year Ended December 31, 2015**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Issued	Decreased	Balance Dec. 31, 2015
			Date	Amount					
General Obligation Bond	March 17, 2015	\$ 7,907,000	02/02/16	287,000	2.00%		7,907,000		7,907,000
			02/02/17	290,000	2.00%				
			02/02/18	295,000	2.00%				
			02/02/19	305,000	3.00%				
			02/02/20	315,000	3.00%				
			02/02/21	325,000	3.00%				
			02/02/22	335,000	3.00%				
			02/02/23	345,000	3.00%				
			02/02/24	360,000	3.00%				
			02/02/25	370,000	3.00%				
			02/02/26	385,000	3.00%				
			02/02/27	400,000	3.00%				
			02/02/28	420,000	3.00%				
			02/02/29	435,000	3.00%				
			02/02/30	450,000	3.00%				
		02/02/31	470,000	3.00%					
		02/02/32	495,000	3.00%					
		02/02/33	520,000	3.00%					
		02/02/34	545,000	3.13%					
		02/02/35	560,000	3.25%					
						\$ 23,187,442	7,907,000	4,010,000	27,084,442

CITY OF HOBOKEN, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Item Description	Amount of Original Issue	Original Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
R-13	Various Improvements	3,890,000	1/21/2004	3/16/2016	1.00%	\$ 330,000		330,000	
DR-233	Acquisition of Land, Vehicles & Equipment	11,400,000	1/30/2006	3/16/2016	1.00%	4,527,230		4,527,230	
DR-42	Improvement to City Buildings & Parks	4,987,500	4/18/2006	3/16/2016	1.00%	3,380,000		3,380,000	
DR-388	Various Road Improvements	850,000	9/9/2009	3/16/2016	1.50%	625,000	580,000	625,000	580,000
DR-388	Various Road Improvements	1,050,000	5/22/2014	3/16/2016	1.50%	1,050,000	1,050,000	1,050,000	1,050,000
Z-33	Various Capital Improvements	403,750	8/31/2010	3/16/2016	1.50%	375,750	361,750	375,750	361,750
Z-40	Acquisition of Public Works Garage	15,950,000	8/31/2010	3/16/2016	1.50%	15,408,000	15,137,000	15,408,000	15,137,000
Z-30	Repair of Castle Point Park & Sinatra Walkway	9,000,000	8/7/2012	3/16/2016	1.50%	9,000,000	9,000,000	9,000,000	9,000,000
Z-95	Improvements to Various Parks	1,520,000	8/7/2012	3/16/2016	1.50%	1,520,000	1,467,500	1,520,000	1,467,500
Z-149	Acquisition of Capital Equipment & Completion of Various Capital Improvements	1,480,000	8/7/2012	3/16/2016	1.50%	1,480,000	1,426,000	1,480,000	1,426,000
Z-149	Acquisition of Capital Equipment & Completion of Various Capital Improvements	1,094,943	5/22/2014	3/16/2016	1.50%	1,094,943	1,094,943	1,094,943	1,094,943
Z-18	Improvements to 1600 Park Ave & Hoboken Cove	1,500,000	7/1/2010	3/16/2016	1.50%	1,396,000	1,344,000	1,396,000	1,344,000
Z-30	Repair of Castle Point Park & Sinatra Walkway	3,000,000	7/1/2010	3/16/2016	1.50%	2,792,000	2,688,000	2,792,000	2,688,000
Z-248	Acquisition of emergency back-up electrical generators and a high water vehicle	916,750	5/22/2014	3/16/2016	1.50%	916,750	916,750	916,750	916,750
Z-234	Completion of Capital Improvements to Various Parks and Recreation Facilities	1,140,000	5/22/2014	3/16/2016	1.50%	1,140,000	1,140,000	1,140,000	1,140,000
Z-23	Acquisition of Fire Apparatus	459,679	5/22/2014	3/16/2016	1.50%	459,679	459,679	459,679	459,679
Z-149	Acquisition of Capital Equipment & Completion of Various Capital Improvements	306,834	5/22/2014	3/16/2016	1.50%	306,834	306,834	306,834	306,834
Z-235	Rehabilitation/Reconstruction of Pier "A"	2,375,000	3/3/2015	3/16/2016	1.50%	2,375,000	2,375,000	2,375,000	2,375,000
Z-296	Resurfacing of Various Streets and Roads	1,900,000	3/3/2015	3/16/2016	1.50%	1,900,000	1,900,000	1,900,000	1,900,000
Z-299	Resurfacing of Various Streets and Roads	1,710,000	3/3/2015	3/16/2016	1.50%	1,710,000	1,710,000	1,710,000	1,710,000
						\$ 45,802,186	42,957,456	45,802,186	42,957,456
							Cash \$ 5,985,000		
							Funded through Sale of Bonds 7,907,000		
							Re-establish Authorized not Issued 230		
							Renewed 36,972,456		
							Budget Appropriation 922,500		
									\$ 42,957,456
									45,802,186

**CITY OF HOBOKEN, N.J.**  
**Schedule of Green Acres Loans Payable**  
**General Capital Fund**  
**Year Ended December 31, 2015**

Balance, December 31, 2014	\$	824,545
Increased by:		
Loan Issued		<u>700,000</u>
		1,524,545
Decreased by:		
Payments		<u>179,841</u>
Balance, December 31, 2015	\$	<u><u>1,344,704</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Environmental Infrastructure Trust Loans Payable

General Capital Fund

Year Ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of Bonds Outstanding, Dec. 31, 2015		Interest rate	Issued	Balance Dec. 31, 2015
			Date	Amount			
Wet Weather Pump Stations	Nov. 24, 2015	2,715,000	Aug. 1, 2017	\$ 95,000	5.000%	\$ 2,715,000	2,715,000
			Aug. 1, 2018	100,000	5.000%		
			Aug. 1, 2019	105,000	5.000%		
			Aug. 1, 2020	110,000	5.000%		
			Aug. 1, 2021	115,000	5.000%		
			Aug. 1, 2022	120,000	5.000%		
			Aug. 1, 2023	125,000	5.000%		
			Aug. 1, 2024	130,000	5.000%		
			Aug. 1, 2025	140,000	5.000%		
			Aug. 1, 2026	145,000	3.000%		
			Aug. 1, 2027	150,000	3.000%		
			Aug. 1, 2028	155,000	3.000%		
			Aug. 1, 2029	160,000	3.000%		
			Aug. 1, 2030	165,000	3.000%		
			Aug. 1, 2031	170,000	3.000%		
		Aug. 1, 2032	175,000	3.000%			
		Aug. 1, 2033	180,000	3.125%			
		Aug. 1, 2034	185,000	3.125%			
		Aug. 1, 2035	190,000	3.125%			

\$ 2,715,000

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\$ 2,715,000

CITY OF HOBOKEN, N.J.

Schedule of Environmental Infrastructure Fund Loans Payable

General Capital Fund

Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, Dec. 31, 2015		Interest Rate	Issued	Balance Dec. 31, 2015
			Date	Amount			
Wet Weather Pump Stations	Nov. 24, 2015	5,929,148	Aug. 1, 2017	211,755	0.00%	5,929,148	5,929,148
			Feb. 1, 2018	105,878			
			Aug. 1, 2018	211,755			
			Feb. 1, 2019	105,878			
			Aug. 1, 2019	211,755			
			Feb. 1, 2020	105,878			
			Aug. 1, 2020	211,755			
			Feb. 1, 2021	105,878			
			Aug. 1, 2021	211,755			
			Feb. 1, 2022	105,878			
			Aug. 1, 2022	211,755			
			Feb. 1, 2023	105,878			
			Aug. 1, 2023	211,755			
			Feb. 1, 2024	105,878			
			Aug. 1, 2024	211,755			
			Feb. 1, 2025	105,878			
			Aug. 1, 2025	211,755			
			Feb. 1, 2026	105,878			
			Aug. 1, 2026	211,755			
			Feb. 1, 2027	105,878			
			Aug. 1, 2027	211,755			
			Feb. 1, 2028	105,878			
			Aug. 1, 2028	211,755			
			Feb. 1, 2029	105,878			
			Aug. 1, 2029	211,755			
			Feb. 1, 2030	105,878			
			Aug. 1, 2030	211,755			
			Feb. 1, 2031	105,878			
			Aug. 1, 2031	211,755			
			Feb. 1, 2032	105,878			
			Aug. 1, 2032	211,755			
			Feb. 1, 2033	105,878			
			Aug. 1, 2033	211,755			
		Feb. 1, 2034	105,878				
		Aug. 1, 2034	211,755				
		Feb. 1, 2035	105,878				
		Aug. 1, 2035	211,754				

\$ 5,929,148      5,929,148

CITY OF HOBOKEN, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014		Authorizations	Paid or Charged	Balance Dec. 31, 2015	
		Funded	Unfunded			Funded	Unfunded
	<u>General Improvements:</u>						
R302	Improvements - City Hall	21,397			21,215	182	
DR261/388	Various Road Improvements		2,906				2,906
DR326	Reconstruction of Pier C		5,810			98,412	5,810
Z-18	Construction of Waterfront Walkway	98,412					959,651
Z-23	Improvements to 1600 Park and Hoboken Cove		959,651				150,321
Z-30	Acquisition of Fire Apparatus		150,321		(223,189)		365,363
Z-33	Castle Point and Sinatra Park Waterfront Walkway		142,174		47,500		76,415
Z-40	Various Capital Improvements		123,915		(1,500)		1,500
Z-77	Acquisition of Public Works Garage						
	Acquisition of Quantar Station & SX8MCX						
	Conventional Master Repeaters	32,700				32,700	
Z-94	Acquisition of Various Parcels of Land	325,700	19,000,000		651,284		18,674,416
Z-95	Improvements to Various Parks		51,985		51,288		697
Z-149	Acquisition of Capital Equipment and the Completion of Various Capital Improvements		569,004		(15,498)		584,502
Z-218	Affordable Housing Projects	1,379,392			15,685	1,363,707	
Z-234	Completion of Capital Improvements to Various Parks and Recreation Facilities		3,674		3,182		492
Z-235	Rehabilitation/Reconstruction of Pier "A"	125,000	2,375,000		10,568	114,432	2,375,000
Z-248	Acquisition of emergency back-up electrical generators and a high water vehicle		749,854		749,854		386
Z-296	Resurfacing Streets & Improvements to Intersections		736,422		736,036		412,791
Z-299	Resurfacing Streets & Improvements to Intersections		1,692,000		1,279,209		412,791
Z-326	Various Improvements to Stormwater System		11,950,000		9,040,697		2,909,303

CITY OF HOBOKEN, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014		Authorizations	Paid or Charged	Balance Dec. 31, 2015	
		Funded	Unfunded			Funded	Unfunded
	<u>General Improvements:</u>						
Z-355	Library Improvements			500,000		500,000	
Z-360	Rehab and/or Replacement of Watermains, Drainage & Infrastructure Imps, Phase I of Roadway & Traffic Signalization Imps & Enhancements Washington St.			9,957,030	839,962	9,117,068	9,117,068
Z-361	Various Capital Improvements			2,150,000	1,253,916	896,084	896,084
Z-370	Acquisition of Property for Open Space			16,742,414		16,742,414	16,742,414
Z-375	Public Safety Communication Equipment			750,000	58,870	691,130	691,130
		<u>\$ 1,982,601</u>	<u>38,512,716</u>	<u>30,099,444</u>	<u>14,519,079</u>	<u>2,109,433</u>	<u>53,966,249</u>
	Capital Improvement Fund			660,000			
	Grants Receivable			457,030			
	Bonds & Notes Authorized			28,982,414			
			<u>\$ 30,099,444</u>				
	Cash			89,429			
	NJEIT Loan Payable			8,644,148			
	Encumbrances			5,785,502			
				<u>\$ 14,519,079</u>			

CITY OF HOBOKEN, N.J.

Schedule of Reserve for Encumbrances

General Capital Fund

Year Ended December 31, 2015

Balance, December 31, 2014		\$ 4,535,648
Increased by:		
Interfund	\$ 175,146	
Improvement Authorizations	<u>5,785,502</u>	
		<u>5,960,648</u>
		10,496,296
Decreased by:		
Payments		<u>4,710,794</u>
Balance, December 31, 2015		<u><u>\$ 5,785,502</u></u>

**CITY OF HOBOKEN, N.J.**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2015**

Balance, December 31, 2014	\$	622,827
Increased by:		
Budget appropriation		<u>275,000</u>
		897,827
Decreased by:		
Appropriated		<u>660,000</u>
Balance, December 31, 2015	\$	<u><u>237,827</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Reserves

General Capital Fund

Year Ended December 31, 2015

	Balance Dec. 31, <u>2014</u>	<u>Decreased</u>	Balance Dec. 31, <u>2015</u>
Reserve for:			
Hazmat Fund	\$ 17,630		17,630
Green Acres - 1600 Adams Street	200,000		200,000
Green Acres - 1600 Park Avenue	341,000	341,000	
Grants Receivable:			
Reconstruction of Pier C	<u>2,009,521</u>		<u>2,009,521</u>
	<u>\$ 2,568,151</u>	<u>341,000</u>	<u>2,227,151</u>
Transferred to Reserve for Payment of BANs		<u>\$ 341,000</u>	

CITY OF HOBOKEN, N.J.

Reserve for Payment of Bond Anticipation Notes

General Capital Fund

Year Ended December 31, 2015

	Balance Dec. 31, <u>2014</u>	<u>Increased</u>	Balance Dec. 31, <u>2015</u>
Reserve for:			
Impr. to 1600 Park Ave & Hoboken Cove	\$ <u>19,974</u>	<u>341,000</u>	<u>360,974</u>
	\$ <u><u>19,974</u></u>	<u><u>341,000</u></u>	<u><u>360,974</u></u>
Transferred from Schedule of Reserves		\$ <u><u>341,000</u></u>	

CITY OF HOBOKEN, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	Authorizations	Decreased	Balance Dec. 31, 2015
<u>General Improvements:</u>					
	Creation of North Park	267,836			267,836
	Bond Ordinance for Tax Overpayment Refunds	371,667			371,667
DR-233	Imps. To Parks and Buildings, Acquisition of Land, Vehicles and Equipment		230		230
DR326	Reconstruction of Pier C	2,009,521		201,659	1,807,862
Z-18	Improvements to 1600 Park Ave & Hoboken Cove	2,296,974		2,227,580	69,394
Z-23	Acquisition of Fire Apparatus	119,821			119,821
Z-94	Acquisition of Various Parcels of Land	19,000,000			19,000,000
Z-235	Rehabilitation and Reconstruction of Pier "A"	2,375,000		2,375,000	
Z-262	Completion of Various Improvements to Elysian Park	200,000			200,000
Z-296	Resurfacing Streets & Improvements to Intersections	1,900,000		1,900,000	
Z-299	Resurfacing Streets & Improvements to Intersections	1,710,000		1,710,000	
Z-326	Various Improvements to Stormwater System	11,950,000		8,644,148	3,305,852
Z-360	Rehab. and/or Replacement of Water Mains, Completion of of Phase I drainage and green infrastructure imps. and the completion of Roadway and Traffic Signalization Imps and Enhancements along Washington Street		9,485,000		9,485,000
Z-361	Various Capital Improvements		2,042,500		2,042,500
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		16,742,414		16,742,414
Z-375	Acquisition of Public Safety Communication Equipment		712,500		712,500
		<u>\$ 42,200,819</u>	<u>28,982,644</u>	<u>17,058,387</u>	<u>54,125,076</u>
			Authorized 28,982,414		
				Bond Anticipation Notes Issued 5,985,000	
				Grant proceeds received and applied (Green Acres and NJ EDA, Ord. Z-18) 1,527,580	
				Deferred Charges - Unfunded 2015 Budget Appropriation 201,659	
				Green Acres Loan Payable - Z-18 700,000	
				NJEIT Trust and Fund Loans Issued - Ord. Z326 8,644,148	
				Not sold at Bond Sale - Ord. DR-233 230	
			<u>\$ 28,982,644</u>	<u>\$ 17,058,387</u>	

CITY OF HOBOKEN, N.J.

Schedule of Cash - Treasurer

Parking Utility Fund

Year Ended December 31, 2015

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2014	\$ 3,428,838	\$ 172,342
Increased by Receipts:		
Budget Revenues	16,054,892	
Miscellaneous Revenue Not Anticipated	2,675,694	
Interfunds	156,345	5,000,000
Security Deposits	23,150	
	<hr/>	<hr/>
Total Receipts	18,910,081	5,000,000
Decreased by Disbursements:		
2015 Appropriations	15,030,526	
2014 Appropriation Reserves	314,536	
Interfunds	531,346	37,131
Reserve for Retro Pay - HPU	121,233	
Improvement Authorizations		220,335
Interest on Bonds and Notes	531,874	
Refunds of Prior Year Revenue	3,114	
	<hr/>	<hr/>
Total Disbursements	16,532,629	257,466
Balance, December 31, 2015	<u>\$ 5,806,290</u>	<u>\$ 4,914,876</u>

CITY OF HOBOKEN, N.J.

Schedule of Interfunds Due from/(to) Various Funds

Parking Utility Operating Fund

Year Ended December 31, 2015

	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2015</u>
Current Fund Fund	\$ 531,346	531,346	
Parking Utility Capital	<u>                    </u>	<u>37,131</u>	<u>(37,131)</u>
	<u>\$ 531,346</u>	<u>568,477</u>	<u>(37,131)</u>
Cash Receipts \$		156,345	
Reimbursement for Expenditures Paid		412,132	
Cash Disbursements	<u>531,346</u>	<u>                    </u>	
	<u>\$ 531,346</u>	<u>568,477</u>	

## CITY OF HOBOKEN, N.J.

## Schedule of 2014 Appropriation Reserves

## Parking Utility Operating Fund

Year Ended December 31, 2015

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 156,859	131,859	98,260	33,599
Other Expenses	108,478	344,323	152,423	191,900
Total Operating	<u>265,337</u>	<u>476,182</u>	<u>250,683</u>	<u>225,499</u>
Statutory Expenditures				
Unemployment Compensation	67,500	90,000	90,000	
Total Capital Improvements	<u>67,500</u>	<u>90,000</u>	<u>90,000</u>	
	<u>\$ 332,837</u>	<u>566,182</u>	<u>340,683</u>	<u>225,499</u>
Appropriation Reserves \$		332,837		
Encumbrances		<u>233,345</u>		
		<u>\$ 566,182</u>		
		Accounts Payable \$	26,147	
		Cash Disbursements	<u>314,536</u>	
			<u>\$ 340,683</u>	

**CITY OF HOBOKEN, N.J.**  
**Schedule of Security Deposits**  
**Parking Utility Operating Fund**  
**Year Ended December 31, 2015**

Balance, December 31, 2014	\$	233,776
Increased by:		
Cash Receipts		23,150
		256,926
Decreased by:		
Miscellaneous Revenue		233,776
Balance, December 31, 2015	\$	23,150

CITY OF HOBOKEN, N.J.

Schedule of Accrued Interest Payable

Parking Utility Operating Fund

Year Ended December 31, 2015

Balance, December 31, 2014		\$	435,536
Increased By:			
Interest on Bonds	\$	348,128	
Interest on Notes		<u>92,831</u>	
			<u>440,959</u>
			876,495
Decreased By:			
Interest Paid on Bonds		481,528	
Interest Paid on Notes		<u>50,346</u>	
			<u>531,874</u>
Balance, December 31, 2015		\$	<u><u>344,621</u></u>

Analysis of Accrued Interest Payable at December 31 2015:

	<u>Outstanding</u>	<u>Interest</u>	<u>Terms</u>	<u>Accrued</u>
	<u>Principal</u>	<u>Rate</u>		<u>Interest</u>
Bond Anticipation Notes	\$ 8,282,000	1.50%	03/18/15-12/31/15	98,349
General/Refunding Bonds	\$ 16,030,000	Various	07/01/15- 12/31/15	<u>218,757</u>
				\$ <u><u>317,106</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Reserve for Encumbrances

Parking Utility Operating Fund

Year Ended December 31, 2015

Balance, December 31, 2014	\$	233,345
Increased By:		
Current Year Encumbrances		<u>335,581</u>
		568,926
Decreased By:		
Transfer to Appropriation Reserves		<u>233,345</u>
Balance, December 31, 2015	\$	<u><u>335,581</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Reserve for Retro Pay - HPU

Parking Utility Operating Fund

Year Ended December 31, 2015

Balance, December 31, 2014	\$	255,854
Decreased By:		
Cash Disbursements		<u>121,233</u>
Balance, December 31, 2015	\$	<u><u>134,621</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Accounts Payable

Parking Utility Operating Fund

Year Ended December 31, 2015

Increased By:

Transferred from Appropriation Reserves	\$	26,147
Transferred from Fund Balance		<u>26,381</u>

\$ 52,528

Balance, December 31, 2015

\$ 52,528

**CITY OF HOBOKEN, N.J.**

**Schedule of Fixed Capital**

**Parking Utility Capital Fund**

**Year Ended December 31, 2015**

Balance, December 31, 2014	\$ <u>45,157,185</u>
Balance, December 31, 2015	\$ <u><u>45,157,185</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Parking Utility Capital Fund

Year Ended December 31, 2015

Ordinance number	Improvement description	Ordinance		Balance, Dec. 31, 2014	Deferred Charges to Future Revenue	Balance, Dec. 31, 2015
		Date	Amount			
Z-99	Various Parking Utility Improvements	4/20/11	1,600,000 \$	1,600,000		1,600,000
Z-254	Refunding Bond Ordinance	10/17/13	14,000,000	12,900,000		12,900,000
n/a	Automatic License Plate Readers	n/a	n/a	141,120		141,120
Z-313	Installation of Automated Parking Meters	10/1/14	5,000,000	5,000,000		5,000,000
Z-372	Acquisition of Real Property	09/2/15	1,610,000		1,610,000	1,610,000
				\$ 19,641,120	1,610,000	21,251,120

CITY OF HOBOKEN, N.J.

Schedule of Interfunds Due from/(to) Various Funds

Parking Utility Capital Fund

Year Ended December 31, 2015

	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2015</u>
Current Fund Fund	\$ 11,682,000	11,682,000	
Parking Utility Capital	<u>37,131</u>	<u>                    </u>	<u>37,131</u>
	<u>\$ 11,719,131</u>	<u>11,682,000</u>	<u>37,131</u>
Cash Receipts \$		5,000,000	
Cash Disbursements	37,131		
Bonds Issued	3,400,000	3,400,000	
Bond Anticipation Notes Issued	<u>8,282,000</u>	<u>3,282,000</u>	
	<u>\$ 11,719,131</u>	<u>11,682,000</u>	

CITY OF HOBOKEN, N.J.

Schedule of Bond Anticipation Notes Payable

Parking Utility Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance	
						December 31, 2014	December 31, 2015
						Increased	Decreased
DR69/94	Parking Utility Notes Series 2008C	12/01/05	3/17/15	3/16/16	1.50%	\$ 3,400,000	3,400,000
DR399	Parking Utility Notes Series 2010	07/01/10	3/17/15	3/16/16	1.50%	1,788,000	1,788,000
Z-99	Parking Utility Notes Series 2014B	09/16/14	3/17/15	3/16/16	1.50%	1,600,000	1,600,000
Z-313	Acquisition & Installation of Automated Parking Pay Stations	3/17/15	3/17/15	3/16/16	1.50%	5,000,000	5,000,000
						<u>\$ 6,788,000</u>	<u>6,788,000</u>
						Interfund \$ 5,000,000	
						Bonds Issued	3,400,000
						Renewed	3,282,000
						Budget Appropriation	<u>106,000</u>
						<u>\$ 8,282,000</u>	<u>6,788,000</u>



CITY OF HOBOKEN, N.J.

Schedule of Improvement Authorizations

Parking Utility Capital Fund

Year Ended December 31, 2015

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, December 31, 2014		2015 Authorizations	Expended	Balance, December 31, 2015	
				Funded	Unfunded			Funded	Unfunded
Unknown	Improvements to Parking Garage	12/19/07	2,200,000	\$	217,102		16,602	200,500	
Z-99	Various Parking Utility Improvements	4/20/11	1,600,000		155,240		47,762	107,478	
Z-254	Refunding Bond Ordinance	10/17/13	14,000,000		1,920,000			1,920,000	
Z-313	Installation of Automated Parking Meters	10/1/14	5,000,000		5,000,000		155,971	4,844,029	
Z-372	Acquisition of Real Property	09/2/15	1,610,000			1,610,000		1,610,000	
				\$	7,292,342	1,610,000	220,335	8,682,007	

CITY OF HOBOKEN, N.J.

Schedule of Lease Purchase Agreement Payable

General Capital Fund

Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2015		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Date	Amount				
Automatic License Plate Readers	Nov. 1, 2013	141,120	7/1/2016	21,857	2.432%	88,515	21,338	67,177
			7/1/2017	22,388	2.432%			
			7/1/2018	22,932	2.432%			
						\$ 88,515	21,338	67,177

**CITY OF HOBOKEN, N.J.**

**Schedule of Reserve for Amortization**

**Parking Utility Capital Fund**

**Year Ended December 31, 2015**

Balance, December 31, 2014		\$ 36,876,790
Increased by:		
Payment of Serial Bond Principal	\$ 1,295,000	
Payment of Bond Anticipation Note Principal	106,000	
Payment of Capital Lease Principal	<u>21,338</u>	
		<u>1,422,338</u>
Balance, December 31, 2015		\$ <u><u>38,299,128</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Parking Utility Capital Fund

Year Ended December 31, 2015

Ordinance number	Improvement description	Ordinance		Balance		Balance 2015
		Date	Amount	December 31, 2014	2015 Authorizations	
D-399	Improvements to Parking Garage	12/19/07	2,200,000	200,000		200,000
Z-254	Refunding Bond Ordinance	10/17/13	14,000,000	1,920,000		1,920,000
Z-313	Installation of Automated Parking Meters	10/1/14	5,000,000	5,000,000	5,000,000	5,000,000
Z-372	Acquisition of Real Property	09/2/15	1,610,000		1,610,000	1,610,000
				\$ 7,120,000	1,610,000	3,730,000

**CITY OF HOBOKEN**

**LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2015**

# Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkottz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the City of Hoboken in the County of Hudson as of and for the year ended December 31, 2015 and the related notes to the financial statements, and have issued our report thereon dated June 1, 2016, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

### **Internal Control Over Financial Reporting**

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

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

We did identify a certain immaterial deficiency in internal control that we have reported to management in the accompanying comments and recommendations section of this report.

### **Compliance and Other Matters**

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

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the City of Hoboken in the accompanying comments and recommendations section of this report.

### **Purpose of this Report**

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

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

  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

June 1, 2016

# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkotz, CPA, RMA  
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Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCES AND N.J. OMB CIRCULAR 15-08

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

### **Report on Compliance for Each Major Federal Program**

We have audited the City of Hoboken in the County of Hudson compliance with the types of compliance requirements described in the OMB Compliance Supplement and N.J. Office of Management and Budget (OMB) Circular 15-08 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015. The City of Hoboken's major federal 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 each of its major federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Hoboken's major federal 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB 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 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.



Honorable Mayor and  
Members of the City Council  
Page 2.

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

### **Opinion on Each Major Federal 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 programs for the year ended December 31, 2015.

### **Report on Internal Control Over Compliance**

Management of the City of Hoboken is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Hoboken's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance with the Uniform Guidance and N.J. OMB Circular 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 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 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 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 the 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Mayor and  
Members of the City Council  
Page 3.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



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



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

June 1, 2016

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2015

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2014	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO
										Cumulative Total Expenditures
<u>Federal Grantor Pass Through Grantor Program Title:</u>										
Department of Agriculture:										
Passed Through the NJ Department of Agriculture										
	10.559	2007	15,823	4,822			(4,822)		*	11,001
	10.559	2010	31,374	183			(183)		*	31,023
	10.559	2010	25,728	25,728			(25,728)		*	
	10.559	2011	34,115	2,824			(2,824)		*	31,291
	10.559	2012	32,653	961			(961)		*	31,692
	10.559	2012	5,943	5,943			(5,943)		*	
	10.559	2013	41,385	(1,754)			1,754		*	28,855
	10.559	2014	51,704	(7,344)	1,802				(9,146)	51,704
	10.559	2015	75,078		48,628	48,013			615	48,013
				31,363	48,628	49,815	(38,707)		(8,531)	233,579
Total U.S. Department of Interior										
U.S. Department of Housing and Urban Development										
	14.218	2015	1,086,876			82,477			(82,477)	82,477
						82,477			(82,477)	82,477
Passed Through Hudson County Dept. of Finance and Admin:										
	14.218	2000	90,000	51,039					51,039	389,961
	14.218	2001	60,000	60,000						
	14.218	2005	90,000	20,000					20,000	70,000
	14.218	2006	489,400	4,663					4,663	484,737
	14.218	2007	150,000	23,642					23,642	126,358
	14.218	2008	200,000	49,118					49,118	150,882
	14.218	2009	250,000							249,280
	14.218	2010	225,000	32,146					32,146	162,415
	14.218	2010	50,000	50,000					50,000	407,000
	14.218	2011	457,000	50,000			(6,600)		43,400	407,000
	14.218	2012	425,000	(182,763)					(182,763)	294,173
	14.218	2013	425,000	(8,253)					(22,677)	71,559
	14.218	2014	410,000	(255,840)					(410,000)	410,000
	14.218	2015	135,000						(135,000)	135,000

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2015

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2014	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
Community Development Block Grant	14.269	2014	100,000	(50,000)		30,044		50,000	(30,044) *	80,044
Disaster Recovery 2014 - Post Sandy Assistance					174,672	195,725			(21,053) *	195,725
Community Development Block Grant	14.269	2014	200,000	(156,248)	174,672	529,353	(6,600)	50,000	(467,529) *	3,227,134
Disaster Recovery 2014 - Post Sandy Assistance									(550,006) *	3,309,611
Total U.S. Dept. of Housing and Urban Development				(156,248)	174,672	611,830	(6,600)	50,000	(550,006) *	3,309,611
U.S. Department of Interior:										
Fish and Wildlife Management Assistance	15.608	2014	250,000		225,000	237,850			(12,850) *	237,850
Total U.S. Department of Interior					225,000	237,850			(12,850) *	237,850
U.S. Department of Justice:										
Public Safety Partnership and Community Policing Grants										
Bulletproof Vest Partnership	16.710	2010	5,132	3,880						2,504
National Police Athletic League - 2011-12 Mentoring Program	16.541	2011	30,000	(27,366)			(3,880)			28,985
Byrne Justice Assistance Grant (JAG) Prosecutor	16.738	2011	18,585	39			(39)			18,546
Byrne Justice Assistance Grant (JAG) Prosecutor	16.738	2012	14,579	(14,475)	14,475		(104)		(104) *	14,475
Byrne Justice Assistance Grant (JAG) Prosecutor	16.738	2013	15,614							
Byrne Justice Assistance Grant (JAG) Prosecutor	16.738	2014	16,924							
Byrne Justice Assistance Grant (JAG) Prosecutor	16.738	2015	15,926							
Save the Youth Grant	16.540	2007	1,760	1,760			(1,760)			
Save the Youth Grant	16.540	2011	17,881	17,881			(17,881)			
Save the Youth Grant	16.540	2009	223,587	86			(86)			223,501
Total U.S. Department of Justice				(18,195)	14,475		3,616		(104) *	288,011

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2015

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2014	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
<b>Department of Transportation</b>										
Passed Through the NJ Department of Transportation										
Various Street Improvements										
	20,205	2009	400,374	12,536			(12,536)			387,838
	20,205	2008	400,000	(4,084)			4,084			336,795
	20,205	2009	410,732	145,512			(145,512)			
	20,205	2010	80,000	(74,960)			74,960			74,960
	20,205	2010	460,531	3,680					3,680	456,851
	20,205	2010	80,000	80,000			(80,000)			
	20,205	2010	80,000	31,553					31,553	48,447
	20,205	2013	680,872	(57,382)		31,688			(89,070)	680,872
	20,205	2013	118,000		300,465				300,465	
	20,205	2014	400,620							
	20,205	2015	457,030							
				<u>136,855</u>	<u>300,465</u>	<u>31,688</u>	<u>(159,004)</u>		<u>246,628</u>	<u>1,985,763</u>
<b>Department of Transportation</b>										
Passed Through the NJ Division of Law & Public Safety										
	20,600	2007	20,000	941			(941)			19,059
	20,600	2008	18,000	800			(800)			14,400
	20,600	2009	90,905	90,105			(90,105)			
	20,600	2010	8,000	8,000			(8,000)			
	20,600	2012	15,000	(1,600)					(1,600)	7,400
	20,616	2014	7,500		6,150				6,150	
	20,616	2015	5,000			2,600			(2,600)	2,600
				<u>98,246</u>	<u>6,150</u>	<u>2,600</u>	<u>(99,846)</u>		<u>1,950</u>	<u>43,459</u>

**CITY OF HOBOKEN, N.J.**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2015**

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2014	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
Department of Transportation Passed Through the National Highway Traffic Safety Over the Limit Under Arrest	20.601	2008	5,000	(400)			400			4,800
Over the Limit Under Arrest	20.601	2009	4,700	300		(300)				4,400
				(100)		100				9,200
				235,001	306,615	34,288	(258,750)		248,578	2,038,422
Total Department of Transportation (Current Fund)										
Department of Homeland Security										
FEMA - Staffing for Adequate Fire and Emergency Responses	97.083	2010	453,441	(42,491)			42,491			453,441
FEMA - Staffing for Adequate Fire and Emergency Responses	97.083	2012	1,118,600	93,416	429,138	325,000			197,554	670,000
FEMA - Fire Apparatus	97.044	2011	427,962	436					436	427,526
FEMA - Fire Equipment	97.044	2011	118,827	65,474			(65,474)			53,353
FEMA - Fire Boat	97.044	2012	364,464	(4)				4		364,460
FEMA - Firefighters Assistance Grant	97.044	2010	16,394	16,394			(16,394)			
Firefighters Assistance Grant	97.044	2012	272,697	58			(58)			272,639
Firefighters Assistance Grant	97.044	2012	14,708	3,381					3,381	11,327
Firefighters Assistance Grant	97.044	2012	16,394	(12,124)					4,270	12,124
Firefighters Assistance Grant	97.044	2013	35,440	(3,713)			16,394	10,125	6,412	39,153
Firefighters Assistance Grant	97.044	2015	152,273						(43)	240,348
Port Authority Security Grant	97.056	2012	297,000	(21,073)			(53,070)	21,030		123,954
Port Authority Security Grant	97.056	2014	123,954	53,070						123,954
FEMA - Hurricane Sandy	97.036	2013	4,246,074	(1,677,026)				1,677,026		4,246,074
FEMA - Hazard Mitigation Grant	97.039	2014	132,854							
				(1,524,202)	429,138	325,000	(76,111)	1,708,185	212,010	6,914,399
Total Federal and State Grant Fund Expenditures				(1,432,281)	1,198,528	1,258,783	(376,522)	1,758,185	(110,903)	13,021,872

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2015

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2014	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
General Capital Fund:										
Department of Transportation										
Passed Through the NJ Department of Transportation										
2015 Washington Street Streetscape	20.205	2015	457,030							*
Total Department of Transportation (Capital Fund)										*
Department of Environmental Protection										
NJ Environmental Infrastructure Fund	66.458	2015	5,929,148							*
NJ Environmental Infrastructure Fund - Principal Forgiveness	66.458	2015	2,011,675							*
Total Department of Environmental Protection										*
Total General Capital Fund Expenditures					1,198,528	1,258,783	(376,552)	1,758,185	(10,903)	*
Total Federal Awards				\$ (1,432,281)						13,021,872

This schedule was subject to an audit in accordance with the Uniform Guidance.  
 Note: See accompanying notes to schedules of expenditures of federal and state awards.

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State and Local Financial Assistance

Year Ended December 31, 2015

	Grant number	Grant period	Award Amount	Balance at Dec. 31, 2014	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
<b>Federal and State Grant Fund:</b>										
<b>Department of Community Affairs</b>										
Domestic Violence	N/A	2008	1,250	1,250						*
State Cooperative Housing Inspections	022-8010-100-023	2009	100,000	(25,003)			(1,250)			* 100,000
State Cooperative Housing Inspections	022-8010-100-023	2011	100,000	(54,716)			25,003			* 100,000
State Cooperative Housing Inspections	022-8010-100-023	2012	19,570	19,570			54,716			*
Multi Service Center Replacement	N/A	2009	200,000	(200,000)			(19,570)			* 139,833
Hoboken 911 Memorial on Pier	N/A	2010	250,000	(63,271)			200,000	19,485	(43,786)	* 63,271
Recreation Opportunities for Individuals with Special Needs (ROID)	N/A	2013	12,000	932					932	* 8,953
Recreation Opportunities for Individuals with Special Needs (ROID)	N/A	2014	10,000	(10,000)	10,000					* 10,000
Housing Inspection Program	N/A	2013	70,000	(14,815)			14,815			* 70,000
Housing Inspection Program	N/A	2014	97,000	(38,742)			38,742			* 97,000
Housing Inspection Program	N/A	2015	76,347		44,736	76,347		31,611		* 76,347
Housing Inspection Program	N/A	2016	10,085	(384,795)	10,085	76,347			10,085	* 665,404
<b>Total Dept. Of Community Affairs</b>					<b>64,821</b>	<b>76,347</b>	<b>312,456</b>	<b>51,096</b>	<b>(32,769)</b>	<b>*</b>
<b>Dept. of Environmental Protection</b>										
Clean Communities Program	765-042-4900-004-6020	2008	97,387	97,387						* 32,335
Clean Communities Program	765-042-4900-004-6020	2009	43,810	11,475			(97,387)			* 31,531
Clean Communities Program	765-042-4900-004-6020	2010	43,548	1,013			(1,013)			* 55,664
Clean Communities Program	765-042-4900-004-6020	2010	56,800	1,136					1,136	* 70,749
Clean Communities Program	765-042-4900-004-6020	2011	70,961	212			(212)			* 41,098
Clean Communities Program	765-042-4900-004-6020	2012	69,909	(41,098)						* 82,055
Clean Communities Program	765-042-4900-004-6020	2013	82,079	24			(24)			* 36,348
Clean Communities Program	765-042-4900-004-6020	2014	76,222	76,222	92,804	36,348		43,913	39,874	* 4,093
Clean Communities Program	765-042-4900-004-6020	2015	92,804			4,093			88,711	*
Recycling Tonnage Grant	765-042-4900-001-6020	2010	25,021	25,021						* 23,922
Recycling Tonnage Grant	765-042-4900-001-6020	2011	23,922	23,922			(25,021)			* 37,033
Recycling Tonnage Grant	765-042-4900-001-6020	2012	37,033	37,033						* 82,998
Recycling Tonnage Grant	765-042-4900-001-6020	2013	82,998	82,998						* 75,462
Recycling Tonnage Grant	765-042-4900-001-6020	2015	75,462		73,936			75,462	73,936	*
Recycling Tonnage Grant	765-042-4900-001-6020	2016	73,936	6,500			(6,500)			* 14,950
Forestry Grant	100-042-4870-101	2012	6,500	6,500						*
Forestry Grant	100-042-4870-101	2015	3,000		20,000				5,050	*
CSP Tree Pruning Grant	N/A	2013	20,000			14,950				*
Green Infrastructure Education and Implementation	N/A	2014	10,000							*
Green Acres	N/A	2010	900,000	(900,000)					(900,000)	* 900,000
DEP Waterfront Reconstruction	042-4800-533-003-12			(578,155)	186,740	55,391	(141,632)	119,375	(469,063)	* 1,268,823
<b>Total Dept. of Environmental Protection</b>					<b>186,740</b>	<b>55,391</b>	<b>(141,632)</b>	<b>119,375</b>	<b>(469,063)</b>	<b>*</b>

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State and Local Financial Assistance

Year Ended December 31, 2015

	Grant number	Grant period	Award Amount	Balance at Dec. 31, 2014	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
<b>Dept. of Health &amp; Senior Services-Direct</b>										
Public Healthcare Mgmt. Caregivers	N/A	2008	118,921	38,424			(38,424)		*	80,497
Public Healthcare Mgmt. Caregivers	N/A	2008	5,291	5,291			(5,291)		*	58,796
Public Health Priority Funding	N/A	2010	9,703	17,409			(17,409)		*	318
Senior Emergency Funds	N/A	2008	5,529	(2,318)			2,318		*	5,529
Senior Emergency Funds	N/A	2009	3,059	3,059			(3,059)		*	
Hepatitis B Inoculation Fund	N/A	2010	4,705	4,705					4,705	
H1N1 Grant	10-480-BT-1-1	2010	104,454	(1,002)			1,002		4,705	48,702
<b>Total Dept. of Health &amp; Senior Services-Direct</b>				65,568			(60,863)		4,705	193,842
<b>Dept. of Law and Public Safety</b>										
Body Armor Replacement Program	098-718-066-1020-001	2009	15,374	997			(997)		*	14,377
Body Armor Replacement Program	098-718-066-1020-001	2010	14,377	12,634			(12,634)		*	4,064
Body Armor Replacement Program	098-718-066-1020-001	Prior Year		4,564			(4,564)		*	29,358
Body Armor Replacement Program	098-718-066-1020-001	2013	15,341	15,341		15,341			*	15,341
Body Armor Replacement Program	098-718-066-1020-001	2014	15,390	15,390		15,390			*	15,390
Body Armor Replacement Program	098-718-066-1020-001	2015	11,698		11,698				11,698	
Drunk Driving Enforcement Fund		2010	12,377	60			(60)		*	12,317
Municipal Court DWI Grant		2011	1,510	(1)			1		*	1,510
<b>Total Dept. of Law and Public Safety</b>				48,985	11,698	30,731	(18,254)		11,698	92,357
<b>Dept. of Justice</b>										
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2008	1,253	53			(53)		*	1,200
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2014	2,954	1,706		1,250			456	2,498
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2015	2,593		2,593				2,593	
<b>Total Dept. of Justice</b>				1,759	2,593	1,250	(53)		3,049	3,698
<b>Department of Treasury</b>										
State Contingency Fund									*	
Business Stimulus Fund Grant			6,500	(6,500)			6,500		*	6,500
Fire Department Grant		2010	47,438	47,438			(47,438)		*	
<b>Total State Contingency Fund</b>				40,938			(40,938)		*	6,500
<b>New Jersey Economic Development Agency</b>										
Stronger NJ Neighborhood and Community Revitalization Program									*	
<b>Total New Jersey Economic Development Agency</b>		2014	879,401			125,000			(125,000)	125,000
						125,000			(125,000)	125,000

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State and Local Financial Assistance

Year Ended December 31, 2015

Grant number	Grant period	Award Amount	Balance at Dec. 31, 2014	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
Other State Agencies:									
Cultural Affairs Partnership Arts	2012	5,880	(1,470)			1,470			5,880
Cultural Affairs Partnership Arts	2012	18,750	(444)			106	338		18,750
Cultural Affairs Partnership Arts	2014	5,635	(1,409)	1,409					
Bike Corral	2012	5,000	519					519	4,481
Sustainable Jersey Grant	2012	20,000	6,000					6,000	4,000
Clean Energy Program	2009	41,692	(41,692)			41,692		(29,013)	41,692
NJEDA Hazardous Site Remediation	2010	10,299	(29,013)					9,925	1,296
Junior Tennis Foundation	2013	1,500	204					204	385
Cert. Community Emergency Response Team	2013	1,000	(385)					(385)	36,160
NI Historic Trust Grant	2013	37,500	(13,410)		22,750			(36,160)	36,160
Cultural Affairs Marketing Program	2013	15,750	15,750					15,750	200,000
US Soccer Foundation - Synthetic Field	2013	200,000					(60,000)	(60,000)	
NI Energy Allocation Initiative	2013	250,000							
State Tourism Grant	2011	7,504	207			(207)			7,297
Total Other State Agencies			(65,143)	1,409	22,750	43,061	(59,662)	(103,085)	329,866
Total Federal and State Grant Fund Assistance			(870,843)	267,261	311,469	93,777	110,809	(710,465)	2,685,490

Federal and State Grant Fund:

Federal Grantor/Pass Through Grantor Program Title	Grant period	Award Amount	Balance at Dec. 31, 2014	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
Passed Through Hudson County Dept. of Finance and Administration:									
Hudson County Open Space Grant	2007	300,000	1			(1)			299,999
Hudson County Open Space Grant	2010	300,000	(1,370)					(1,370)	300,000
Hudson County Open Space Grant	2012	250,000	(14,332)	18,600				4,268	233,106
Hudson County Open Space Grant	2012	100,000		79,875			(89,765)	(9,890)	100,000
Hudson County Open Space Grant	2012	3,000,000	(3,000)			3,000			3,000,000
Hudson County Open Space Grant - Cove	2013	100,000	(14,402)		66,223		89,766	9,141	66,223
Hudson County Open Space Grant - Cove	2014	500,000							
Municipal Alliance Program - County	2011	40,261	(1,184)			1,184			40,261
Municipal Alliance Program - County	2012	40,261	21				4,401	21	40,240
Municipal Alliance Program - County	2013	38,840	2,379					6,780	36,461
Municipal Alliance Program - County	2014	19,420	19,420					19,420	19,420
Municipal Alliance Program - County	2014	43,200		4,860				(11,380)	16,240
Municipal Alliance Program - County	2015	43,200		38,340				38,340	

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State and Local Financial Assistance

Year Ended December 31, 2015

Grant number	Grant period	Award Amount	Balance at Dec. 31, 2014	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
Adult Day Care	2009	126,998	(36,821)			36,821		*	101,598
Adult Day Care	2010	27,055	27,055			(27,055)		*	
Adult Day Care	2010	127,000	(18,027)					(18,027)	69,400
Adult Day Care	2012	127,796	(2)			2		*	127,796
Adult Day Care	2013	129,378	(12,579)			12,579		*	129,378
Adult Day Care	2014	127,800	(29,687)					(29,687)	127,800
Adult Day Care	2015	125,097			125,097			(125,097)	125,097
City Recreation Program	2009	10,000	10,000			(10,000)		*	
Comprehensive Program for the Elderly	2011	674	674			(674)		*	
HHS Senior Citizens - #688	2011	12,000	(360)			360		*	12,000
HHS Senior Citizens - #88	2011	115,000	(29,144)			29,144		*	115,000
Total Pass-Through Programs			(101,358)	141,675	207,560	45,360	4,402	(117,481)	4,960,019
Other Direct Programs:								*	
Senior Emergency Funds								*	
1600 Park Avenue (Land and Water)	2008	1,513,420	7,680			(7,680)		*	1,513,420
PAL of NJ - After School Initiative Grant	2010	30,000	23,360			(23,360)		*	6,640
Health Officers Association LINGS Grant	2010	2,500	300			(300)		*	2,200
Cultural Affairs Studio Tour/Concert	2011	3,200	1,850			800		2,650	550
US Soccer Foundation - Planning Grant	2011	8,000						*	
Hoboken PAL	2012	15,000	(11,971)			11,971		*	15,000
Hoboken PAL	2012	30,000	19,026			(19,027)	1	*	
Hoboken PAL	2013	14,500	7,296			(7,296)		*	
Arbor Day Foundation	2014	20,000	47,541			(44,892)		(19,806)	19,806
Total Other Direct Programs					19,806		1	(17,156)	1,557,616
Total County/Other Assistance			(53,817)	141,675	227,366	468	4,403	(134,637)	6,517,635
General Capital Fund:								*	
NY/NJ Port Authority:								*	
Reconstruction of Pier C	2008	17,479,834	(1,658,521)					(1,658,521)	17,479,834
Total NY/NJ Port Authority								(1,658,521)	17,479,834
Dept. of Environmental Protection								*	
Reconstruction of Pier C	2008	2,520,166	(345,160)					(345,160)	2,514,356
1600 Park Avenue	2010	1,700,000	490,225					490,225	1,209,775
Hoboken Cove	2010	1,000,000	797,451					797,451	202,549
Various Improvements to Elysian Park	2013	400,000	(400,000)					(400,000)	400,000
NJ Environmental Infrastructure Grant								*	
2015 Project	2015	2,646,941							
Capital Interest Portion	2015	130,983	542,516					542,516	4,326,680
Total State Dept. of Environmental Protection								*	

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State and Local Financial Assistance

Year Ended December 31, 2015

Grant number	Grant period	Award Amount	Balance at Dec 31, 2014	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec 31, 2015	MEMO Cumulative Total Expenditures
Developer's Share - Toll Brothers Maxwell Place Walkway Total Developer's Share	2008	3,061,262	(101,730) (101,730)					(101,730) (101,730)	3,061,262 3,061,262
Hudson County Open Space 1600 Park Avenue Improvements to 1600 Park Ave and Hoboken Cove Acquisition of Various Parcels of Land Total Developer's Share	2010 2010 2011	200,000 350,000 1,000,000	200,000 (19,974) 325,700					200,000 (19,974) 325,700 505,726	350,000 893,084 1,243,084
Total General Capital Assistance			(712,009)					(712,009)	26,110,860
Total State and County/Other Assistance			\$ (1,636,669)	408,936	538,835	94,245	115,212	(1,557,111)	35,313,985

Note: See accompanying notes to schedules of expenditures of federal and state awards.

This schedule was not subject to an audit in accordance with OMB 15-08

**CITY OF HOBOKEN  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**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 1A to the City's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

**NOTE 2. BASIS OF ACCOUNTING**

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

**NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS**

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

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Current Fund	<u>\$1,258,783</u>	<u>\$311,469</u>	<u>\$227,366</u>	<u>\$1,797,618</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. ADJUSTMENTS**

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

**CITY OF HOBOKEN  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(CONTINUED)**

**NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING**

The City's federal and state loans outstanding at December 31, 2015, which are not required to be reported on the schedule 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	<u>\$1,344,704</u>

**CITY OF HOBOKEN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: adverse - USGAAP  
unmodified - OCBOA

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses?            yes       X       none reported
2. Material weakness(es) identified?            yes       X       no

Noncompliance material to financial statements noted?            yes       X       no

**Federal Awards Section**

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?       X       yes            no

Type of auditors' report on compliance for major programs: modified

Internal Control over compliance:

1. Significant deficiencies identified that are not considered to be material weaknesses?            yes       X       none reported
2. Material weakness(es) identified?            yes       X       no

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?            yes       X       no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
<u>97.083</u>	<u>SAFER Grant</u>

**State Awards Section**

Not Applicable

**CITY OF HOBOKEN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Section II – Financial Statement Findings**

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

**NONE**

**CITY OF HOBOKEN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
**(continued)**

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

NONE

**STATUS OF PRIOR YEAR FINDINGS**

This section identifies the status of prior year audit findings related to the general purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 15-08, as amended.

NONE

**CITY OF HOBOKEN**  
**GENERAL COMMENTS**

**Contracts and Agreements Requiring Advertisement for Bid**

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term ‘competitive contracting’, which is defined as “the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors’ formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received.”

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. “When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500 or \$25,000 if there is a certified purchasing agent, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations.”

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. “Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months.”

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500 or \$36,000 if there is a certified purchasing agent. On July 1, 2015, the threshold with a qualified purchasing agent was increased to \$40,000.

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

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

Two (2) Jeep Compass Sport 4WD	Sidewalk Rehabilitation Project at the Multi Service Center
2014 Municipal Street Resurfacing and Intersection Safety Improvement	Washington Street Tree Planting and Beautification Project
Procurement of 7 Backup Generators and Electrical Service Upgrade to Multi Service Center	Hoboken Police Department Exterior Renovation Project
Disposal of Concrete Waste - Hoboken Cove	2015 Fall Street Planting and Well Enlargement Project
Spray-Injection Pothole Patching Services	Intersection Safety - Package “C” Project
City Hall Cable Demolition and Installation Project	

## CITY OF HOBOKEN

### GENERAL COMMENTS, (continued)

Maintenance Services for Fire Apparatus  
Two (2) Used 2014 Dodge Grand Caravans  
Sprayground at Legion Park Project  
City Hall Drainage and Landscape Improvement Project  
2015 Summer Food Service Program  
Interior Renovations of 1313 Washington Street Firehouse

Wayfinding 1<sup>st</sup> Street Revitalization Project  
Roof Replacement at 1313 Washington Street Firehouse  
Citywide Wayfinding and 1<sup>st</sup> Street Streetscape  
Revitalization  
Three (3) Harley Davidson FLHP Law Enforcement  
Motorcycles

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.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 40A:11-4.

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

#### **Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body on January 7, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, taxes are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year and installments become delinquent if not paid on or before these dates,

THEREFORE, BE IT RESOLVED that Mayor and Council authorize an interest charge of 8% per annum, upon delinquent installments of taxes and assessments;  
and

**CITY OF HOBOKEN**

**GENERAL COMMENTS, (continued)**

BE IT FURTHER RESOLVED, that the Mayor and Council authorize an interest charge of 18% per annum upon delinquent installments of taxes in excess of \$1,500.00 and an additional penalty of 6% on delinquencies in excess of \$10,000.00 at the end of the calendar year and,

BE IT FURTHER RESOLVED, that the Mayor and Council provide a grace period of 10 days, within which an installment of taxes or assessment may be received without an additional charge of interest; and

BE IT FURTHER RESOLVED, that any installment received after the expiration of the grace period shall bear interest from the due date,

BE IT FURTHER RESOLVED, that the rate of interest to be charged upon tax liens is hereby set at 18% per annum, and a copy of this resolution is to be filed with the Tax Collector - Treasurer and the Tax Assessor of the City of Hoboken.

**Delinquent Taxes and Tax Title Liens**

A tax sale was held on April 10, 2015.

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

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

	<u>Number of Liens</u>
December 31, 2015	46
December 31, 2014	49
December 31, 2013	49

**Verification of Delinquent Taxes and Other Charges**

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

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

**CITY OF HOBOKEN**

**OTHER COMMENTS**

**DECEMBER 31, 2015**

**Finance/Treasurer**

1. \*Instances of public advertisement failing to note that the proposal is being solicited through a fair and open process in accordance with N.J.S.A. 19:44A-20.5. However, advertisements subsequent to 2015 audit report do include note.
2. One instance of an equipment purchase greater than \$5,000 not included on the fixed asset report.
3. There are Capital Fund Improvement Authorizations greater than five years old that have unfunded portions outstanding.

**Departments**

1. The following departments do not maintain a monthly cash book that summarizes collections by category:
  - Municipal Clerk
  - Recreation
  - Fire Prevention
  - Planning & Zoning
  - Building
  - Police

**Health Department**

1. Remaining dog tags were not saved for audit.

**Payroll Department**

1. There were two instances in which employees were not properly enrolled in the State Pension System in a timely manner.

**CITY OF HOBOKEN**  
**RECOMMENDATIONS**  
**DECEMBER 31, 2015**

**Finance/Treasurer**

1. \*Public advertisements for RFP's should note that solicitation is being done through a fair and open process.
2. That all fixed assets with a cost in excess of \$5,000 individually, must be recorded in the fixed assets group account in accordance with Technical Accounting Directive No. 85-2.
3. That Capital Fund Improvement Authorizations greater than five years old be issued in order to fund cash deficits created by ordinance expenditures.

**Departments**

1. That all departments maintain a monthly cash ledger that summarizes collections by category.

**Health Department**

1. That all remaining dog tags be saved and available at time of audit.

**Payroll Department**

1. That employees be enrolled in the State Pension System in a timely manner.

CITY OF HOBOKEN

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all, except for those recommendations denoted with an asterisk ("\*").

The problems and weaknesses noted in our audit were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Respectfully submitted,



Steven D. Wielkocz  
Registered Municipal Accountant  
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

June 1, 2016