

**BOROUGH OF HASBROUCK HEIGHTS  
BERGEN COUNTY, NEW JERSEY**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2017 AND 2016**

BOROUGH OF HASBROUCK HEIGHTS  
BERGEN COUNTY, NEW JERSEY

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BERGEN COUNTY, NEW JERSEY

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BERGEN COUNTY, NEW JERSEY

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members  
of the Borough Council  
Borough of Hasbrouck Heights, New Jersey

### Report on the Financial Statements

We have audited the accompanying comparative balance sheets - regulatory basis of the various funds of the Borough of Hasbrouck Heights, County of Bergen, State of New Jersey (the "Borough"), as of December 31, 2017 and 2016, and the related comparative statements of operations and change in fund balance - regulatory basis for the year ended, and the related statements of revenues and expenditures - regulatory basis and comparative statement of general fixed assets group of accounts - regulatory basis for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough'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 - regulatory basis (the "financial statements") in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough's preparation and fair representation 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 Borough'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, the financial statements are prepared and presented by the Borough on the basis of the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey for municipal government entities. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of 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 conformity with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough as of December 31, 2017 and 2016, or the changes in financial position for the years then ended.

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

In our opinion, the financial statements referred to above, present fairly, in all material respects, the accompanying comparative balance sheets – regulatory basis of the various funds of the Borough as of December 31, 2017 and 2016, and the results of the comparative statements operations and changes in fund balance – regulatory basis of such funds for the years then ended, and the revenues and expenditures – regulatory basis of the various funds, and general fixed assets group of accounts for the year ended December 31, 2017, in accordance with accounting principles and practices prescribed by the Division as described in Note 1.

### **Other Matters**

#### *Required Supplementary Information*

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division, to supplement the financial statements and therefore it has not been presented by management. Our opinion on the basic financial statements is not affected by this missing information.

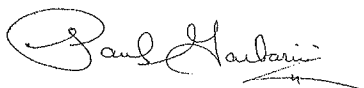
#### *Other Information*

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplementary schedules and the schedules of federal, state and county financial assistance are presented for purpose of additional analysis as required by the Division, and are not a required part of the basic financial statements.

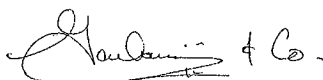
The supplementary schedules and schedules of expenditures of federal, state and county financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.



Paul W. Garbarini, CPA  
Registered Municipal Accountant  
No. 534



Garbarini & Co. P.C. CPAs  
Registered Municipal Accountants

June 29, 2018  
Carlstadt, New Jersey



BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017 AND 2016

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

A

	Reference	<u>At December 31:</u>	
		<u>2017</u>	<u>2016</u>
<b>ASSETS</b>			
Current Assets:			
Cash	A-4	\$ 5,151,634.36	\$ 3,673,422.35
Cash - Change Fund	A-5	275.00	275.00
		<u>5,151,909.36</u>	<u>3,673,697.35</u>
Receivable and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	416,300.13	458,849.60
Tax Title Liens Receivable	A-9	271,208.98	247,536.98
Martin Act Property	A-10	543.04	543.04
Property Acquired for Taxes - Assessed Valuations		304,730.00	304,730.00
Revenue Accounts Receivable	A-11	10,571.81	30,911.93
Overpayment- Building Surcharge Fees	A-15		
Due from Animal License Fund	A-1,B		
	Contra	<u>1,003,353.96</u>	<u>1,042,571.55</u>
Deferred Charges:			
Special Emergency - Revaluation			
N.J.S.A. 40A:4-53	A-12	<u>0.00</u>	<u>0.00</u>
<b>TOTAL ASSETS</b>		<u>\$ 6,155,263.32</u>	<u>\$ 4,716,268.90</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017 AND 2016

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

A

	Reference	<u>At December 31:</u>	
		<u>2017</u>	<u>2016</u>
<b>LIABILITIES, RESERVES AND FUND BALANCES</b>			
Liabilities:			
Appropriation Reserves	A-3,13	\$ 603,776.23	\$ 813,738.61
Reserve for Encumbrances	A-3,13	102,507.45	91,898.67
Accounts Payable	A-20	9,355.92	9,355.92
Prepaid Taxes	A-4,8	1,750,936.29	168,822.45
Due to Trust Fund	A-4, B	11,333.99	
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	5,787.68	5,787.68
Tax Overpayments	A-14	42,070.76	54,187.53
Due to County for Added Taxes	A-1,4	4,523.62	12,851.83
Due to State of New Jersey:			
Building Surcharge Fees	A-15	2,114.00	1,592.00
Department of Human Services	A-15	1,883.00	1,833.00
Burial Permit Fees	A-15	1,800.00	1,810.00
Reserve for:			
Maintenance of Free Public Library with State Aid	A-16	988.56	430.44
Tax Appeals Pending	A-18	406,504.56	365,853.84
Revaluation of Real Property	A-19	1,900.00	1,900.00
Reserve for FEMA Reimbursements	A-21	32,754.25	-
Reserve for Sale of Municipal Assets	A-22	80,000.00	120,000.00
Reserve for Terminal Pay	A-23	150,000.00	100,000.00
Reserve for Traffic Safety - Towing Fees	A-24	6,150.00	
		<u>3,214,386.31</u>	<u>1,750,061.97</u>
Reserve for Receivables and Other Assets	Contra	1,003,353.96	1,042,571.55
Fund Balance (Note 3)	A-1	<u>1,937,523.05</u>	<u>1,923,635.38</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><u>\$ 6,155,263.32</u></u>	<u><u>\$ 4,716,268.90</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017 AND 2016

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS**

A-1

		For the Years Ended December 31:	
	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 1,275,000.00	\$ 1,275,000.00
Miscellaneous Revenue Anticipated	A-2	3,085,305.03	3,079,833.20
Receipts from Delinquent Taxes	A-2	453,871.15	483,565.81
Receipts from Current Taxes	A-2	47,585,955.13	46,938,107.68
Non-Budget Revenues	A-2	130,773.62	107,071.60
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	322,110.00	339,328.25
Unexpended Balances of Budget Appropriations	A-3	-	0.01
Cancel Due to State of NJ- Building Surcharge Fees	A-15		
Cancel Tax Overpayments	A-14	15,024.37	
Interfunds Returned	A-1	18,856.78	2,507.00
Adjustment to Building Surcharge	A-1		41.00
Prior year Senior Disallowed	A-4		250.00
Miscellaneous Credits	A-4		3,109.82
Total Income		<u>52,886,896.08</u>	<u>52,228,814.37</u>
Expenditures:			
Budget and Emergency Appropriations	A-3	18,519,880.15	18,432,587.28
County Taxes Paid	A-4,8	4,440,239.64	4,395,949.97
Due to County for Added Taxes	A,A-8	4,523.62	12,851.83
Local District School Tax	A-4,8,17	28,632,289.00	28,107,365.00
Interfund Advance		0.00	18,856.78
Senior Citizens Deductions Disallowed - Prior Years	A-7	812.33	2,202.22
Cancellation of Grant Receivable	A-4		3,524.77
Miscellaneous Refunds	A-4	263.67	4,766.48
Total Expenditures		<u>51,598,008.41</u>	<u>50,978,104.33</u>
Statutory Excess to Fund Balance		1,288,887.67	1,250,710.04
Fund Balance January 1	A	<u>1,923,635.38</u>	<u>1,947,925.34</u>
		3,212,523.05	3,198,635.38
Less: Amount of Fund Balance Utilized as Revenue	A-2	<u>1,275,000.00</u>	<u>1,275,000.00</u>
Fund Balance December 31	A	\$ 1,937,523.05	\$ 1,923,635.38

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

**STATEMENT OF REVENUES - REGULATORY BASIS**

A-2

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 1,275,000.00	\$ 1,275,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		10,000.00	12,125.00	2,125.00
Other		32,500.00	41,223.00	8,723.00
Fees and Permits		59,000.00	72,761.51	13,761.51
Fines and Costs:				
Municipal Court		210,000.00	174,836.62	(35,163.38)
Interest and Costs on Taxes		91,000.00	110,440.41	19,440.41
Interest on Investments and Deposits		17,500.00	60,428.91	42,928.91
Lease - Hasbrouck Heights Swim Club		7,000.00	7,000.00	-
Cable TV Franchise Fees		178,571.80	178,571.80	-
Energy Receipts Taxes		1,081,302.00	1,081,302.00	-
Consolidated Municipal Property Replacement		1,846.00	1,846.00	-
Fire Protection - Teterboro		113,460.00	113,460.00	-
911 Coverage - Little Ferry		8,280.00	8,250.00	(30.00)
911 Coverage - Wood-Ridge		10,533.00	10,533.00	-
Joint Assessor's Office - South Hackensack		18,750.00	19,234.14	484.14
Pistol Range - Carlstadt		2,842.00	2,842.00	-
Pistol Range - Maywood		500.00	500.00	-
Lease - Port of New York Authority		1,036.00	1,036.63	0.63
Uniform Construction Code Fees		180,000.00	184,902.00	4,902.00
Hotel and Motel Occupancy Fee		560,000.00	675,828.45	115,828.45
Car Dealership Registration Fees		75,000.00	68,000.00	(7,000.00)
Reserve for Sale of Municipal Assets		40,000.00	40,000.00	-
Due from H.H. Bd. of Ed. - Debt Service Hitchcock Field		60,055.00	60,055.20	0.20
Due from H.H. Bd. of Ed. - School Resource Officer		63,500.00	63,649.23	149.23
Uniform Fire Safety Act (P.L. 1983, Ch. 383)		11,600.00	12,883.00	1,283.00
FEMA Reimbursement		27,227.48	27,227.48	-
State and Federal Revenues Offset with Appropriations:				
Reserve for Recycling Tonnage Grant	D-2	17,244.90	17,244.90	-
Reserve for Clean Communities Program	D-2	25,244.97	25,244.97	-
Reserve for Drunk Driving Enforcement	D-2	10,005.92	10,005.92	-
Reserve for Body Armor Fund	D-2	2,905.96	2,905.96	-
Reserve for Alcohol Education & Rehabilitation	D-2	966.90	966.90	-
Total Miscellaneous Revenues	A-1, Next Pg.	2,917,871.93	3,085,305.03	167,433.10
Receipts from Delinquent Taxes	A-1, Next Pg.	395,000.00	453,871.15	58,871.15
Subtotal General Revenues		4,587,871.93	4,814,176.18	226,304.25
Amount to be Raised by Taxes for Support of Municipal Budget:				
Minimum Library Tax	A-8	614,665.36	614,665.36	-
Local Tax for Municipal Purposes	A-8, Next Page	14,309,946.54	14,886,841.19	576,894.65
Total Amount to be Raised by Taxes for Support of Municipal Budget		14,924,611.90	15,501,506.55	576,894.65
Total General Revenues - Adopted	A-3	\$ 19,512,483.83	20,315,682.73	\$ 803,198.90
Non-Budget Revenues	A-1, 4, Next Page		130,773.62	
			<u>\$ 20,446,456.35</u>	

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

**STATEMENT OF REVENUES - REGULATORY BASIS  
(CONTINUED)**

A-2

	<u>Reference</u>	<u>Dec. 31, 2017</u>
<u>ANALYSIS OF REALIZED REVENUES</u>		
Allocation of Current Tax Collections		
Revenue from Collections and State Share		
of Senior Citizens and Veterans Deductions	A-1	\$ 47,585,955.13
Allocated to:		
School and County Taxes	A-1	<u>33,077,052.26</u>
Balance for Support of Municipal Appropriations		14,508,902.87
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>992,603.68</u>
Amount for Support of Municipal Budget Appropriations	Prior Page	<u><u>\$ 15,501,506.55</u></u>

MISCELLANEOUS REVENUES

Current Fund	A-4	\$ 2,988,936.38
Reserve for Sale of Municipal Assets	A-22	40,000.00
Grant Fund	A-3	<u>56,368.65</u>
	Prior Page	<u><u>\$ 3,085,305.03</u></u>

RECEIPTS FROM DELINQUENT TAXES

Tax Title Lien Collections	A-9	\$ 3,818.64
Delinquent Tax Collections	A-8	<u>450,052.51</u>
	A-1	<u><u>\$ 453,871.15</u></u>

ANALYSIS OF NON-BUDGET REVENUES

Miscellaneous Revenues Not Anticipated:		
Miscellaneous Sewer Fee		\$ 59,323.71
Towing Application Fees		1,800.00
Housing Inspection Reimbursement		4,201.00
Miscellaneous Fees & Charges		<u>65,448.91</u>
	A-1,4,Prior Page	<u><u>\$ 130,773.62</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED		Paid or Charged and Encumbered	Cash Unexpended	Reserved	Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>				
OPERATIONS - WITHIN "CAPS"								
GENERAL GOVERNMENT:								
Administrative and Executive - Mayor and Council								
Salaries and Wages	\$ 39,500.00	\$ 39,500.00	\$ 39,483.45		\$ 39,483.45	\$ 16.55	\$ 16.55	\$ -
Administrative and Executive								
Salaries and Wages	170,500.00	177,075.00	177,073.85		177,073.85	1.15	1.15	-
Other Expenses	39,750.00	39,750.00	38,290.33	605.43	38,895.76	1,459.67	854.24	-
Elections								
Salaries and Wages	6,000.00	6,000.00	6,000.00		6,000.00	-	-	-
Other Expenses	11,500.00	11,500.00	11,395.10		11,395.10	104.90	104.90	-
Financial Administration								
Salaries and Wages	142,800.00	143,650.00	143,638.97		143,638.97	11.03	11.03	-
Other Expenses	5,000.00	5,000.00	1,749.01		1,749.01	3,250.99	3,250.99	-
Other Expenses - Annual Audit	38,500.00	38,500.00	2,500.00		2,500.00	36,000.00	36,000.00	-
Assessment of Taxes								
Salaries and Wages	43,500.00	43,500.00	42,993.01		42,993.01	506.99	506.99	-
Other Expenses	49,200.00	49,200.00	31,892.26		31,892.26	17,307.74	17,307.74	-
Collection of Taxes								
Salaries and Wages	107,500.00	107,625.00	107,600.60		107,600.60	24.40	24.40	-
Other Expenses	16,000.00	17,750.00	17,726.05		17,726.05	23.95	23.95	-
Legal Services and Costs								
Salaries and Wages					-	-	-	-
Other Expenses	158,500.00	151,500.00	141,718.57		141,718.57	9,781.43	9,781.43	-
Municipal Court								
Salaries and Wages	94,000.00	94,000.00	92,023.28		92,023.28	1,976.72	1,976.72	-
Other Expenses	10,000.00	10,000.00	7,070.86	399.49	7,470.35	2,929.14	2,529.65	-
Municipal Prosecutor								
Salaries and Wages	22,000.00	22,000.00	21,300.00		21,300.00	700.00	700.00	-
Other Expenses	500.00	500.00			-	500.00	500.00	-

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED						Unexpended
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbrances</u>	<u>Paid or</u>	<u>Cash</u>	<u>Reserved</u>	<u>Balance</u>	
OPERATIONS - WITHIN "CAPS" (CONT'D)		<u>Modification</u>	<u>Charged</u>		<u>Charged and</u>	<u>Unexpended</u>		<u>Canceled</u>	
Public Defender									
Salaries and Wages	\$ 11,000.00	\$ 11,000.00	\$ 10,401.00		\$ 10,401.00	\$ 599.00	\$ 599.00	\$ -	
Other Expenses	500.00	500.00			-	500.00	500.00	-	
Engineering Services and Costs									
Other Expenses	32,500.00	31,000.00	17,996.51	3,510.31	21,506.82	13,003.49	9,493.18	-	
Public Buildings and Grounds									
Salaries and Wages	68,000.00	68,000.00	61,512.44		61,512.44	6,487.56	6,487.56	-	
Other Expenses	105,000.00	100,500.00	64,330.60	2,901.47	67,232.07	36,169.40	33,267.93	-	
Master Plan									
Other Expenses	10,000.00	10,000.00	735.00	3,830.00	4,565.00	9,265.00	5,435.00	-	
Codification of ordinances									
Other Expenses	6,000.00	6,000.00	4,102.62		4,102.62	1,897.38	1,897.38	-	
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)									
Planning Board									
Salaries and Wages	10,000.00	10,000.00	9,862.89		9,862.89	137.11	137.11	-	
Other Expenses	4,000.00	4,000.00	1,860.65		1,860.65	2,139.35	2,139.35	-	
Board of Adjustment									
Salaries and Wages	38,500.00	38,500.00	38,109.16		38,109.16	390.84	390.84	-	
Other Expenses	6,500.00	7,175.00	7,058.03	115.00	7,173.03	116.97	1.97	-	
Shade Trees									
Salaries and Wages	286,000.00	286,500.00	286,368.83		286,368.83	131.17	131.17	-	
Other Expenses	20,000.00	22,000.00	21,916.48		21,916.48	83.52	83.52	-	
Recycling Program									
Salaries and Wages	227,500.00	227,500.00	223,662.10		223,662.10	3,837.90	3,837.90	-	
Other Expenses	81,500.00	81,500.00	64,058.42	8,360.00	72,418.42	17,441.58	9,081.58	-	
Insurance									
Other Insurance Premiums - General Liability	304,807.00	304,807.00	302,114.67		302,114.67	2,692.33	2,692.33	-	
Workers Compensation	356,126.00	356,126.00	356,126.00		356,126.00	-	-	-	
Group Insurance for Employees	2,440,000.00	2,423,000.00	2,398,780.36		2,398,780.36	24,219.64	24,219.64	-	

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED		Paid or Charged and Encumbered	Cash Unexpended	Reserved	Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>				
OPERATIONS - WITHIN "CAPS" (CONTD)								
Fire								
Salaries and Wages	\$ 111,500.00	\$ 111,500.00	\$ 97,282.48		\$ 97,282.48	\$ 14,217.52	\$ 14,217.52	\$ -
Other Expenses	105,500.00	105,500.00	71,870.77	9,036.92	80,907.69	33,629.23	24,592.31	-
Uniform Fire Safety Act (Ch.383 P.L. 1983)								
Fire								
Salaries and Wages	58,000.00	58,000.00	49,328.21		49,328.21	8,671.79	8,671.79	-
Other Expenses	6,800.00	6,800.00	4,528.07	127.99	4,656.06	2,271.93	2,143.94	-
Police								
Salaries and Wages	4,433,500.00	4,433,500.00	4,371,413.27		4,371,413.27	62,086.73	62,086.73	-
Other Expenses	235,450.00	235,450.00	163,244.28	57,027.04	220,271.32	72,205.72	15,178.68	-
Emergency Management Services								
Salaries and Wages	6,300.00	6,300.00	6,215.08		6,215.08	84.92	84.92	-
Other Expenses	7,000.00	7,000.00	5,384.00		5,384.00	1,616.00	1,616.00	-
<u>STREETS AND ROADS</u>								
Road Repairs and Maintenance								
Salaries and Wages	337,000.00	349,500.00	344,642.78		344,642.78	4,857.22	4,857.22	-
Other Expenses	68,000.00	68,000.00	55,332.88	3,668.50	59,001.38	12,667.12	8,998.62	-
<u>SANITATION</u>								
Street Cleaning								
Salaries and Wages	305,750.00	290,750.00	284,535.77		284,535.77	6,214.23	6,214.23	-
Other Expenses	30,600.00	30,600.00	18,243.14	2,781.18	21,024.32	12,356.86	9,575.68	-

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See independent auditor's report and the notes to the financial statements.



BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED						
	Budget	Budget After Modification	Paid or Charged	Encumbrances	Paid or Charged and Encumbered	Cash Unexpended	Reserved	Unexpended Balance Canceled	
OPERATIONS - WITHIN "CAPS" (CONT'D)									
Garbage and Trash Removal									
Salaries and Wages	\$ 607,250.00	\$ 607,250.00	\$ 606,020.56		\$ 606,020.56	\$ 1,229.44	\$ 1,229.44	\$ -	
Other Expenses	58,000.00	66,750.00	65,286.35	1,409.57	66,695.92	1,463.65	54.08	-	
Sewer Maintenance									
Salaries and Wages	185,500.00	187,500.00	187,362.85		187,362.85	137.15	137.15	-	
Other Expenses	25,000.00	25,000.00	21,825.16	627.50	22,452.66	3,174.84	2,547.34	-	
Sanitary Landfill									
Contractual - Bergen County	395,000.00	376,500.00	320,406.43		320,406.43	56,093.57	56,093.57		
<u>HEALTH AND WELFARE</u>									
Board of Health									
Salaries and Wages	48,200.00	49,100.00	49,086.50		49,086.50	13.50	13.50	-	
Other Expenses					-	-	-	-	
Health Services - Contractual	72,100.00	72,100.00	72,036.00		72,036.00	64.00	64.00	-	
Miscellaneous Other Expenses	6,200.00	6,250.00	5,715.83	487.30	6,203.13	534.17	46.87	-	
Dog Regulation									
Other Expenses:									
County of Bergen - Contractual	11,000.00	3,500.00			-	3,500.00	3,500.00		
Miscellaneous	500.00	500.00			-	500.00	500.00	-	
Administration of Public Assistance									
Other Expenses	250.00	250.00			-	250.00	250.00	-	
<u>RECREATION AND EDUCATION</u>									
Parks and Playgrounds									
Salaries and Wages	205,250.00	217,750.00	217,582.20		217,582.20	167.80	167.80	-	
Other Expenses	16,500.00	16,500.00	15,685.74		15,685.74	814.26	814.26	-	
Recreation									
Salaries and Wages	92,500.00	87,000.00	85,072.07		85,072.07	1,927.93	1,927.93	-	
Other Expenses	31,000.00	35,500.00	35,226.65		35,226.65	273.35	273.35	-	
Celebration of Public Event, Anniversary or Holiday									
Salaries and Wages	13,800.00	13,825.00	13,800.89		13,800.89	24.11	24.11	-	
Other Expenses	25,000.00	25,000.00	15,803.48	468.00	16,271.48	9,196.52	8,728.52	-	

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED		Paid or Charged and Encumbered	Cash Unexpended	Reserved	Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>				
OPERATIONS - WITHIN "CAPS" (CONTD)								
<u>RECREATION AND EDUCATION (CONTD)</u>								
Senior Citizen's Transportation								
Salaries and Wages	\$ 15,500.00	\$ 15,500.00	\$ 13,894.78		\$ 13,894.78	\$ 1,605.22	\$ 1,605.22	\$ -
Other Expenses	2,000.00	2,000.00	1,026.89	62.03	1,088.92	973.11	911.08	-
Senior Citizen's Activities								
Salaries and Wages	32,000.00	32,000.00	31,924.01		31,924.01	75.99	75.99	-
Other Expenses	11,500.00	15,750.00	15,420.28	250.00	15,670.28	329.72	79.72	-
UNIFORM CONSTRUCTION CODE - APPROPRIATION OFFSET BY DEDICATED REVENUES <u>N.J.A.C. 5:23-4.17)</u>								
Construction Code Officials								
Salaries and Wages	136,500.00	136,500.00	135,034.09		135,034.09	1,465.91	1,465.91	-
Other Expenses	3,750.00	4,300.00	4,261.11	22.92	4,284.03	38.89	15.97	-
<u>UNCLASSIFIED:</u>								
Utilities								
Gasoline	107,500.00	107,500.00	71,089.04	6,729.46	77,818.50	36,410.96	29,681.50	-
Electricity	130,000.00	130,000.00	106,756.48		106,756.48	23,243.52	23,243.52	-
Telephone	67,500.00	67,500.00	66,549.19		66,549.19	950.81	950.81	-
Natural Gas	34,000.00	34,000.00	28,308.39		28,308.39	5,691.61	5,691.61	-
Street Lighting	100,500.00	100,500.00	95,472.71		95,472.71	5,027.29	5,027.29	-
Fire Hydrant Service	130,500.00	130,500.00	130,433.64		130,433.64	66.36	66.36	-
Water	21,000.00	21,000.00	17,472.74		17,472.74	3,527.26	3,527.26	-
TOTAL OPERATIONS WITHIN "CAPS"	<u>\$13,253,383.00</u>	<u>\$13,235,383.00</u>	<u>\$12,652,025.89</u>	<u>\$ 102,420.11</u>	<u>\$ 12,754,446.00</u>	<u>\$ 583,357.11</u>	<u>\$ 480,937.00</u>	<u>\$ -</u>
Detail:								
Salaries and Wages	\$ 7,855,350.00	\$ 7,870,825.00	\$ 7,753,225.12	\$ -	\$ 7,753,225.12	\$ 117,599.88	\$ 117,599.88	\$ -
Other Expenses (Including Contingent)	<u>5,398,033.00</u>	<u>5,364,558.00</u>	<u>4,898,800.77</u>	<u>102,420.11</u>	<u>5,001,220.88</u>	<u>465,757.23</u>	<u>363,337.12</u>	<u>-</u>
	<u>\$13,253,383.00</u>	<u>\$13,235,383.00</u>	<u>\$12,652,025.89</u>	<u>\$ 102,420.11</u>	<u>\$ 12,754,446.00</u>	<u>\$ 583,357.11</u>	<u>\$ 480,937.00</u>	<u>\$ -</u>

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED		Paid or Charged and Encumbered	Cash Unexpended	Reserved	Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>				
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"								
STATUTORY EXPENDITURES:								
Contribution to:								
Public Employees' Retirement System	\$ 447,989.00	\$ 464,989.00	\$ 464,256.65		\$ 464,256.65	\$ 732.35	\$ 732.35	\$ -
Social Security System (O.A.S.I.)	335,000.00	355,000.00	340,403.46		340,403.46	14,596.54	14,596.54	-
Consolidated Police and Firemen's Pension Fund								
Police and Firemen's Retirement System of NJ	843,073.00	843,073.00	843,073.00		843,073.00	-	-	-
Unemployment Insurance	37,500.00	37,500.00			-	37,500.00	37,500.00	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	<u>\$ 1,663,562.00</u>	<u>\$ 1,700,562.00</u>	<u>\$ 1,647,733.11</u>	<u>\$ -</u>	<u>\$ 1,647,733.11</u>	<u>\$ 52,828.89</u>	<u>\$ 52,828.89</u>	<u>\$ -</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>\$14,916,945.00</u>	<u>\$14,935,945.00</u>	<u>\$14,299,759.00</u>	<u>\$ 102,420.11</u>	<u>\$ 14,402,179.11</u>	<u>\$ 636,186.00</u>	<u>\$ 533,765.89</u>	<u>\$ -</u>

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED		Paid or Charged and Encumbered	Cash Unexpended	Reserved	Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>				
OPERATIONS - EXCLUDED FROM "CAPS"								
Maintenance of Free Public Library (Ch. 82 & 541, P.L. 1985)	\$ 801,050.00	\$ 801,050.00	\$ 785,329.11	\$ 87.34	\$ 785,416.45	\$ 15,720.89	\$ 15,633.55	\$ -
Bergen County Utilities Authority Service Charges - Contractual	1,182,500.00	1,182,500.00	1,182,114.71		1,182,114.71	385.29	385.29	-
Reserve for Tax Appeals	80,000.00	80,500.00	80,000.00		80,000.00	500.00	500.00	-
L.O.S.A.P.	49,000.00	49,000.00			-	49,000.00	49,000.00	-
Sanitary Landfill Recycling Tax	18,750.00	18,750.00	14,758.50		14,758.50	3,991.50	3,991.50	-
NJDES Stormwater Permit NJSA 40A:4-45.3cc								
Street Cleaning								
Salaries and Wages	48,500.00	48,500.00	48,500.00		48,500.00	-	-	-
Other Expenses	6,500.00	6,500.00	6,500.00		6,500.00	-	-	-

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED						
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>	<u>Paid or Charged and Encumbered</u>	<u>Cash Unexpended</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	
STATE AND FEDERAL PROGRAMS									
<u>OFFSET BY REVENUES</u>									
Reserve for Recycling Tonnage Grant	\$ 17,244.90	\$ 17,244.90	\$ 17,244.90		\$ 17,244.90	\$ -	\$ -	\$ -	
Reserve for Drunk Driving Enforcement Fund	10,005.92	10,005.92	10,005.92		10,005.92	-	-		
Division of Criminal Justice									
Reserve for Body Armor Fund	2,905.96	2,905.96	2,905.96		2,905.96		-		
Reserve for Clean Communities Act					-				
Street Cleaning					-				
Other Expenses	25,244.97	25,244.97	25,244.97		25,244.97	-	-	-	
Reserve for Alcohol Education and Rehabilitation Grant	966.90	966.90	966.90		966.90	-	-	-	
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	<u>\$ 2,242,668.65</u>	<u>\$ 2,243,168.65</u>	<u>\$ 2,173,570.97</u>	<u>\$ 87.34</u>	<u>\$ 2,173,658.31</u>	<u>\$ 69,597.68</u>	<u>\$ 69,510.34</u>	<u>\$ -</u>	
Detail:									
Salaries and Wages	\$ 48,500.00	\$ 48,500.00	\$ 48,500.00	\$ -	\$ 48,500.00	\$ -	\$ -	\$ -	
Other Expenses	2,194,168.65	2,194,668.65	2,125,070.97	87.34	2,125,158.31	69,597.68	69,510.34	-	
	<u>\$ 2,242,668.65</u>	<u>\$ 2,243,168.65</u>	<u>\$ 2,173,570.97</u>	<u>\$ 87.34</u>	<u>\$ 2,173,658.31</u>	<u>\$ 69,597.68</u>	<u>\$ 69,510.34</u>	<u>\$ -</u>	

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED		Paid or Charged and Encumbered	Cash Unexpended	Reserved	Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>				
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>								
Capital Improvement Fund	\$ 70,000.00	\$ 70,500.00	\$ 70,000.00		\$ 70,000.00	\$ 500.00	\$ 500.00	\$ -
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	<u>\$ 70,000.00</u>	<u>\$ 70,500.00</u>	<u>\$ 70,000.00</u>	<u>\$ -</u>	<u>\$ 70,000.00</u>	<u>\$ 500.00</u>	<u>\$ 500.00</u>	<u>\$ -</u>
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>								
Payment of Bond Principal	\$ 355,000.00	\$ 355,000.00	\$ 355,000.00	\$ -	\$ 355,000.00	\$ -	\$ -	\$ -
Payment of Bond Anticipation Notes	760,000.00	760,000.00	760,000.00	-	760,000.00	-	-	-
Interest on Bonds	93,450.00	93,450.00	93,450.00	-	93,450.00	-	-	-
Interest on Notes	36,816.50	36,816.50	36,816.50	-	36,816.50	-	-	-
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	<u>\$ 1,245,266.50</u>	<u>\$ 1,245,266.50</u>	<u>\$ 1,245,266.50</u>	<u>\$ -</u>	<u>\$ 1,245,266.50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED		Paid or Charged and Encumbered	Cash Unexpended	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbrances				
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"								
Special Emergency Authorizations- 5 Year (N.J.S.A. 40A:4-55)				\$ -	\$ -	\$ -	\$ -	\$ -
Capital Ordinance Deferred Charges	25,000.00	\$ 25,000.00	\$ 25,000.00		25,000.00	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE-EXCLUDED FROM "CAPS"	<u>\$ 3,582,935.15</u>	<u>\$ 3,583,935.15</u>	<u>\$ 3,513,837.47</u>	<u>\$ 87.34</u>	<u>\$ 3,513,924.81</u>	<u>\$ 70,097.68</u>	<u>\$ 70,010.34</u>	<u>\$ -</u>
SUBTOTAL GENERAL APPROPRIATIONS	\$ 18,499,880.15	\$ 18,519,880.15	\$ 17,813,596.47	\$ 102,507.45	\$ 17,916,103.92	\$ 706,283.68	\$ 603,776.23	\$ -
Reserve for Uncollected Taxes	<u>992,603.68</u>	<u>992,603.68</u>	<u>992,603.68</u>	<u>-</u>	<u>992,603.68</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS	<u>\$ 19,492,483.83</u>	<u>\$ 19,512,483.83</u>	<u>\$ 18,806,200.15</u>	<u>\$ 102,507.45</u>	<u>\$ 18,908,707.60</u>	<u>\$ 706,283.68</u>	<u>\$ 603,776.23</u>	<u>\$ -</u>
Reference	A-2		Below	A			A	A-1
	<u>Reference</u>							
Reserve for Tax Appeals	A-18		\$ 80,000.00					
Reserve for State Grants	A-2		56,368.65					
Reserve for Uncollected Taxes	A-2		992,603.68					
Budget Reimbursements	A-4		(518,186.17)					
Disbursed	A-4		<u>18,195,413.99</u>					
	Above		<u>\$ 18,806,200.15</u>					

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2017 AND 2016

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

**B**

		<u>At December 31:</u>	
	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>			
Assessment Fund:			
Cash	B-1	<u>\$ 1,838.67</u>	<u>\$ 1,838.67</u>
Dog License Fund:			
Cash	B-1	<u>30,307.24</u>	<u>30,875.82</u>
Other Funds:			
Cash	B-1	1,089,241.33	1,209,323.51
Due From Current Fund	B-5	11,333.99	
Police Overtime- Receivable	B-3	<u>24,335.34</u>	<u>31,581.73</u>
		<u>1,124,910.66</u>	<u>1,240,905.24</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 1,157,056.57</u></u>	<u><u>\$ 1,273,619.73</u></u>

See independent auditor's report and the notes to the financial statements.



## BOROUGH OF HASBROUCK HEIGHTS, NJ

## TRUST FUND

DECEMBER 31, 2017 AND 2016

## COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

B

		<u>At December 31:</u>	
	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<b>LIABILITIES, RESERVE AND FUND BALANCE</b>			
Assessment Fund:			
Fund Balance	B-8	<u>\$ 1,838.67</u>	<u>\$ 1,838.67</u>
Dog License Fund:			
Reserve for Dog Fund Expenditures	B-2	30,191.64	30,756.02
Registration Fees Due to State of New Jersey	B-2	115.60	119.80
Due to Current Fund	B-5	-	-
		<u>30,307.24</u>	<u>30,875.82</u>
Other Funds:			
Deposits Payable	B-3	820,455.92	1,036,353.41
Payroll Deductions Payable	B-4	223,479.74	130,795.45
Reserve for:			
Unemployment Insurance	B-6	63,058.15	55,839.53
FEMA Reimbursement	B-7	8,679.84	8,679.84
Fund Balance	B-8	9,237.01	9,237.01
		<u>1,124,910.66</u>	<u>1,240,905.24</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><u>\$ 1,157,056.57</u></u>	<u><u>\$ 1,273,619.73</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2017 AND 2016

C

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

ASSETS	Reference	Balance Dec. 31, 2017	Balance Dec. 31, 2016
Cash	C-2,3	\$ 1,012,055.00	\$ 1,209,125.94
Due From State of NJ - Dept. of Transportation	C-4	810,282.36	891,597.25
Due County of Bergen	C-5	368,742.85	368,742.85
Due From FEMA	C-8	45,000.00	-
Deferred Charges to Future Taxation			
Funded	C-9	2,070,000.00	2,425,000.00
Unfunded	C-6	7,023,998.36	6,986,498.36
<b>TOTAL ASSETS</b>		<b>\$ 11,330,078.57</b>	<b>\$ 11,880,964.40</b>
 <b>LIABILITIES, RESERVE AND FUND BALANCE</b>			
General Serial Bonds	C-9	\$ 2,070,000.00	\$ 2,425,000.00
Improvement Authorizations			
Funded	C-8	637,987.19	961,232.18
Unfunded	C-8	2,711,636.20	2,840,277.04
Capital Improvement Fund	C-7	188,800.17	144,800.17
Reserve for Garrison Ave. F.E.M.A. Funds	C-12	7,800.86	7,800.86
Bond Anticipation Notes Payable	C-10	5,707,000.00	5,495,000.00
Fund Balance	C-1	6,854.15	6,854.15
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>		<b>\$ 11,330,078.57</b>	<b>\$ 11,880,964.40</b>

There were Bonds and Notes Authorized but not Issued on December 31, 2017 of \$1,316,998.36 and on December 31, 2016 of \$ 1,491,498.36 (Exhibit C-11).

**STATEMENT OF FUND BALANCE - REGULATORY BASIS**

C-1

	Reference	
Balance December 31, 2016	C	\$ 6,854.15
Decreased by:		
	C-5	0.00
Balance December 31, 2017	C	\$ 6,854.15

See independent auditor's report and the notes to the financial statements.

## BOROUGH OF HASBROUCK HEIGHTS, NJ

## GRANT FUND

DECEMBER 31, 2017 AND 2016

## COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

D

		<u>At December 31:</u>	
	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>			
Federal and State Grants:			
Cash	D-1	\$ 124,848.40	\$ 105,745.20
Grant Receivable	D-2		1,250.00
			<hr/>
<b>TOTAL ASSETS</b>		<b>\$ 124,848.40</b>	<b>\$ 106,995.20</b>
		<hr/>	<hr/>
 <b>LIABILITIES AND RESERVES</b>			
Federal and State Grants:			
Reserve for Federal and State Grants:			
Appropriated	D-3	\$ 81,531.32	\$ 67,871.45
Unappropriated	D-4	43,317.08	39,123.75
		<hr/>	<hr/>
<b>TOTAL LIABILITIES AND RESERVES</b>		<b>\$ 124,848.40</b>	<b>\$ 106,995.20</b>
		<hr/>	<hr/>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
PUBLIC ASSISTANCE TRUST FUND  
DECEMBER 31, 2017 AND 2016

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

**E**

	<u>Reference</u>	<u>At December 31,</u> <u>2017</u>	<u>2016</u>
<b>ASSETS</b>			
Cash	E-1	<u>\$ 27,314.88</u>	<u>\$ 27,027.33</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 27,314.88</u></u>	<u><u>\$ 27,027.33</u></u>
<b>LIABILITIES AND RESERVES</b>			
Reserve for Public Assistance	E-4	<u>\$ 27,314.88</u>	<u>\$ 27,027.33</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u><u>\$ 27,314.88</u></u>	<u><u>\$ 27,027.33</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
GENERAL FIXED ASSETS ACCOUNTS GROUP  
DECEMBER 31, 2017 AND 2016

**COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS**  
**GROUP OF ACCOUNTS - REGULATORY BASIS**

F

	<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Land-Assessed Value	\$ 23,437,200.00	\$ 23,437,200.00
Buildings	13,098,300.00	13,081,300.00
Machinery and Equipment	<u>9,152,078.00</u>	<u>9,140,554.00</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 45,687,578.00</u></u>	<u><u>\$ 45,659,054.00</u></u>
 <b>LIABILITIES AND RESERVES</b>		
Investment in General Fixed Assets	<u>\$ 45,687,578.00</u>	<u>\$ 45,659,054.00</u>
<b>TOTAL LIABILITIES AND RESERVES</b>	<u><u>\$ 45,687,578.00</u></u>	<u><u>\$ 45,659,054.00</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

**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 generally accepted accounting principles (GAAP).

The financial statements of the Borough of Hasbrouck Heights ("the Borough") 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"). 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 Borough accounts for its financial transactions through the following separate funds, which differ from the fund structure required by GAAP.

***A. Reporting Entity***

The Borough was incorporated in 1894 and operates under an elected Mayor/Council form of government. The Borough'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 issue 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 N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library, volunteer fire department or volunteer ambulance squad, which are component units under GAAP.

***B. Fund Accounting***

The accounting policies of the Borough conform to the accounting principles applicable to municipalities, which have been prescribed by the Division. 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. The accounts of the Borough are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues, and expenses or expenditures. The following funds and groups of accounts are used by the Borough:

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

1. **Summary of Significant Accounting Policies (Continued)**

***B. Fund Accounting (Continued)***

Current Fund - Resources and expenditures for governmental operations of a general nature.

Trust Fund - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. The Division regulates the accounting for these funds.

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities other than those acquired in the Current Fund.

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes. The public assistance program was transferred to Bergen County in July of 2001.

Grant Fund - Receipt and disbursement of funds from Federal and State Grants.

General Fixed Assets - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or insurable cost if the actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

***C. Measurement Focus and Basis of Accounting***

The financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Under this modified accrual basis of accounting, revenues, except for 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 GAAP applicable to local government units. The more significant differences are as follows:

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the municipal budget. Receivables for property taxes are recorded with off-setting reserves on the statement of financial position of the Borough's Current Fund. Accordingly, such amounts are not recorded as revenue until collected. Other amounts which are susceptible to accrual that are due the municipality are recorded as receivables with off-setting reserves and are recorded as revenue when received.

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 statement of financial position of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

1. **Summary of Significant Accounting Policies (Continued)**

***C. Measurement Focus and Basis of Accounting (Continued)***

Grant Revenues - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund, are recognized when anticipated in the Borough'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. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division per N.J.S.A. 40A:4 et seq. Transfers can be made during the last two months and the first three months of the following year. The budget may also be amended by emergency appropriation which must be raised in the succeeding year's budget. Special items of revenue and corresponding expenditure may be added to the budget with special written consent from the Division (Chapter 159).

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

Trust Funds  
General Capital Fund  
Public Assistance Trust Fund

Expenditures - Expenditures are recorded in 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. Except for unmatured interest on general long-term debt which should be recognized when due, GAAP requires expenditures, if measurable, to be recognized in the accounting period in which the fund liability is incurred.

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 - 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.



BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

**1. Summary of Significant Accounting Policies (Continued)**

***C. Measurement Focus and Basis of Accounting (Continued)***

Property Acquired for Taxes - 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.

Self-Insurance Contributions - Payments to joint insurance funds are charged to current budget appropriations. GAAP requires payments to be accounted for as an operating transfer and not as an expenditure.

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

Inventories - The cost 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 statement of financial position.

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 and are limited by N.J.S.A. 40A:5-15.1 to bonds or obligations of the Federal Government and bonds or other obligations of Federal or local units having a maturity date not more than twelve months from the date of purchase.

Incurred But Not Reported (IBNR) Reserves - The Borough has not created a reserve for any potential unreported losses which have taken place but for which the Borough has not received notice or report of losses. Additionally, the Borough has not recorded a liability for those claims which have been filed but have not yet been paid. GAAP requires the establishment of reserves for such potential claims if material.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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. Actual results could differ from these estimates.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body and not when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

1. Summary of Significant Accounting Policies (Continued)

*C. Measurement Focus and Basis of Accounting (Continued)*

General Fixed Assets – **N.J.A.C. 5:30-5.6 accounting for governmental fixed assets** continues the requirement that all local units shall have and maintain a fixed assets accounting and reporting system that differs in certain respects from GAAP. The fixed assets accounting and reporting system shall establish and maintain a physical inventory of fixed assets of non-expendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular 87, Cost Principals for State, Local and Indian Governments and shall place a value on all fixed assets whether constructed or acquired through purchase, grant, or gift. Fixed assets acquired after December 31, 1985 shall be valued on the basis of actual cost; prior to that time, they may be valued at cost or estimated historical cost. The fixed assets accounting and reporting system shall also have a subsidiary ledger, consisting of detailed property records for controlling additions, retirements and transfers of fixed assets and such ledger shall be maintained and reconciled periodically and at the end of every fiscal year with the general ledger control accounts for fixed assets. The system shall also provide property management standards for fixed assets that ensures that property records are maintained accurately, to reflect a description and source of the property, its ownership, the acquisition cost and date, the percentage of Federal participation in the acquisition, and the location, use and condition of the property. Property management standards for fixed assets shall also ensure that periodic physical inventories are taken and reconciled with property records, that a control system is provided with adequate safeguards against loss, damage, or theft of property and that property is adequately maintained to keep the property in good condition. A Statement of General Fixed Assets shall be in every annual audit report.

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

Foreclosed Property - Foreclosed property is recorded in the Current Fund valuation when such property was acquired and fully reserved.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

1. Summary of Significant Accounting Policies (Continued)

*D. Basic Financial Statements*

The GASB Codification also defines the financial statements of a governmental unit to be presented in the financial statements to be in accordance with GAAP. The Borough 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.

2. Cash and Cash Equivalents

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough'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, 2017, \$0 of the Borough's **bank balance** of \$7,709,428.03 was exposed to custodial credit risk.

At December 31, the Borough's funds **book balance** is held by a custodial bank or financial institution:

	<u>2017</u>	<u>2016</u>
Current Fund	\$ 5,151,634.36	\$ 3,673,422.35
Current Fund – Change Fund	275.00	275.00
Federal / State Grant Fund	124,848.40	105,745.20
Assessment Fund	1,838.67	1,838.67
Trust Fund	1,089,241.33	1,209,323.51
Capital Fund	1,012,054.20	1,209,125.94
Public Assistance Fund	27,314.88	27,027.33
Dog License Fund	30,307.24	39,042.51
	<u>\$ 7,437,514.08</u>	<u>\$ 6,265,800.51</u>
 Municipal Court *	 \$ 20,992.00	 \$ 27,144.00

\* Municipal Court files a regulatory report with the Administrative Office of Courts (the "AOC") and is presented for purposes of additional analysis.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

**2. Cash and Cash Equivalents (Continued)**

*Investments*

Interest Rate Risk. The Borough 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 allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: 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 Borough places no limit on the amount the Borough may invest in any one issuer.

As of December 31, 2017 and 2016, the Borough had no investments.

**3. Leases**

The Borough has one 5-year operating lease dated October 14, 2016 for a copier that is located in the library, with payments of \$525 per month.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

**4. Municipal Debt**

	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
Issued			
Bonds and Note Issued General:			
Bonds and Notes	<u>\$ 7,777,000.00</u>	<u>\$ 7,920,000.00</u>	<u>\$ 7,736,000.00</u>
Net Debt Issued	<u>7,777,000.00</u>	<u>7,920,000.00</u>	<u>7,736,000.00</u>
Authorized But Not Issued General:			
Bonds and Notes	<u>1,316,998.36</u>	<u>1,491,498.36</u>	<u>1,808,498.36</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u><u>\$ 9,093,998.36</u></u>	<u><u>\$ 9,411,498.36</u></u>	<u><u>\$ 9,544,498.36</u></u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .499% and .525% and at December 31, 2017 and 2016, respectively.

Net Debt \$ 9,093,998.36 Equalized Valuation Basis per N.J.S.A. 40A:2-2  
as amended \$1,820,996,014 = .499%

<u>2017</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 11,075,000.00	\$ 11,075,000.00	\$ -
General Debt	<u>9,093,998.36</u>	<u>-</u>	<u>9,093,998.36</u>
	<u><u>\$ 20,168,998.36</u></u>	<u><u>\$ 11,075,000.00</u></u>	<u><u>\$ 9,093,998.36</u></u>

Net Debt \$ 9,411,498.36 Equalized Valuation Basis per N.J.S.A. 40A:2-2  
as amended \$1,791,749,044.33 = .525%

<u>2016</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 5,540,000.00	\$ 5,540,000.00	\$ -
General Debt	<u>9,411,498.36</u>	<u>-</u>	<u>9,411,498.36</u>
	<u><u>\$ 14,951,498.36</u></u>	<u><u>\$ 5,540,000.00</u></u>	<u><u>\$ 9,411,498.36</u></u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

4. **Municipal Debt (Continued)**

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$63,734,860.49
Net Debt	9,093,998.36
Remaining Borrowing Power	<u>\$54,640,862.13</u>

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

<u>Calender Year</u>	<u>General</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 350,000.00	\$ 82,800.00
2019	350,000.00	68,800.00
2020	350,000.00	54,800.00
2021	345,000.00	40,800.00
2022	345,000.00	27,000.00
2023	<u>330,000.00</u>	<u>13,200.00</u>
Total	<u>\$ 2,070,000.00</u>	<u>\$ 287,400.00</u>

**General Obligation Bonds  
Long-Term Debt**

	<u>2017</u>	<u>2016</u>
<b>Original Issue @ \$3,555,000</b> – 2014 Bonds, due in annual installments of, \$350,000-09/15/2018-09/15/19-09/15/20, \$345,000-09/15/2021-09/15/22, \$330,000- 09/15/23, interest at variable rates (3.00-4.0%)	<u>\$ 2,070,000.00</u>	<u>\$ 2,425,000.00</u>

The Borough's short-term debt consisted of Bond Anticipation Notes Payable in the amount of \$5,495,000 at December 31, 2017 and \$4,956,000 at December 31, 2016. Schedule C-10 of the financial statements disclosed the various due dates and interest rates of the Bond Anticipation Notes Payable as of December 31, 2017.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

Interfund Receivables and Payables

Interfund receivables and payables at December 31, 2017 and 2016 were as follows:

	2017		2016	
	Receivables	Payables	Receivables	Payables
Current Fund		11,333.99	\$ 5,033.91	\$ -
Dog License Fund				5,033.91
Trust Fund	11,333.99			
Total	<u>\$ 11,333.99</u>	<u>\$ 11,333.99</u>	<u>\$ 5,033.91</u>	<u>\$ 5,033.91</u>

**5. Contingencies**

***Litigation***

The Borough is party to various legal proceedings which normally occur in governmental operations. In the opinion of the management, the ultimate resolution of such litigation will not have a material impact on the Borough's financial statements.

***Claims and Judgments***

The Borough received and continued to participate in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes and effective internal control for the proper administration of the funds. The Borough is subject to the provision of the Single Audit Act of 1984 and as amended by the Single Audit Act of 1996 and other related Federal requirements, and State of New Jersey requirements which require that financial assistance programs received by the Borough be audited in conjunction with the audit of the general purpose financial statements. In addition, substantially all grants, entitlements and costs reimbursements are subject to financial and compliance audits by the grantors. As of December 31, 2017, the Borough estimates that no material liabilities will result from such audits.

***Compensated Absences***

Employees cannot accrue sick and vacation benefits beyond the current year. The contract of the Department of Public Works employees' provides for terminal pay for unused sick days for those employees with specific continuous years of service. Any potential liability will be raised in that year's budget. The potential projected value of the Department of Public Works unused sick days as of December 31, 2017 and 2016 respectively was \$ 112,000 and \$112,000. The potential projected value of the Police Departments unused sick days as of December 31, 2017 and 2016 respectively was \$104,000 and \$102,000.

**6. Risk Management**

The purpose of the New Jersey Intergovernmental Insurance Fund is to administer property and liability, worker's compensation, unemployment, and disability insurance programs of the Borough on a cost reimbursement basis. This fund accounts for the risk financing activities of the Borough but does not constitute a transfer of risk from the Borough. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
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**7. Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are to be deferred to budgets of succeeding years. At December 31, 2017 and 2016, the Borough had no deferred charges required to be raised in succeeding years.

**8. Local District School, Regional High School and County Taxes**

The Local District School Taxes are raised on a calendar year basis, for the period January 1, 2017 to December 31, 2017.

**9. Taxes Collected in Advance**

Taxes collected in advance and the amounts set forth as cash liabilities in the financial statements as follows:

	Balance Dec. 31, 2017	Balance Dec. 31, 2016
Prepaid Taxes	\$ 1,750,936.29	\$ 168,822.45

**10. Retirement Plans**

***Plan Description, Contribution Information, and Funding***

Substantially all Borough employees participate in the Public Employees Retirement System (PERS) and the Police and Fireman's Retirement System of New Jersey (PFRS). The PERS and PFRS systems are cost sharing multiple-employer contributory defined benefit plans, administered by the Division of Pensions in the Department of the Treasury, State of New Jersey. The PERS was established in January 1955 under provisions of N.J.S.A. 43:15A and provides retirement, death, disability and medical benefits to certain qualifying Plan members and beneficiaries. Membership is mandatory to substantially all full time employees and vesting occurs after 8 to 10 years of service. Employees who retire at or after age 55 are entitled to a retirement benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years compensation for each year of membership during years of credible service. The PFRS was established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firefighters and state police appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

According to state law, all obligations of PERS and PFRS will be assumed by the State of New Jersey should the PERS and PFRS be terminated. The State of New Jersey issues publicly available financial reports that include the financial statements and required supplementary information of the PERS and PFRS. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The contribution policy for PFRS and PERS is set by laws of the State of New Jersey, and requires contributions by active members and their employers. Plan member and employer contributions may be amended by legislation of the State of New Jersey. Employers are required to contribute at an actuarially determined rate in both systems.



BOROUGH OF HASBROUCK HEIGHTS, N.J.  
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**10. Retirement Plans (Continued)**

*Summary of Significant Accounting Policies -PERS and PFRS*

Contributions made by employees to PFRS for the year ended December 31, 2017 were 10% of their base wages for that year. The Borough's share of pension costs, which is based upon the amount paid or charged to the Municipal budget, amounted to \$1,307,330 for 2017 and \$1,304,893 for 2016.

GASB 68, *Accounting and Financial Reporting for Pensions*, is effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. Amendments to and further clarification of GASB 68, include GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, GASB 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 67 and 68*, and GASB 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*.

New Jersey municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements. Therefore, the following information with regards to GASB 68 is for disclosure purposes only.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Public Employees' Retirement System (PERS)*

The Public Employees' Retirement System (PERS) was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all fulltime 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 or other state or local jurisdiction.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
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**10. Retirement Plans (Continued)**

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

At June 30, 2017 and June 30, 2016, the Borough has disclosed a liability of \$12,131,694 and \$14,726,659, respectively, for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2017, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015. The Borough's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2017 and 2016. At June 30, 2017, the Borough's proportion was 0.05212%, which was an increase of .000239% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Borough recognized pension expense of \$464,257 as measured at June 30, 2016. At June 30, 2017 and 2016, the Borough had deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	June 30, 2017		June 30, 2016	
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflow of</u>	<u>Outflows of</u>	<u>Inflow of</u>
	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>
Difference between expected and actual experience	\$ 285,660		\$ 273,871	
Changes of assumptions	2,444,118	2,435,158	3,050,577	
Net difference between projected and actual earnings on pension plan investments	82,609		561,541	
Changes in proportion and differences between Borough and proportionate share of contributions	664,794		318,063	
Borough contributions subsequent to the measurement date				
Total	<u>\$ 3,477,181</u>	<u>\$ 2,435,158</u>	<u>\$ 4,204,052</u>	<u>\$ -</u>

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:
2018	\$ 191,597
2019	191,597
2020	191,597
2021	191,597
2022	191,567
Thereafter	\$ 84,068.00
Total	<u>\$ 1,042,023.00</u>

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BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

**10. Retirement Plans (Continued)**

*Public Employees' Retirement System (PERS)(Continued):*

	6/30/2017	6/30/2016
Collective deferred outflows of resources	\$ 5,396,431,901	\$ 7,815,204,785
Collective deferred inflows of resources	4,672,602,040	1,129,328,184
Collective net pension liability (Non-State-Local Group)	23,278,401,588	29,617,131,759
Borough's portion of net pension liability	12,131,694	14,726,659
Borough's proportion %	0.0521156675%	0.0497234469%

*Actuarial assumptions.* The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The actuarial valuation used the following actuarial assumptions:

Inflation:	2.25%
Salary Increases:	
Through 2026	1.65% – 4.15% based on age
Thereafter	2.65% – 5.15% based on age
Investment Rate of Return:	7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not conform to these assumptions. To the extent the actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

**10. Retirement Plans (Continued)**

*Public Employees' Retirement System (PERS)(Continued):*

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00 % at June 30, 2017) 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, 2017 are summarized in the following table:

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

*Discount rate.* The discount rate used to measure the total pension liability was 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

**10. Retirement Plans (Continued)**

*Public Employees' Retirement System (PERS)(Continued):*

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2017 and 2016, calculated using the discount rate of 5.00% and 3.98% respectively, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>(4.00%)</u>	<u>(5.00%)</u>	<u>(6.00%)</u>
Borough's proportionate share of the net pension liability	\$ 15,050,190	\$ 12,131,694	\$ 9,700,225

	June 30, 2016		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>(2.98%)</u>	<u>(3.98%)</u>	<u>(4.98%)</u>
Borough's proportionate share of the net pension liability	\$ 18,045,802	\$ 14,726,659	\$ 11,986,419

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

PERS Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under disability provisions of PERS. Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier. 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 the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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BOROUGH OF HASBROUCK HEIGHTS, N.J.  
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**10. Retirement Plans (Continued)**

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

The Police and Firemen's 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.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

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

At June 30, 2017 and June 30, 2016, the Borough has disclosed a liability of \$16,535,046 and \$19,752,299, respectively, for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2017, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015. The Borough's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PFRS during the years ended June 30, 2017 and 2016. At June 30, 2017, the Borough's proportion was 0.107106%, which was an increase of 0.00371% from its proportion measured as of June 30, 2016.

A special funding situation exists for Local employers of the PFRS, in which the State of New Jersey is required to pay additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993, and Chapter 201, P.L. 2001. Since the local participating employers do not contribute under this legislation, there is no pension liability, deferred inflows or outflows to report. The amount of the Borough's proportionate share of collective net pension liability at June 30, 2017 and 2016 respectively was \$ 1,852,064 and \$1,658,703.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
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**10. Retirement Plans (Continued)**

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

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

For the year ended December 31, 2017, the Borough recognized pension expense of \$843,073. At December 31, 2017 as measured on June 30, 2017 and June 30, 2016, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	June 30, 2017		June 30, 2016	
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflow of</u>	<u>Outflows of</u>	<u>Inflow of</u>
	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>
Difference between expected and actual experience	\$ 107,270	\$ 97,047		\$ 129,479
Changes of assumptions	2,038,955	2,707,957	2,735,856	
Net difference projected and actual earnings on pension plan investments	315,527		1,384,004	
Changes in proportion and differences between Borough's and proportionate share of contributions	884,959	1,029,908	587,827	1,424,009
Borough contributions subsequent to the measurement date				
Total	<u>\$ 3,346,711</u>	<u>\$ 3,834,912</u>	<u>\$ 4,707,687</u>	<u>\$ 1,553,488</u>

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:
2018	\$ (80,674.00)
2019	(80,674.00)
2020	(80,674.00)
2021	(80,674.00)
2022	(80,674.00)
Thereafter	(84,831.00)
Total	<u>\$ (488,201.00)</u>

	<u>6/30/2017</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$ 2,298,433,198	\$ 3,984,339,036
Collective deferred inflows of resources	2,618,912,538	125,220,083
Collective net pension liability (Non-State-Local Group)	17,167,260,198	20,706,699,056
Borough's portion of net pension liability	16,535,046	19,752,299
Borough's portion of net pension liability	0.1071056758%	0.1034013279%

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
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**10. Retirement Plans (Continued)**

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

*Actuarial assumptions.* The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The actuarial valuation used the following actuarial assumptions:

Inflation:	2.25%
Salary Increases:	
Through 2026	2.10-8.98% based on age
Thereafter	3.10-9.98% based on age
Investment Rate of Return:	7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00%) 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, 2017 are summarized in the following table:

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



BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
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**10. Retirement Plans (Continued)**

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

*Discount rate.* The discount rate used to measure the total pension liability was 6.14% and 5.55% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employees contributed 100% of their actuarially determined contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2017 and <http://www.state.nj.us/treasury/pensions/financial-reports.shtml> the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>(5.14%)</u>	<u>(6.14%)</u>	<u>(7.14)</u>
Borough's proportionate share of the net pension liability	\$ 21,786,285	\$ 16,535,046	\$ 12,220,556

	June 30, 2016		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>(4.55%)</u>	<u>(5.55%)</u>	<u>(6.55)</u>
Borough's proportionate share of the net pension liability	\$ 25,469,141	\$ 19,752,299	\$ 15,090,558

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
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**10. Retirement Plans (Continued)**

*PFRS Vesting and Benefit Provisions* - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:16A. All benefits vest after ten years of service, except for disability benefits that vest after 4 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of the final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek early retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and tier 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

*Funding Policy- PERS and PFRS*

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 employees. 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 and 8.5% for PFRS of the employees' annual compensation, as defined. Under the provisions of Chapter 78, P.L. 2012, PERS employee pension contribution rates increased from 5.5% to 6.5% of salary, effective October 1, 2012. An additional increase to be phased over the next 7 years will bring the total pension contribution rate to 7.5% of salary. PFRS employee pension contribution rates increased from 8.5% to 10% of salary, effective October 1, 2012. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The Borough's contributions to PERS and PFRS were as follows:

Year Ended December 31,	PERS Amount	PFRS Amount	Total
2017	\$464,257.00	\$ 843,073.00	\$ 1,307,330.00
2016	424,294.00	880,599.00	1,304,893.00
2015	391,400.00	779,264.00	1,170,664.00
2014	357,080.00	831,702.00	1,188,782.00
2013	394,171.00	868,223.00	1,262,394.00

***Deferred Compensation Plan***

The Borough received State approval in October 1983 for a Deferred Compensation Plan, (the "Plan"). Those employees participating in this program started making contributions through payroll deductions in November 1983. The Program's financial accounting and investment plan is maintained by the ING Life Insurance and Annuity Company. Any employee of the Borough is eligible to participate in the Plan. Participation in the Plan is entirely voluntary on the part of each employee. The Borough does not and is not required to make contributions to the Plan. Fund assets at December 31, 2017, and December 31, 2016 totaled \$ 5,481,339.00 and \$4,923,343.95, respectively. These figures were taken directly from reports submitted by ING Life Insurance and Annuity Company, and an audit will be made by another Certified Public Accounting firm.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

**11. Other Post Employment Benefits**

The Borough of Hasbrouck Heights contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursements to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employees in 1964. Local employers must adopt a resolution to participate in the SHBP. On February 27, 2007, the Borough authorized participation in the SHBP's post retirement benefit program through a resolution number 42. Pursuant to N.J.S.A. 40A:10-23, the Borough shall pay the entire cost of health care insurance coverage for its retired employees and their eligible dependents under the following circumstances:

DPW workers which have retired after they have completed 25 years of service. Health insurance for police officers is paid as specified by the Police and Fireman's Retirement System after 25 years of service. Currently the Borough has 44 retired employees, which have this benefit. In 2017 and 2016 the cost of these health insurance benefits totaled \$ 987,417.28 and \$921,186.08, respectively.

**Health Insurance Waiver:** In 2017 the Borough had seven employees waive Borough-provided health insurance. The Borough does not offer financial incentives for waiving coverage. Therefore, no employees were compensated for waiving health insurance.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

**12. Joint Insurance**

The Borough participates in North Jersey Intergovernmental Insurance Fund for workman's compensation and General Liability Insurance. The Borough pays an annual assessment to be part of the Fund. In 2017 and 2016, the assessments were \$658,241 and \$625,856, respectively. The annual assessments consist of an amount allocated for administrative costs, plus a specific assessment to replenish the claim or loss retention trust fund account for each type of average provided by the fund. Any monies for the Fund, in excess of the amount necessary to fund all obligations for the fiscal year, may be refunded to the Borough in proportion to the member's participation in the Fund for such year. The Fund purchases commercial insurance for all major programs except employee health care. The New Jersey Health Benefits fund is the carrier of the Borough's employee health insurance.

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

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
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DECEMBER 31, 2017 AND 2016

**13. Property Tax Calendar**

The Borough property taxes are due on first of February, May, August and November. The levy is determined upon certification of tax rate by the county. Liens are sold at a tax sale in the subsequent year. The tax sale was held September 14, 2017 for 2016 taxes.

**14. Municipal Court**

Municipal Court files a regulatory report with the Bergen County AOC, Administrative Office of Courts.

**15. Other Commitments**

The Borough guarantees a prorated portion of the County of Bergen's debt based on net equalized valuation.

**16. Comparative Schedule of Fund Balances**

Year	<u>Current Fund</u>	
	Balance December 31	Utilized In Budget of Succeeding Year
2017	\$1,937,523.05	\$1,275,000.00
2016	1,923,635.38	1,275,000.00
2015	1,949,093.34	1,275,000.00
2014	1,583,857.61	1,100,000.00
2013	1,560,885.37	1,100,000.00

**17. Comparative Schedule of Tax Rate Information**

\* Revaluation

	<u>*2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	<u>2.856</u>	<u>3.035</u>	<u>2.986</u>	<u>2.904</u>	<u>2.836</u>

Apportionment of Tax Rate

Municipal	0.888	0.952	0.947	0.946	0.941
County	0.264	0.282	0.272	0.250	0.254
Local School	1.704	1.801	1.767	1.708	1.641

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
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**17. Comparative Schedule of Tax Rate Information (Continued):**

Assessed Valuation

2017	<u>\$ 1,680,933,833</u>	*
2016	<u>\$ 1,561,099,137</u>	
2015	<u>\$ 1,551,911,749</u>	
2014	<u>\$ 1,551,931,120</u>	
2013		<u>\$ 1,547,020,681</u>
* Revaluation		

**18. Comparison of Tax Levies and Collection Currently**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2017	\$ 48,056,406	\$ 47,585,955	99.02%
2016	47,517,993	46,938,108	98.78%
2015	46,474,067	45,940,968	98.85%
2014	45,139,026	44,637,187	98.89%
2013	43,946,309	43,513,603	99.02%

**19. Delinquent Taxes and Tax Title Liens**

This tabulation includes a comparison-expressed percentage of the total of delinquent taxes and tax title liens, in relation to the tax levies of the current and the previous four years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2017	\$ 271,209	\$ 416,300	\$ 687,509	1.43%
2016	247,537	458,850	706,387	1.49%
2015	232,136	492,075	724,211	1.56%
2014	223,020	456,778	679,798	1.51%
2013	224,828	382,619	607,447	1.40%

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
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**20. Property Acquired by Tax Title Lien Liquidation**

No properties have been acquired in 2017 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>
2017	\$ 304,730
2016	304,730
2015	304,730
2014	304,730
2013	304,730

**21. Subsequent Events**

The Borough has evaluated subsequent events through June 29, 2018, which is the date the financial statements were available to be issued. The Borough renewed its Bond Anticipation Notes in the amount of \$5,924,500 on March 18, 2018, due March 22, 2019 at an interest rate of 2.75%. The Borough adopted its 2018 budget on May 8, 2018.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

**SCHEDULE OF CASH-COLLECTOR-TREASURER**

A-4

	<u>Reference</u>		
Balance December 31, 2016	A		\$ 3,673,422.35
Increased by Receipts:			
Miscellaneous Revenue	A-2	\$ 2,988,936.38	
Miscellaneous Revenue Not Anticipated	A-2	130,773.62	
Budget Reimbursements	A-3	518,186.17	
Due from State of New Jersey -			
Senior Citizens' & Veterans' Deductions	A-7	86,687.67	
Taxes Receivable	A-8	47,779,685.19	
Tax Title Lien Receivable	A-9	3,818.64	
Due to Trust - Other Fund	Contra	209,705.72	
Due to Trust - Other Fund- Interfund Payable	A,B	11,333.99	
Due to Capital	Contra	81,314.89	
Tax Overpayments	A-14	69,773.39	
Due to State of New Jersey:			
Building Surcharge Fees	A-15	11,014.00	
Department of Human Services	A-15	975.00	
State Library Aid	A-16	5,140.00	
Prepaid Taxes	A	1,750,936.29	
FEMA Reimbursements	A-21	32,754.25	
Interfunds/ PY Receivables	A-1	18,856.78	
Petty Cash Funds	A-6	600.00	
Traffic Safety- Towing Fees	A-24	6,150.00	
		<hr/>	53,706,641.98
			57,380,064.33
Decreased by Disbursements:			
2017 Budget Appropriations	A-3	18,195,413.99	
2016 Appropriation Reserves	A-13	507,027.28	
County Taxes	A-1,8	4,440,239.64	
Local District School Tax	A-1,8,17	28,632,289.00	
Due to County for Added Taxes - 2016	A	12,851.83	
Miscellaneous Refunds	A-1	263.67	
Petty Cash Funds	A-6	600.00	
Due to Trust - Other Fund	Contra	209,705.72	
Due to Capital	Contra	81,314.89	
Tax Overpayments Refunded	A-14	66,865.79	
Due to State of New Jersey:			
Building Surcharge Fees	A-15	10,492.00	
Department of Human Services	A-15	925.00	
Burial Permit Fees	A-15	10.00	
Reserve for:			
Maintenance of Free Public Library with State Aid	A-16	4,581.88	
Tax Appeals Pending	A-18	65,849.28	
		<hr/>	52,228,429.97
Balance December 31, 2017	A		<u>\$ 5,151,634.36</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

**SCHEDULE OF CASH - CHANGE FUNDS**

A-5

	<u>Reference</u>	
Balance December 31, 2016	A	\$ 275.00
 Balance December 31, 2017	 A	 <u>\$ 275.00</u>
 <u>Analysis of Balance</u>		
Tax Collector - Treasurer		\$ 100.00
Clerk of Municipal Court		100.00
Borough Clerk		25.00
Board of Health		<u>50.00</u>
		<u>\$ 275.00</u>

**SCHEDULE OF PETTY CASH FUNDS**

A-6

<u>OFFICE</u>	<u>Received from Treasurer</u>	<u>Returned to Treasurer</u>
Police Chief	\$ 100.00	\$ 100.00
Borough Clerk	100.00	100.00
Library	100.00	100.00
Tax Collector - Treasurer	100.00	100.00
Recreation Director	75.00	75.00
Board of Health	25.00	25.00
Superintendent of DPW	<u>100.00</u>	<u>100.00</u>
	<u>\$ 600.00</u>	<u>\$ 600.00</u>
Reference	A-4	A-4

See independent auditor's report and the notes to the financial statements.



BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

**SCHEDULE OF DUE (TO)/FROM STATE OF NEW JERSEY FOR  
SENIOR CITIZENS' & VETERANS' DEDUCTIONS (CH. 20, P.L. 1971)**

A-7

	<u>Reference</u>	
Balance (Due To) December 31, 2016	A	\$ (5,787.68)
Increased by:		
Original Duplicate		
Senior Citizens' Deductions	\$ 12,250.00	
Veterans' Deductions	74,500.00	
Allowed by Tax Collector:		
Senior Citizens' Deductions		
Veterans' Deductions	<u>750.00</u>	
		<u>87,500.00</u>
		81,712.32
Canceled to Budget Operations		<u>-</u>
		81,712.32
Decreased by:		
Disallowed by Tax Collector:		
Senior Citizens' Deductions /		
Veterans' Deductions - 2016 Taxes	A-1	<u>812.33</u>
		80,899.99
Received in Cash from State	A-4	<u>86,687.67</u>
Balance (Due To) December 31, 2017	A	<u><u>\$ (5,787.68)</u></u>
2017 Tax Revenue:		
Original Duplicate:		
Senior Citizens' Deductions /	\$ 12,250.00	
Veterans' Deductions	74,500.00	
Allowed by Tax Collector:		
Senior Citizens' Deductions /	-	
Veterans' Deductions	<u>750.00</u>	
		\$ 87,500.00
Disallowed by Tax Collector:		
Senior Citizens' Deductions /		
Veterans' Deductions		<u>-</u>
Total Revenue	A-8	<u><u>\$ 87,500.00</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

A-8

Year	Balance Dec. 31, 2016	2017 Levy	Added Taxes	Cash Collections		Senior Citizens and Veterans Deductions	(Added) Canceled	Transfer to Tax Title Liens	Balance Dec. 31, 2017
				2016	2017				
2016	\$ 458,849.60				\$ 450,052.51		\$ (812.33)	\$ 9,609.42	\$ (0.00)
2017		48,007,470.34	48,936.02	168,822.45	47,329,632.68	87,500.00	36,269.88	17,881.22	416,300.13
	<u>\$ 458,849.60</u>	<u>\$ 48,007,470.34</u>	<u>\$ 48,936.02</u>	<u>\$ 168,822.45</u>	<u>\$ 47,779,685.19</u>	<u>\$ 87,500.00</u>	<u>\$ 35,457.55</u>	<u>\$ 27,490.64</u>	<u>\$ 416,300.13</u>
Reference	A	Below		A	Below	A-7		A-9	A

	Taxes Applied from Overpayments	A-14	
	Cash Receipts	A-4	47,779,685.19
		Above	<u>\$ 47,779,685.19</u>
	<u>Ref.</u>		

General Purpose Tax:  
General Property Tax  
State Share of Senior Citizens and  
Veterans Deductions

47,920,720.34  
  
86,750.00

Total  
Added Taxes (54:4-63.1 et.seq.)  
Omitted Taxes (54:4-63.12 et. seq.)

Above  
\$ 48,007,470.34  
48,936.02  
-  
Below  
\$ 48,056,406.36

TAX LEVY

Local District School Tax (Abstract)  
County Taxes (Abstract)  
Due County for Added Taxes

A-1,4,17 28,632,289.00 \$ 28,632,289.00  
A-1,4 \$ 4,440,239.64  
A-1 4,523.62

Total County Taxes

4,444,763.26

Local Tax for Municipal Purposes  
Local Library Purposes  
Add : Additional Taxes

A-2 14,309,946.54  
A-2 614,665.36  
54,742.20

Local Tax for Municipal Purposes Levied

14,979,354.10

Above  
\$ 48,056,406.36

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
CURRENT FUND  
DECEMBER 31, 2017

**SCHEDULE OF TAX TITLE LIENS RECEIVABLE**

**A-9**

	<u>Reference</u>		
Balance December 31, 2016	A	\$	247,536.98
Increased by:			
Interest & Costs on Tax Sale			
Transfer from Taxes Receivable	A-8	27,490.64	<u>27,490.64</u>
			<u>275,027.62</u>
Decreased by:			
Cash Collections	A-4		<u>3,818.64</u>
Balance December 31, 2017	A	\$	<u><u>271,208.98</u></u>

**SCHEDULE OF MARTIN ACT PROPERTY**

**A-10**

	<u>Reference</u>		
Balance December 31, 2016	A	\$	<u>543.04</u>
Balance December 31, 2017	A	\$	<u><u>543.04</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

A-11

	Balance December 31, <u>2016</u>	Accrued in <u>2017</u>	<u>Collected</u>	Balance December 31, <u>2017</u>
Joint Assessor	18,856.78		18,856.78	\$ -
Municipal Court	12,055.15	173,353.28	174,836.62	10,571.81
	<u>\$ 30,911.93</u>	<u>\$ 173,353.28</u>	<u>\$ 193,693.40</u>	<u>\$ 10,571.81</u>
<u>Reference</u>	A		A-4	A

**SCHEDULE OF DEFERRED CHARGES - N.J.S.A. 40A:4-53 SPECIAL EMERGENCY**

A-12

<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance December 31, <u>2016</u>	Authorized Current <u>Year</u>	Reduced by 2017 Budget <u>Appropriation</u>	Balance December 31, <u>2017</u>
Not Applicable - 2017			\$ -	\$ -		\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Reference</u>			A		A-3	A

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

SCHEDULE OF 2016 APPROPRIATION RESERVES

A-13

	Balance December 31, 2016			Transfers	Balance After Transfer	Paid or Charged	Balance Lapsed
	Encumbered	Reserved	Total				
OPERATIONS WITHIN "CAPS"							
<u>GENERAL GOVERNMENT</u>							
Administrative and Executive - Mayor and Council							
Salaries and Wages		\$ 10.75	\$ 10.75		\$ 10.75		\$ 10.75
Administrative and Executive							
Salaries and Wages		1.65	1.65		1.65		1.65
Other Expenses	97.75	23.35	121.10	10,000.00	10,121.10	9,360.87	760.23
Elections							
Salaries and Wages			-		-		-
Other Expenses		386.80	386.80		386.80		386.80
Financial Administration							
Salaries and Wages		93.15	93.15		93.15		93.15
Other Expenses		541.65	541.65		541.65	103.51	438.14
Audit		33,900.00	33,900.00		33,900.00	33,900.00	-
Assessment of Taxes							
Salaries and Wages		349.95	349.95		349.95		349.95
Other Expenses	15,465.00	10,879.76	26,344.76	1,200.00	27,544.76	23,700.00	3,844.76
Collection of Taxes							
Salaries and Wages		9.09	9.09		9.09		9.09
Other expenses	179.10	2,659.68	2,838.78		2,838.78	1,486.10	1,352.68
Legal Services and Costs							
Salaries and Wages			-		-		-
Other Expenses		26,111.64	26,111.64	(7,500.00)	18,611.64	7,000.00	11,611.64
Municipal Court							
Salaries and Wages		1,828.99	1,828.99		1,828.99	470.00	1,358.99
Other Expenses	145.48	327.11	472.59		472.59	189.25	283.34
Municipal Prosecutor							
Salaries and Wages		235.00	235.00	250.00	485.00	444.00	41.00
Other Expenses		500.00	500.00		500.00		500.00
Public Defender							
Salaries and Wages		353.00	353.00	100.00	453.00	444.00	9.00
Other Expenses		500.00	500.00		500.00		500.00
Engineering Services and Costs							
Other Expenses		4,632.91	4,632.91		4,632.91		4,632.91
Public Buildings and Grounds							
Salaries and Wages		4,269.53	4,269.53		4,269.53	3,997.08	272.45
Other Expenses	2,185.71	243.83	2,429.54	3,000.00	5,429.54	5,044.79	384.75
Master Plan							
Other Expenses		1,252.50	1,252.50		1,252.50	120.00	1,132.50
Codification of Ordinances							
Other Expenses		3,470.06	3,470.06		3,470.06	-	3,470.06
Planning Board							
Salaries and Wages			-		-		-
Other Expenses		1,376.73	1,376.73		1,376.73		1,376.73

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

SCHEDULE OF 2016 APPROPRIATION RESERVES

A-13

	Balance December 31, 2016			Transfers	Balance After Transfer	Paid or Charged	Balance Lapsed
	Encumbered	Reserved	Total				
Board of Adjustment							
Salaries and Wages		\$ 30.52	\$ 30.52	\$ 600.00	\$ 630.52		\$ 630.52
Other Expenses		1,785.77	1,785.77		1,785.77	1,344.50	441.27
Shade Trees							
Salaries and Wages		9,450.76	9,450.76		9,450.76	6,127.58	3,323.18
Other Expenses		146.97	146.97		146.97		146.97
Recycling Program							
Salaries and Wages		974.10	974.10	2,350.00	3,324.10	3,245.42	78.68
Other Expenses	10,830.00	241.87	11,071.87	4,000.00	15,071.87	14,930.00	141.87
Insurance							
Group Insurance for Employees		121,318.53	121,318.53	(84,050.00)	37,268.53	13,176.00	24,092.53
Workmen's Compensation Insurance			-		-		-
Other Insurance Premiums		2,195.49	2,195.49		2,195.49	60.81	2,134.68
<u>PUBLIC SAFETY</u>							
Fire							
Salaries and Wages		1,145.40	1,145.40		1,145.40		1,145.40
Other Expenses	6,205.10	159.64	6,364.74	3,000.00	9,364.74	9,198.15	166.59
Uniform Fire Safety Act							
Salaries and Wages		1,725.90	1,725.90		1,725.90		1,725.90
Other Expenses	10.47	2,515.20	2,525.67		2,525.67	16.47	2,509.20
Police							
Salaries and Wages		112,329.09	112,329.09	(11,350.00)	100,979.09	69,675.86	31,303.23
Other Expenses	5,008.77	19,113.39	24,122.16		24,122.16	18,084.22	6,037.94
Emergency Management Services							
Salaries and Wages		135.69	135.69		135.69		135.69
Other Expenses		1,621.00	1,621.00		1,621.00		1,621.00
<u>STREETS AND ROADS</u>							
Road Repairs and Maintenance							
Salaries and Wages		9,176.72	9,176.72	3,500.00	12,676.72	12,423.86	252.86
Other Expenses	1,550.25	4,201.56	5,751.81		5,751.81	1,718.62	4,033.19

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

SCHEDULE OF 2016 APPROPRIATION RESERVES

A-13

	Balance December 31, 2016			Transfers	Balance After Transfer	Paid or Charged	Balance Lapsed
	Encumbered	Reserved	Total				
Street Cleaning							
Salaries and Wages		\$ 34,690.84	\$ 34,690.84	\$ (19,000.00)	\$ 15,690.84	\$ 11,878.79	\$ 3,812.05
Other Expenses	6,499.92	3,436.39	9,936.31		9,936.31	8,743.79	1,192.52
Garbage and Trash Removal							
Salaries and Wages		4,490.65	4,490.65	22,500.00	26,990.65	26,756.66	233.99
Other Expenses	4,839.48	982.67	5,822.15	500.00	6,322.15	5,356.00	966.15
Sewer Maintenance							
Salaries and Wages		4,719.57	4,719.57	1,500.00	6,219.57	6,049.77	169.80
Other Expenses	203.69	4,835.67	5,039.36		5,039.36	356.39	4,682.97
Sanitary Landfill							
Contractual-Bergen County	31,411.24	54,914.06	86,325.30	(10,000.00)	76,325.30	63,614.00	12,711.30
<u>HEALTH AND WELFARE</u>							
Board of Health							
Salaries and Wages		76.44	76.44		76.44		76.44
Health Services - Contractual		76.00	76.00		76.00		76.00
Other Expenses	58.99	14.06	73.05	100.00	173.05	132.49	40.56
Dog Regulation							
Other Expenses:							
County of Bergen - Contractual		11,000.00	11,000.00		11,000.00		11,000.00
Miscellaneous		465.25	465.25		465.25		465.25
Administration of Public Assistance							
Other Expenses		750.00	750.00		750.00		750.00
Parks and Playgrounds							
Salaries and Wages		3,404.85	3,404.85	10,500.00	13,904.85	13,777.80	127.05
Other Expenses	312.00	1,298.81	1,610.81		1,610.81	312.00	1,298.81
Board of Recreation Commissioners							
Salaries and Wages		1,216.75	1,216.75		1,216.75		1,216.75
Other Expenses	6,673.80	71.74	6,745.54	1,100.00	7,845.54	7,814.80	30.74
Celebration of Public Events, Anniversary or Holiday							
Salaries and Wages		20.06	20.06		20.06		20.06
Other Expenses		1,604.79	1,604.79		1,604.79		1,604.79

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

SCHEDULE OF 2016 APPROPRIATION RESERVES

A-13

	Balance December 31, 2016			Transfers	Balance After Transfer	Paid or Charged	Balance Lapsed
	Encumbered	Reserved	Total				
Senior Citizen's Transportation							
Salaries and Wages		\$ 1,419.23	\$ 1,419.23		\$ 1,419.23	\$ 402.60	\$ 1,016.63
Other Expenses		1,533.16	1,533.16		1,533.16	122.58	1,410.58
Senior Citizen's Activities							
Salaries and Wages		702.09	702.09		702.09		702.09
Other Expenses		37.42	37.42	1,000.00	1,037.42	1,037.42	-
Construction Code Officials							
Salaries and Wages		2,072.26	2,072.26		2,072.26		2,072.26
Other Expenses		385.03	385.03		385.03		385.03
Unclassified			-		-		-
Utilities:			-		-		-
Gasoline		52,424.85	52,424.85		52,424.85	7,580.09	44,844.76
Electricity		13,538.10	13,538.10		13,538.10	9,194.09	4,344.01
Telephone		323.07	323.07	5,000.00	5,323.07	4,859.69	463.38
Natural Gas		17,707.16	17,707.16		17,707.16	4,866.51	12,840.65
Street Lighting		18,149.90	18,149.90		18,149.90	8,844.63	9,305.27
Fire Hydrant Service		96.97	96.97		96.97		96.97
Water		208.24	208.24		208.24		208.24
Statutory Expenditures			-		-		-
Contribution to:			-		-		-
Police and Firemen's Retirement System of NJ		11.14	11.14	200.00	211.14	173.77	37.37
Social Security System (O.A.S.I.)		28,013.96	28,013.96		28,013.96		28,013.96
Unemployment Insurance		50,000.00	50,000.00		50,000.00	50,000.00	0.00
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>\$ 91,676.75</b>	<b>\$ 696,915.91</b>	<b>\$ 788,592.66</b>	<b>\$ (61,500.00)</b>	<b>\$ 727,092.66</b>	<b>\$ 468,134.96</b>	<b>\$ 258,957.70</b>

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See independent auditor's report and the notes to the financial statements.



BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

SCHEDULE OF 2016 APPROPRIATION RESERVES

A-13

	Balance December 31, 2016			Transfers	Balance After Transfer	Paid or Charged	Balance Lapsed
	Encumbered	Reserved	Total				
OPERATIONS EXCLUDED FROM "CAPS"							
Maintenance of Free Public Library (Chap. 82 & 541, P.L. 1985)							
Salaries and Wages		\$ 54,432.67	\$ 54,432.67		\$ 54,432.67	\$ 11,802.30	\$ 42,630.37
Other Expenses	221.92	18,971.58	19,193.50		19,193.50	2,690.02	16,503.48
Group Insurance for Employees			-		-		-
B.C. Utilities - Sewer Charges		98.78	98.78		98.78		98.78
L.O.S.A.P.		37,500.00	37,500.00	11,500.00	49,000.00	47,900.00	1,100.00
Sanitary Landfill Recycling Tax		2,819.67	2,819.67		2,819.67		2,819.67
Reserve for Tax Appeals		1,500.00	1,500.00	25,000.00	26,500.00	26,500.00	-
Capital Improvement Fund		1,500.00	1,500.00	25,000.00	26,500.00	26,500.00	-
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	\$ 221.92	\$ 116,822.70	\$ 117,044.62	\$ 61,500.00	\$ 178,544.62	\$ 115,392.32	\$ 63,152.30
TOTALS	\$ 91,898.67	\$ 813,738.61	\$ 905,637.28	\$ -	\$ 905,637.28	\$ 583,527.28	\$ 322,110.00
Ref.	A	A				Below	A-1
					Reference		
Transferred to Reserve for Tax Appeals					A-18	\$ 26,500.00	
Transferred to Reserve for Terminal Pay					A-23	50,000.00	
Disbursed					A-4	507,027.28	
					Above	\$ 583,527.28	

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

**SCHEDULE OF TAX OVERPAYMENTS**

A-14

	<u>Reference</u>		
Balance December 31, 2016	A		\$ 54,187.53
Increased by:			
Overpayments in 2017	A-4		<u>69,773.39</u>
			123,960.92
Decreased by:			
Canceled	A-1	15,024.37	
Refunds	A-4	<u>66,865.79</u>	
			<u>81,890.16</u>
Balance December 31, 2017	A		<u><u>\$ 42,070.76</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

**SCHEDULE OF DUE TO/(FROM) STATE OF NEW JERSEY - SURCHARGE FEES**

**A-15**

	<u>Reference</u>	<u>Burial Permit Fees</u>	<u>Construction Surcharge Fees</u>	<u>Marriage License Fees</u>
Balance December 31, 2016	A	\$ 1,810.00	\$ 1,592.00	\$ 1,833.00
Increased by:				
Receipts	A-4	-	11,014.00	975.00
		1,810.00	12,606.00	2,808.00
Decreased by:				
Adjustment Building Surcharge Fees	A-1			
Cash Disbursements	A-4	10.00	10,492.00	925.00
		10.00	10,492.00	925.00
Balance December 31, 2017	A	\$ 1,800.00	\$ 2,114.00	\$ 1,883.00

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

**SCHEDULE OF RESERVE FOR MAINTENANCE OF  
FREE PUBLIC LIBRARY WITH STATE AID**

A-16

	<u>Reference</u>	
Balance December 31, 2016	A	\$ 430.44
Increased by:		
State Library Aid	A-4	5,140.00
		<u>5,570.44</u>
Decreased by:		
Cash Disbursements	A-4	4,581.88
		<u>4,581.88</u>
Balance December 31, 2017	A	<u>\$ 988.56</u>

**SCHEDULE OF SCHOOL TAXES PAYABLE**

A-17

	<u>Reference</u>	
Balance December 31, 2016	A	\$ -
Increased by:		
2017 School Tax Levy	A-1,8	28,632,289.00
		<u>28,632,289.00</u>
Decreased by:		
School Taxes Paid	A-4	28,632,289.00
		<u>28,632,289.00</u>
Balance December 31, 2017	A	<u>\$ -</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

**SCHEDULE OF RESERVE FOR TAX APPEALS PENDING**

A-18

	<u>Reference</u>		
Balance December 31, 2016	A	\$	365,853.84
Increased by:			
Transferred from 2016 Budget Reserves	A-13	\$	26,500.00
Transferred from 2017 Budget Appropriations	A-3		<u>80,000.00</u>
			<u>106,500.00</u>
			472,353.84
Decreased by:			
Cash Disbursements	A-4		<u>65,849.28</u>
Balance December 31, 2017	A	\$	<u><u>406,504.56</u></u>

**RESERVE FOR REVALUATION OF REAL PROPERTY**

A-19

	<u>Reference</u>		
Balance December 31, 2016	A	\$	<u>1,900.00</u>
Balance December 31, 2017	A	\$	<u><u>1,900.00</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

**SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE**

A-20

	<u>Reference</u>	
Balance December 31, 2016	A	\$ 9,355.92
		<hr/>
Balance December 31, 2017	A	\$ 9,355.92
		<hr/> <hr/>

**SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENTS**

A-21

	<u>Reference</u>	
Balance December 31, 2016	A	
Increased by:		
Cash Receipts	A-4	32,754.25
		<hr/>
Balance December 31, 2017	A	\$ 32,754.25
		<hr/> <hr/>

**SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS**

A-22

	<u>Reference</u>	
Balance December 31, 2016		\$ 120,000.00
Decreased by:		
Anticipated as Current Fund Revenue	A-2	40,000.00
		<hr/>
Balance December 31, 2017	A	\$ 80,000.00
		<hr/> <hr/>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2017

**SCHEDULE OF RESERVE FOR TERMINAL PAY**

A-23

	<u>Reference</u>	
Balance December 31, 2016	A	\$ 100,000.00
Increased by:		
Transferred from 2016 Budget Reserves	A-13	<u>50,000.00</u>
Balance December 31, 2017	A	<u>\$ 150,000.00</u>

**SCHEDULE OF RESERVE FOR TRAFFIC SAFETY -TOWING FEES**

A-24

	<u>Reference</u>	
Balance December 31, 2016	A	
Increased by:		
Cash Received	A-4	<u>6,150.00</u>
Balance December 31, 2017	A	<u>\$ 6,150.00</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2017

**SCHEDULE OF CASH-COLLECTOR -TREASURER**

B-1

	<u>Reference</u>	<u>Assessment Fund</u>	<u>Dog License Fund</u>	<u>Other Funds</u>	
<u>Balance December 31, 2016</u>	B	\$ 1,838.67	\$ 30,875.82		\$1,209,323.51
Increased by Receipts:					
Dog License Fees	B-2		\$ 17,316.00		
State Registration Fess	B-2		2,010.00		
Deposits Payable	B-3			\$ 666,986.97	
Payroll Deductions Payable	B-4, B-6			3,864,670.80	
Interest Income	B-5,6		313.30	6,882.95	
Budget Appropriation- Unemployment	B-6			50,000.00	
		-	19,639.30	4,588,540.72	
		1,838.67	50,515.12	5,797,864.23	
Decreased by Disbursements:					
Expenditures under R.S. 4:19-15.11	B-2		17,880.38		
Due to State of NJ - Registration Fees	B-2		2,014.20		
Deposits Payable	B-3			665,932.35	
Payroll Deductions Payable	B-4			3,771,986.51	
Due to/from Current Fund	B-5,6		313.30	227,922.66	
Due to Department of Labor - Unemployment	B-6			42,781.38	
		-	20,207.88	4,708,622.90	
<u>Balance December 31, 2017</u>	B	\$ 1,838.67	\$ 30,307.24	\$1,089,241.33	

See independent auditor's report and the notes to the financial statements.



BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2017

B-2

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**

	<u>Reference</u>		
Balance December 31, 2016	B		\$ 30,756.02
Increased by:			
Dog License Fees Collected	B-1	\$ 17,316.00	
			<u>17,316.00</u>
			48,072.02
Decreased by:			
Statutory Excess- Due to Current Fund	B-5	0.00	
Expenditures Under R.S. 4:19-15.11 - Cash	B-1	17,880.38	
			<u>17,880.38</u>
Balance December 31, 2017	B		<u><u>\$ 30,191.64</u></u>

Licenses Fees Collected

<u>Year</u>	<u>Amount</u>
2016	\$ 16,821.60
2015	16,576.00
	<u>\$ 33,397.60</u>

Summary of State Registration Fees

State Registration Fees Due at 12/31/16	B	\$ 119.80
State Registration Fees Collected	B-1	2,010.00
		<u>2,129.80</u>
State Registration Fees Paid	B-1	2,014.20
State Registration Fees Due at 12/31/17	B	<u><u>\$ 115.60</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2017

**SCHEDULE OF RESERVES AND DEPOSITS PAYABLE**

**B-3**

	Balance December 31, 2016	Receipts	Disbursements	Adjustment	Adjustments To/(From) Current Fund	Balance December 31, 2017
Library Book Fund	\$ 65,168.49	\$ 22,006.77	\$ 30,906.99			\$ 56,268.27
Library - BCCLS Refund- Technology Upgrade		17,750.00				17,750.00
Library- Multicultural Celebration Grant	2,050.00		2,050.00			-
Library- Insurance Reimbursement	5,616.20					5,616.20
Board of Recreation Commission	15,385.83	84,652.00	74,603.72		(6,141.30)	19,292.81
Towing	2,676.94					2,676.94
Off-Duty Municipal Police Pay / Car Charges	21,784.31	234,545.15	1,611.21	(7,246.39)	(203,564.42)	43,907.44
Merchant Bonds	9,200.00	50.00			-	9,250.00
Planning Board / Developers Escrow	265,890.46	43,874.58	133,368.95			176,396.09
Developer's Deposit - Car Wash	14,126.28	4.29				14,130.57
Performance Bond - ADPP	24,312.87	7.42				24,320.29
Developer's Deposit - Three Buildings Escrow	41,855.19	319.45	1,855.00			40,319.64
Developer's Deposit - Heights Cliff Escrow	217.37	3,009.34	1,931.00			1,295.71
Developer's Deposit - Lasalle Group Escrow	5,306.34	2,506.44	7,780.75			32.03
Sidewalk Crossing	750.00					750.00
Street Opening	7,514.22	3,500.00	3,500.00			7,514.22
Miscellaneous	1,603.54	28,062.50	10,037.50			19,628.54
Redemption of Outside Tax Title - Lien Certificate	383.58	137,514.36	137,514.36			383.58
Tax Sale Premiums	409,100.00	56,300.00	205,200.00			260,200.00
Parking Offenses Adjudication Act	48,546.56	2,346.00				50,892.56
Uniform Fire Penalties	34,547.10	820.00	850.00			34,517.10
Reserve for the 200 Club	-					-
Reserve for Street Fair	7,709.48		2,550.00			5,159.48
Reserve for Firefighters Walk of Honor	269.44					269.44
Reserve for Board of Health 5K Run	-	4,985.00	4,985.00			-
Reserve for Drug Alliance- Space Odyssey	3,304.03	4,199.00	3,513.15			3,989.88
Reserve for Veterans Memorial Park / Maint.	14,488.05	50.00				14,538.05
Reserve for Bench Program	1,366.56	50.00	12.00			1,404.56
Reserve for Andrew Feintuch Memorial Fund	5,691.84	2.19				5,694.03
Reserve for Hurricane Katrina Memorial Fund	226.84	0.12				226.96
Reserve for Port Authority Donation	872.05					872.05
Recycling Proceeds	26,389.84	20,432.36	43,662.72			3,159.48
	-					-
	<u>\$ 1,036,353.41</u>	<u>\$ 666,986.97</u>	<u>\$ 665,932.35</u>	<u>\$ (7,246.39)</u>	<u>\$ (209,705.72)</u>	<u>\$ 820,455.92</u>
Reference	B	B-1	B-1		B-5	B

**Police Overtime Receivable:**

Balance December 31, 2016 B 31,581.73

Balance December 31, 2017 B \$ 24,335.34

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2017

**SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE**

**B-4**

	Balance December 31, 2016	Receipts	Disbursements	Prior Year Adjustments	Balance December 31, 2017
Federal Withholding Tax	\$ (0.00)	\$ 1,105,682.95	\$ 1,061,867.24		\$ 43,815.71
F.I.C.A.	0.01	514,764.75	496,431.83		18,332.93
Medicare	0.82	234,842.85	225,622.87		9,220.80
Unemployment Insurance	34,521.72	18,142.44	7,584.28		45,079.88
State of NJ - Gross Income Tax	1.00	345,132.17	331,272.90		13,860.27
P.E.R.S. - Pension	38,625.69	382,769.88	385,915.11		35,480.46
P.E.R.S. - Contributory Insurance	336.53	19,704.70	18,369.15		1,672.08
Police and Firemen's Retirement System	54,415.76	425,386.67	427,264.49		52,537.94
DCRP	202.48	6,808.15	7,246.34		(235.71)
Deferred Compensation Plan	80.10	218,000.00	218,000.00		80.10
Union Dues - DPW	-	8,730.56	8,730.56		-
Union Dues - PBA	113.62	18,000.00	18,000.00		113.62
Wage Garnishes	-	83,860.14	83,860.14		-
Credit Union	826.03	20,328.00	20,328.00		826.03
AFLAC	2.95	12,881.44	12,881.44		2.95
Colonial Life	-	683.80	683.80		-
Premier Vision Care	113.09	195.00	195.00		113.09
Suspense	1,555.65	1,023.94			2,579.59
Interest- Transferred to Current	-				-
Employer Pension Contribution	0.00	447,733.36	447,733.36		0.00
Employee Contribution to Benefits	-				-
	<u>\$ 130,795.45</u>	<u>\$ 3,864,670.80</u>	<u>\$ 3,771,986.51</u>	<u>\$ -</u>	<u>\$ 223,479.74</u>

Reference

B

B-1

B-1

B

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2017

**SCHEDULE OF DUE (TO) / FROM CURRENT FUND**

**B-5**

	<u>Reference</u>	<u>Dog Fund</u>	<u>Other Funds</u>
Balance December 31, 2016	B	\$ -	\$ -
Increased by:			
Statutory Excess- Dog License Fund	B-2		
Paid by Current	B-1		221,039.71
Due To Current Fund- Interest Income	B-1	313.30	6,505.37
		<u>313.30</u>	<u>227,545.08</u>
Decreased by:			
Due to Current for Police OT/ Recreation	B-3		209,705.72
Paid to Current Fund	B-3	313.30	6,505.37
		<u>313.30</u>	<u>216,211.09</u>
Balance December 31, 2017	B	<u>\$ -</u>	<u>\$ 11,333.99</u>

**SCHEDULE OF RESERVE FOR UNEMPLOYMENT  
INSURANCE TRUST FUND**

**B-6**

	<u>Reference</u>		
Balance December 31, 2016	B		\$ 55,839.53
Increased by:			
2017 Budget Appropriation	A-3, B-1	\$ 50,000.00	
Interest Income	B-1	377.58	
			<u>50,377.58</u>
Decreased by:			106,217.11
Transfer of Interest to Current Fund	B-1	377.58	
Payments - NJ Dept. of Labor	B-1	42,781.38	
		<u>43,158.96</u>	
Balance December 31, 2017	B		<u>\$ 63,058.15</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2017

**SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENTS**

**B-7**

	<u>Reference</u>	
Balance December 31, 2016	B	\$ 8,679.84
Balance December 31, 2017	B	\$ 8,679.84

**SCHEDULE OF FUND BALANCE**

**B-8**

Balance December 31, 2016	B	\$ 11,075.68
Balance December 31, 2017	B	\$ 11,075.68
<u>Analysis of Balance</u>		
Assessment Fund	B	\$ 1,838.67
Other Trust Funds	B	9,237.01
Total		\$ 11,075.68

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2017

**SCHEDULE OF CASH - COLLECTOR - TREASURER**

**C-2**

	Reference		
Balance December 31, 2016	C		\$ 1,209,125.94
Increased by:			
Budget Appropriation for Capital Improvement Fund	C-3,7	\$ 96,500.00	
Dept of Transportation - Grants Receivable	C-4	81,314.89	
Due To Current Fund - Interest	Contra	11,321.47	
Deferred Charge- Raised in Current Fund Budget	C-6	25,000.00	
Bond Anticipation Note- Rollover	Contra	4,735,000.00	
Bond Anticipation Notes Issued	C-3,10,11	972,000.00	
			<u>5,921,136.36</u>
			7,130,262.30
Decreased by:			
Due to Current Fund - Interest	Contra, C-3	11,321.47	
Improvement Authorization Expenditures	C-8	1,371,885.83	
Bond Anticipation Notes Paid	Contra	4,735,000.00	
			<u>6,118,207.30</u>
Balance December 31, 2017	C		<u>\$ 1,012,055.00</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2017

SCHEDULE OF ANALYSIS OF CASH

C-3

	Balance <u>Dec. 31, 2016</u>	Receipts			Disbursements		Transfers		Balance <u>Dec. 31, 2017</u>
		<u>Budget</u>	Sale of		Improvement <u>Authorizations</u>	<u>Misc.</u>	<u>To</u>	<u>From</u>	
			<u>Notes and Bonds</u>	<u>Miscellaneous</u>					
Fund Balance	\$ 6,854.15								\$ 6,854.15
Capital Improvement Fund	144,800.17	96,500.00						52,500.00	188,800.17
Reserve for Improvements to Garrison Avenue - F.E.M.A.	7,800.86								7,800.86
Due to/from Current Fund	-			11,321.47		11,321.47			-
Bond Anticipation Note Payable- Rollovers	-		4,735,000.00			4,735,000.00			-
Reserve for Payment of BANS- Premium	-								-
Improvement Authorizations:									
<u>Ord. #</u>									
<u>Improvement Description</u>									
1600 Provide for the Rehabilitation of Underground Fuel Storage Tanks	78.09				78.09				-
1628 Resurfacing of a Portion of Burton Ave. from Williams Ave. to Rt 46	(2,015.00)								(2,015.00)
1716 Acquisition of 34 Semi-Automatic Pistols for the Police Dept.	830.98								830.98
1719 Reconstruction of Lawrence Ave. from the Boulevard to Terrace Ave.	(577.19)	10,000.00							9,422.81
1772 Acquisition of Pagers and Relocation of Radio Fail Safe System for the Fire Dept.	-								-
1803 Resurfacing of Burton Ave. from Williams Ave. to Passaic Ave.	(2,408.06)								(2,408.06)
1848 Resurfacing of Hamilton Ave. from the Boulevard to Terrace Ave.	429.65								429.65
1868 Barrier Free Curb Ramps	(4,000.52)								(4,000.52)
1899 Purchase of Communications Equipment for the Police and Fire Departments	7.09								7.09
1908 Resurfacing of Ottawa Ave. from Burton Ave. to Route 17	17,362.65								17,362.65
1915/1940 Purchase of Comm Equip, Improve of Parks, Improve of Police Pistol Range and Acquisition of a 4 Wheel Drive Vehicle for Police Dept.	(4.56)								(4.56)
1936 Refurbishment of the Hook and Ladder	1,343.27								1,343.27
1942 Resurfacing of LaSalle Ave. from the Boulevard to Oak Grove Ave. and Paterson Ave. from Terrace Ave. to Burton Ave.	1,139.41								1,139.41
1944/1968/1985									
2038/2082 Construction of a New Municipal Building and a New Public Safety Building	20,831.19				6,730.39			15,000.00	(899.20)
1948 Acquisition of a New Ambulance	566.49								566.49
1976 Acquisition of Real Property located at 302 Boulevard	815.29								815.29
2007 Acquisition of Furniture Furnishings, Shelving and other Fittings for the New Free Public Library	(15,000.00)						(15,000.00)		-
2012 Improvement of Baldwin Ave. between the Boulevard and Route 46	4,951.61								4,951.61
2054 Resurfacing of Oak Grove Ave. from Jefferson to Williams Ave.	(36,180.61)	15,000.00							(21,180.61)
2055 2004 Road Improvement Program	0.00								0.00
2059 Acquisition of a Tree Stump Grinding Machine and a Tree Trimming Vehicle	21,804.88				21,804.88				-
Sub total	\$ 169,429.84	\$ 121,500.00	\$ 4,735,000.00	\$ 11,321.47	\$ 28,613.36	\$ 4,746,321.47	\$ (15,000.00)	\$ 67,500.00	\$ 209,816.48

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2017

SCHEDULE OF ANALYSIS OF CASH

C-3

		Balance	Receipts			Disbursements		Transfers		Balance
		<u>Dec. 31, 2016</u>	<u>Budget</u>	<u>Sale of</u> <u>Notes and Bonds</u>	<u>Miscellaneous</u>	<u>Improvement</u> <u>Authorizations</u>	<u>Misc.</u>	<u>To</u>	<u>From</u>	<u>Dec. 31, 2017</u>
Improvement Authorizations:										
<u>Ord. #</u>	<u>Improvement Description</u>									
2085	Acquisition of Laptop Computers for the Free Public Library	\$ 675.62							\$ -	\$ 675.62
2087	Acquisition of a Front End Loader for the DPW	1,687.66								1,687.66
2088	Acquisition of a Rolloff Truck for the DPW	4,760.49								4,760.49
2135	Acquisition of Gear and Equipment for the Fire Dept.	-								-
2136	Construction of a Parking lot and Pocket Park	-								-
2146	Improvement to Gary Depken Field	31,137.34								31,137.34
2147	Improvement of Ravine Ave., Construction of Parks and installation of Playground Equipment adjacent to Depken Field	51,405.45				7,079.35			-	44,326.10
2159	Acquisition of Gear and Equipment for the Fire Dept.	33.99								33.99
2183/2270	Acquisition of a Garbage Truck and Dump Truck with Salt Spreader and Plow	1,194.86								1,194.86
2185/2209	Boulevard Streetscape Improvement	3,061.00				13,273.48				(10,212.48)
2188	Acquisition of a new Alcohol Breath Testing System	617.75							-	617.75
2189	Renovation of the Dept. of Public Works	1,195.44								1,195.44
2208	Acquisition of a new ambulance	1,719.78								1,719.78
2210	Resurfacing of Jefferson Ave.	105,792.53								105,792.53
2211	Improvement of Miers Park and Woodland Park	3,091.32								3,091.32
2219	2009 Road Resurfacing Program	(0.00)								(0.00)
2221	Pedestrian Safety Infrastructure Improvements	7,530.59								7,530.59
2222	Pedestrian Safety Encouragement Improvements	1,228.95								1,228.95
2232	Repair and replacement of certain fencing, sidewalks and Landscaping at Depken Field	2,130.73				2,130.73				0.00
2233	Rehabilitation and Environmental Remediation at DPW	3,432.38				3,259.93				172.45
2234	Curb and Sidewalk Reconstruction along portions of Terrace Ave. and the Boulevard	(45,731.76)								(45,731.76)
2238	Continuation of Boulevard Streetscape Improvements	(56,234.39)				6,691.00				(62,925.39)
2332/2246	Curb and Sidewalk Reconstruction along portions of Passaic Ave. and the Boulevard	(122,653.59)								(122,653.59)
2252	Boulevard Streetscape Improvement - Phase IV	(146,862.25)				6,691.00				(153,553.25)
2253	Resurfacing of Burton Avenue and Collins Avenue between Williams Ave and Rt. 46	71,334.00								71,334.00
2254	2010 Road Resurfacing Program	\$ 3,097.65				2,077.80				\$ 1,019.85
2255/2294	Construction of a New Pavilion in Woodland Park	(45,000.00)								(45,000.00)
2271	Refurbishment of the Hook and Ladder Truck	14,715.87								14,715.87
2282	2011/2012 Road Resurfacing Program	41,033.97								41,033.97
2285	Reconstruction of Coolidge Avenue	34,838.52								34,838.52
2286	Acquisition of in Car Video System for the Police Dept.	6,049.20				1,554.61				4,494.59
2289	Boulevard Streetscape Improvement Phase V	1,982.43				3,621.25				(1,638.82)
Sub total		\$ (22,734.47)	\$ -	\$ -	\$ -	\$ 46,379.15	\$ -	\$ -	\$ -	\$ (69,113.62)

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See independent auditor's report and the notes to the financial statements.



BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2017

SCHEDULE OF ANALYSIS OF CASH

C-3

Improvement Authorizations:	Balance Dec. 31, 2016	Receipts			Disbursements		Transfers		Balance Dec. 31, 2017	
		Budget	Sale of		Improvement Authorizations	Misc.	To	From		
			Notes and Bonds	Miscellaneous						
Ord. #	Improvement Description									
2290	Acquisition of Gear and Equipment for the Fire Dept.	-							-	
2292	Acquisition of Radio Equipment for PD, FD & PWD	0.00							0.00	
2303/2346	Repairs and Improvements to Veteran's Memorial Park	2,645.94			3,755.50				(1,109.56)	
2304/2320	Construction of Barrier Free Curb Ramps	(39,729.27)							(39,729.27)	
2307	Boulevard Streetscape Improvement Phase VI	(68,395.76)			18,677.18				(87,072.94)	
2308	Repairs and Reconstr. Of Sanitary Sewer System	0.00							0.00	
2312	Acquisition of New Street Sweeper	1,680.70							1,680.70	
2313	Aqu. Of 4WD Vehicle for Police Department	6,115.40							6,115.40	
2314	2013 Road Resurfacing Program	5,334.47							5,334.47	
2316	Bond Refunding	6,260.11							6,260.11	
2321	New Synthetic Turf at Hitchcock Field	109,714.89			20,130.00				89,584.89	
2324	Repairs and Improvements to Polifly Park	3,579.17							3,579.17	
2326	Acquisition of Equipment for the Public Library	3,096.80							3,096.80	
2327	Acquisition of Two Trucks for the DPW	15,276.84							15,276.84	
2328	Acquisition of Quint Combination Ladder for FD	28,029.31			7,222.38				20,806.93	
2329	Additional Funding for Boulevard Streetscape	78,333.58			38,603.17				39,730.41	
2337	Boulevard Streetscape Improvement Phase VII & VIII	188,858.10			186,295.81				2,562.29	
2338	2011 / 2012 Road Resurfacing Program	336,191.04			96,471.55				239,719.49	
2339	Curb and Sidewalk Replacement Program	128,343.00							128,343.00	
2340/2366	Improvements to Woodland Park Playground	66,413.24		95,000.00	197,380.46				(35,967.22)	
2350	Improvements to Stanley Ave Roadway, Curbs, & Sidewalks	129,901.66							129,901.66	
2351	Improvement to Playground Surfaces	59,317.62			108,737.85				(49,420.23)	
2358	2016 Road Resurfacing Program	(12,449.39)		380,000.00	354,777.29				12,773.32	
2361	Repair and or Reconstruction of Sanitary Sewer System	(15,796.88)		95,000.00	45,340.45				33,862.67	
2370	Improvements to Playground Surfaces at Depken Field	4,000.00		41,000.00	68,707.65				(23,707.65)	
2371	Boulevard Streetscape Improvement Phase IX	5,410.00		78,000.00	106,780.50				57,944.39	
2372	Resurfacing Portions of Cleveland Ave., Webb Place and Lincoln Street	4,300.00		44,000.00	3,637.56				44,662.44	
2373	Acquisition of Garbage Truck	12,000.00		213,000.00	148.80				224,851.20	
2374	Acquisition of Finger Printing and Mug Shot Equipment	4,000.00		26,000.00	23,380.02				6,619.98	
2391	2017 Road Resurfacing Program				155.10		15,000.00		14,844.90	
2392	Upgrade of Radio Equipment for Police, Fire and DPW				3,433.20		5,000.00		1,566.80	
2393	Acquisition and Upgrade of Computers and Technology Systems				12,237.25		5,000.00		(7,237.25)	
2394	Acquisitions of a Generator for the DPW				369.85		5,000.00		4,630.15	
2397	Upgrade and Improvements to Municipal Buildings				321.75		7,500.00		7,178.25	
2398	Acquisition of Heavy Equipment for the DPW				330.00		15,000.00		14,670.00	
		<u>1,062,430.57</u>	<u>-</u>	<u>972,000.00</u>	<u>81,314.89</u>	<u>1,296,893.32</u>	<u>-</u>	<u>52,500.00</u>	<u>-</u>	<u>871,352.14</u>
		<u>\$ 1,209,125.94</u>	<u>\$ 121,500.00</u>	<u>\$ 5,707,000.00</u>	<u>\$ 92,636.36</u>	<u>\$ 1,371,885.83</u>	<u>\$ 4,746,321.47</u>	<u>\$ 52,500.00</u>	<u>\$ 52,500.00</u>	<u>\$ 1,012,055.00</u>
Reference		C	C-2	C-2	C-2	C-8	C-2	C-2,2a	C-2,2a	C,C-2

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2017

**SCHEDULE OF DUE FROM STATE OF N.J.**

	Reference	C-4
Balance December 31, 2016	C	\$ 891,597.25
Increased by:		
Grants Awarded in 2017	C-8	<u>891,597.25</u>
Decreased by:		
Grants Received	C-2	<u>81,314.89</u>
Balance December 31, 2017	C, Below	<u><u>\$ 810,282.36</u></u>

ANALYSIS OF BALANCE DECEMBER 31, 2017

Burton Avenue - Ordinance No. 1628	\$ 2,170.00
Burton Avenue - Ordinance No. 1803	2,408.06
Boulevard Streetscape - Ordinance No. 2185, 2209,2238,2252,2307,2337,2371	462,136.30
Safe Routes to Schools - Ordinance No. 2221, 2222	156,568.00
Curb Replacement Program - Ordinance No. 2234 & 2246	187,000.00
	<u><u>\$ 810,282.36</u></u>

**SCHEDULE OF DUE FROM COUNTY OF BERGEN  
COMMUNITY DEVELOPMENT BLOCK GRANT/OPEN SPACE GRANT**

	Reference	C-5
Balance December 31, 2016	C	\$ 368,742.85
Increased by:		
Grants Awarded in 2017	C-8	<u>368,742.85</u>
Decreased by:		
Canceled	C-1	
Cash Received	C-2,3	<u>0.00</u>
Balance December 31, 2017	C, Below	<u><u>\$ 368,742.85</u></u>

ANALYSIS OF BALANCE DECEMBER 31, 2017

**Community Development Grants:**

Barrier Free Curb Ramps - Ordinance No. 1868	\$ 5,140.55
Barrier Free Curb Ramps - Ordinance No. 2304/2320	102,925.00
Resurfacing Portions of Cleveland, Webb & Lincoln St.-2372	76,700.00

**Open Space Grants:**

Repairs and Improvements to Veterans Memorial Park Ordinance No. 2303	1,109.56
Improvements to Polifly Park- Ordinance No. 2324	6,867.74
Improvements to Woodland Park- Ordinance No. 2340	100,000.00
Improvements to Playground Surfaces- Ordinance No. 2351	51,000.00
Improvements to Playground Surfaces- Ordinance No. 2370	25,000.00
Above	<u><u>\$ 368,742.85</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-6

Analysis of Balance - Dec. 31, 2017									
Ord. #	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Deferred Charges Paid Off	Cancelled	Balance Dec. 31, 2017	Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
GENERAL IMPROVEMENTS:									
1719	Reconstruction of Lawrence Ave. from the Boulevard to Terrace Ave.	\$ 17,500.00		\$ 10,000.00		\$ 7,500.00		\$ -	\$ 7,500.00
1720	Reconstruction and Improvement of Storm Water Drainage Line West of the Boulevard between Franklin & LaSalle	153,918.48				153,918.48			153,918.48
1908	Resurfacing of Ottawa Ave. from Burton Ave. to Rt 17	26,750.00		7,500.00		19,250.00	19,250.00	1,887.35	17,362.65
1915/1940	Purchase of Comm Equip. Improvement to Parks, Improvement of Pistol Range and Acq. of a 4 wheel drive vehicle for the Police Dept.	500.00				500.00		4.56	495.44
1941	Resurfacing of Kipp Ave. from the Boulevard to Terrace Ave.	15,000.00		5,000.00		10,000.00	10,000.00	10,000.00	
1942	Resurfacing of LaSalle Ave. from the Boulevard to Oak Grove and Paterson Ave. from Terrace Ave. to Burton Ave.	18,000.00		5,000.00		13,000.00	13,000.00	11,860.59	1,139.41
1944/1968/1985	Construction of new Muni Bldg and new Public Safety Bldg	900.00				900.00		900.00	
1989	Acq. of a Garbage Truck and Dump Truck	39,500.00		21,500.00		18,000.00	18,000.00	18,000.00	
1990	Acq. of Fire Gear and Equipment	11,875.00		2,500.00		9,375.00	9,375.00	9,375.00	
1991	Reconstruction of Sanitary Sewers	5,500.00		5,500.00		-		-	
2054	Resurfacing of Oak Grove Ave from Jefferson Ave to Williams Ave.	65,000.00		15,000.00		50,000.00		21,180.61	28,819.39
2058	Acq of Gear & Equipment for Fire Dept.	10,000.00		5,000.00		5,000.00	5,000.00	5,000.00	
2089	Acq of 2 new 4 Wheel Drive vehicles for Fire Dept. and Fire Prevention Dept.	17,000.00		9,000.00		8,000.00	8,000.00	8,000.00	
2134	2006 Computer upgrades	9,950.00		6,000.00		3,950.00	3,950.00	3,950.00	
2159	Acq of Gear & Equipment for Fire Dept.	40,000.00		20,000.00		20,000.00	20,000.00	19,966.01	33.99
2183/2270	Acq of a Garbage Truck & Dump Truck with Salt Spreader and Plow	165,750.00		33,250.00		132,500.00	132,500.00	131,305.14	1,194.86
2184	2008 Road Improvement Program	30,000.00		30,000.00		-		-	
2185	Boulevard Streetscape Improvement	45,000.00		9,000.00		36,000.00	36,000.00	-	36,000.00
2189	Renovations to DPW Bldg.	25,000.00		7,000.00		18,000.00	18,000.00	16,804.56	1,195.44
2208	Acq of a New Ambulance	40,000.00		10,000.00		30,000.00	30,000.00	28,280.22	1,719.78
2210	Resurfacing of Jefferson Ave.	69,500.00		17,000.00		52,500.00	52,500.00	-	52,500.00
2211	Improvement of Miers Park & Woodland Park	62,000.00		17,000.00		45,000.00	45,000.00	41,908.68	3,091.32
2219	2009 Road Resurfacing Program	117,500.00		27,500.00		90,000.00	90,000.00	90,000.00	-
2233	Rehabilitation & Environmental Remediation at DPW	49,000.00		9,000.00		40,000.00	40,000.00	39,827.55	172.45
2238	Continuation of Boulevard Streetscape Improvement	\$ 25,000.00				\$ 25,000.00		\$ 11,028.83	\$ 13,971.17
2252	Boulevard Streetscape Improvement - Phase IV	20,000.00				20,000.00		3,553.25	16,446.75
2253	Resurfacing of Burton Avenue and Collins Avenue between Williams Ave. and Route 46	66,000.00		13,500.00		52,500.00	52,500.00	-	52,500.00
2254	2011 Road Resurfacing Program	161,875.00		32,000.00		129,875.00	129,875.00	128,855.15	1,019.85
2255/2294	Construction of a New Pavilion in Woodland Park	92,100.00		6,700.00		85,400.00	40,400.00	85,400.00	
2262	Construction of a Certain Damaged Portions of the Sanitary Sewer System	42,000.00		7,000.00		35,000.00	35,000.00	35,000.00	-
(Continued Next Page)									

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2017

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-6

Ord. #	Improvement Description	Analysis of Balance - Dec. 31, 2017						
		Balance Dec. 31, 2016	2017 Authorizations	Deferred Charges Paid Off	Cancelled	Balance Dec. 31, 2017	Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations
	GENERAL IMPROVEMENTS:							
2271	Refurbishment of the Hook and Ladder Truck	\$ 46,000.00		\$ 8,500.00		\$ 37,500.00	\$ 37,500.00	\$ 14,715.87
2282	2011/2012 Road Resurfacing Program	315,000.00		45,000.00		270,000.00	270,000.00	41,033.97
2285	Reconstruction of Coolidge Avenue	283,000.00		40,500.00		242,500.00	242,500.00	34,838.52
2286	Acquisition of in Car Video System for the Police Dept.	52,500.00		7,500.00		45,000.00	45,000.00	4,494.59
2288	Repair and/or Construction of Sanitary Sewer System	73,000.00		10,500.00		62,500.00	62,500.00	
2289	Boulevard Streetscape Improvement Phase V	25,000.00				25,000.00		1,638.82
2290	Acquisition of Gear and Equipment for the Fire Dept.	54,000.00		8,000.00		46,000.00	46,000.00	46,000.00
2292	Acquisition of Radio Equipment for PD, FD & PWD	39,775.00		5,600.00		34,175.00	34,175.00	34,175.00
2303	Repairs and Improvements to Veteran's Memorial Park	27,900.00		3,100.00		24,800.00	24,800.00	24,800.00
2304/2320	Construction of Barrier Free Curb Ramps	20,000.00				20,000.00		-
2307	Boulevard Streetscape Improvement Phase VI	20,000.00				20,000.00		-
2308	Repairs and Reconstr. Of Sanitary Sewer System	85,500.00		9,500.00		76,000.00	76,000.00	76,000.00
2312	Acquisition of New Street Sweeper	162,000.00		20,000.00		142,000.00	142,000.00	140,319.30
2313	Aqu. Of 4WD Vehicle for Police Department	34,200.00		4,250.00		29,950.00	29,950.00	23,834.60
2314	2013 Road Resurfacing Program	256,500.00		31,700.00		224,800.00	224,800.00	219,465.53
2316	Bond Refunding	126,679.88				126,679.88		-
2321	Installation of New Turf Field at Hitchcock Field	456,000.00		57,000.00		399,000.00	399,000.00	309,415.11
2324	Repairs and Improvements to Polifly Park	34,000.00		3,400.00		30,600.00	30,600.00	20,153.09
2326	Acquisition of Equipment for Free Public Library	20,700.00		2,000.00		18,700.00	18,700.00	15,603.20
2327	Acquisition of Two Trucks for DPW	175,125.00		12,000.00		163,125.00	163,125.00	147,848.16
2328	Acquisition of Quint Ladder Truck for Fire Dept	950,000.00		95,000.00		855,000.00	855,000.00	834,193.07
2329	Additional Funding for Phase III & IV of Boulevard	85,500.00		9,500.00		76,000.00	76,000.00	36,269.59
2337	Boulevard Streetscape Improvement Phase VII & VIII	95,000.00		9,500.00		85,500.00	85,500.00	8,437.71
2338	2011 / 2012 Road Resurfacing Program	570,000.00		25,000.00		545,000.00	545,000.00	305,280.51
2339	Curb and Sidewalk Replacement Program	142,500.00		14,250.00		128,250.00	128,250.00	-
2340	Improvements to Woodland Park Playground	237,500.00		14,250.00		223,250.00	223,250.00	159,217.22
2350	Improvements to Stanley Ave Roadway, Curbs, & Sidewalks	220,000.00		12,000.00		208,000.00	208,000.00	78,098.34
2351	Improvement to Playground Surfaces	60,000.00		6,000.00		54,000.00	54,000.00	52,420.23
2358	2016 Road Resurfacing Program	380,000.00				380,000.00	380,000.00	367,226.68
2361	Repair and or Reconstruction of Sanitary Sewer System	95,000.00				95,000.00	95,000.00	61,137.33
2370	Improvements to Playground Surfaces at Depken Field	41,000.00				41,000.00	41,000.00	39,707.65
2371	Boulevard Streetscape Improvement Phase IX	78,000.00				78,000.00	78,000.00	-
2372	Resurfacing Portions of Cleveland Ave., Webb Place and Lincoln Street	44,000.00				44,000.00	44,000.00	-
2373	Acquisition of Garbage Truck	213,000.00				213,000.00	213,000.00	-
2374	Acquisition of Finger Printing and Mug Shot Equipment	26,000.00				26,000.00	26,000.00	19,380.02
2391	2017 Road Resurfacing Program		285,000.00			285,000.00		-
2392	Upgrade of Radio Equipment for Police, Fire and DPW Acquisition and Upgrade of Computers and Technology Systems		95,000.00			95,000.00		-
2393	Acquisitions of a Generator for the DPW		45,000.00			45,000.00		7,237.25
2394	Upgrade and Improvements to Municipal Buildings		70,000.00			70,000.00		-
2397	Acquisition of Heavy Equipment for the DPW		117,500.00			117,500.00		-
2398			210,000.00			210,000.00		-
		<u>\$ 6,986,498.36</u>	<u>\$ 822,500.00</u>	<u>\$ 785,000.00</u>	<u>\$ -</u>	<u>\$ 7,023,998.36</u>	<u>\$ 5,707,000.00</u>	<u>\$ 4,312,362.96</u>
		C	C-8.11	below	Reference	C	C-10	C-8
	Notes paid by Current Fund Budget			\$ 760,000.00	C-10, A-3			
	Deferred Charges- Current Fund Budget			<u>25,000.00</u>	C-2.11			
				<u>\$ 785,000.00</u>	Above			

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2017

SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-7

	Reference		
Balance December 31, 2016	C	\$	144,800.17
Increased by:			
2016 Budget Reserves	A-13	\$	26,500.00
2017 Budget Appropriation	A-3		70,000.00
	C-2		<u>96,500.00</u>
			<u>241,300.17</u>
Decreased by:			
Appropriated to Finance Improvement			
Authorizations	C-8		<u>52,500.00</u>
Balance December 31, 2017	C	\$	<u><u>188,800.17</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2017

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.			<u>Ordinance</u>		<u>Balance December 31, 2016</u>	2017	Paid or	<u>Canceled &amp;</u>	<u>Balance December 31, 2017</u>	C-8
#	<u>Improvement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>	<u>Authorizations</u>	<u>Charged</u>	<u>Adjustments *</u>	<u>Funded</u>	<u>Unfunded</u>
	GENERAL IMPROVEMENTS:									
1600	Provide for the Rehabilitation of Underground Fuel Storage Tanks	8-13-91	\$ 210,000.00	\$ 78.09	\$ -		\$ 78.09		\$ -	
1628	Resurfacing of a Portion of Burton Ave. from Williams Ave. to Rt 46	12-29-92	15,000.00	155.00	-				155.00	-
1716	Acq of 34 Semi-Automatic Pistols for Police Dept.	7-11-95	13,000.00	830.98	-				830.98	-
1719	Reconstruction of Lawrence Ave. from the Boulevard to Terrace Ave.	9-12-95	195,000.00	-	16,922.81					-
1720	Reconstruction & Improvement of the Storm Water drainage line west of the Boulevard-Franklin to LaSalle	9-12-95	165,000.00		153,918.48				9,422.81	7,500.00
1848	Resurfacing of a Portion of Hamilton Ave. from the Boulevard to Terrace Ave.	4-13-99	60,000.00	429.65	-				429.65	-
1868	Barrier Free Curb Ramps	7-27-99	37,000.00	1,140.03	-				1,140.03	-
1899	Purchase of Comm Equipment for Fire & Police Dept.	5-23-00	60,000.00	7.09	-				7.09	-
1908	Resurfacing of Ottawa Ave from Burton Ave to Rt 17	8-8-00	215,000.00		17,362.65					17,362.65
1915/1940	Purchase of Comm Equipment, Improvement of Parks, Improve of Police Pistol Range & Acq of a 4-wheel Drive Vehicle for Police Dept.	11-30-00	255,000.00	-	-				-	-
		7-10-01	190,000.00	-	495.44				-	495.44
1936	Refurbishment of Hook & Ladder	6-12-01	100,000.00	1,343.27					1,343.27	
1942	Resurfacing of LaSalle Ave from the Boulevard to Oak Grove	8-14-01	45,500.00		1,139.41					1,139.41
1944/1968	Construction of a new Municipal Bldg & a new Public Safety Bldg.	8-14-01, 7-9-02								
1985/2038	Acq of a New Ambulance	11-26-02, 4-27-04	11,311,645.63	5,831.19	900.00		6,730.39			0.80
1948	Acq of Real Property located at 302 Boulevard	11-13-01	150,000.00	566.49	-				566.49	-
1976	Improvement of Baldwin Ave. between the Boulevard and Route 46	9-10-02	450,000.00	815.29	-				815.29	-
2012	Resurfacing of Oak Grove Ave. from Jefferson Ave. to Williams Ave.	8-12-03	55,000.00	4,951.61	-				4,951.61	-
2054	Acq of a Tree Stump Grinder & a Tree Trimming Vehicle	7-27-04	325,000.00	-	28,819.39				-	28,819.39
2059	Acq of Laptop Computers for Free Public Library	10-12-04	250,000.00	21,804.88			21,804.88		-	
2085		4-26-05	16,000.00	675.62	-				675.62	-

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2017

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-8

Ord.			Ordinance		Balance December 31, 2016		2017	Paid or	Canceled &	Balance December 31, 2017	
#	Improvement Description	Date	Amount	Funded	Unfunded	Authorizations	Charged	Adjustments *	Funded	Unfunded	
	GENERAL IMPROVEMENTS:										
2087	Acq of a Front End Loader for the DPW	5-10-05	\$ 125,000.00	\$ 1,687.66					\$ 1,687.66		
2088	Acq of a Rolloff Truck for the DPW	5-10-05	125,000.00	4,760.49					4,760.49		
2146	Improvement to Gary Depken Field	12-12-06	1,625,000.00	31,137.34					31,137.34		
2147	Improvement of Ravine Ave, Construction of Parks and Installation of Playground Equip. adjacent to Depken Field	12-12-06	335,000.00	51,405.45	-		7,079.35		44,326.10	-	
2159	Acq of Gear & Equipment for Fire Dept.	7-10-07	190,000.00	-	33.99				-	33.99	
2183/2270	Acq of a Garbage Truck & Dump Truck with Salt Spreader and Plow	6-10-08	225,000.00	-	1,194.86				-	1,194.86	
2185/2209	Boulevard Streetscape Improvement	6-10-08	200,000.00	15,698.31	45,000.00		13,273.48		11,424.83	36,000.00	
2188	Acq of a new Alcohol Breath Testing system	9-9-08	15,000.00	617.75	-				617.75	-	
2189	Renovations of the Dept. of Public Works	9-9-08	55,000.00	-	1,195.44				-	1,195.44	
2208	Acq of a new Ambulance	5-12-09	175,000.00	-	1,719.78				-	1,719.78	
2210	Resurfacing of Jefferson Ave.	5-12-09	237,500.00	36,292.53	69,500.00				53,292.53	52,500.00	
2211	Improvement of Miers Park & Woodland Park	5-12-09	250,000.00	-	3,091.32				-	3,091.32	
2221	Pedestrian Safety Infrastructure Improvements	12-15-09	175,000.00	155,330.59	-				155,330.59	-	
2222	Pedestrian Safety Encouragement Improvements	12-15-09	25,000.00	9,996.95	-				9,996.95	-	
2232	Repair & Replacement of Certain Fencing, Sidewalks and Landscaping at Depken Field	4-13-10	75,000.00	2,130.73	-		2,130.73		-	-	
2233	Rehabilitation & Environmental Remediation at DPW	4-13-10	100,000.00	-	3,432.38		3,259.93		-	172.45	
2234	Curb & Sidewalk Reconstruction along portions of Terrace Ave. and the Boulevard - County Road Program	4-13-10	100,000.00	1,268.24	-				1,268.24	-	
2238	Continuation of Boulevard Streetscape Improvement	5-11-10	175,000.00	-	20,662.17		6,691.00		-	13,971.17	
2246	Curb & Sidewalk Reconstruction along portions of Passaic Ave and the Boulevard	9-28-10 & 9-23-13	55,000.00	17,346.41	-				17,346.41	-	
2252	Boulevard Streetscape Improvement - Phase IV	3-8-11	175,000.00	3,137.75	20,000.00		6,691.00		-	16,446.75	
2253	Resurfacing of Burton Avenue and Collins Avenue between Williams Ave. and Route 46	3-8-11	215,000.00	5,334.00	66,000.00				18,834.00	52,500.00	
2254	2010 Road Resurfacing Program	3-8-11	300,000.00	-	3,097.65		2,077.80		-	1,019.85	
2271	Refurbishment of the Hook and Ladder Truck	10-25-11	80,000.00	-	14,715.87				-	14,715.87	
2282	2011/2012 Road Resurfacing Program	6-12-12	425,000.00	-	41,033.97				-	41,033.97	
2285	Reconstruction of Coolidge Avenue	7-24-12	425,000.00	-	34,838.52				-	34,838.52	

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2017

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-8

Ord. #	Improvement Description	Date	Ordinance Amount	Balance December 31, 2016 Funded      Unfunded		2017 Authorizations	Paid or Charged	Canceled & Adjustments *	Balance December 31, 2017 Funded      Unfunded		C-2
GENERAL IMPROVEMENTS:											
2286	Acquisition of In Car Video System for Police Dept.	7-24-12	\$ 75,000.00	\$ -	\$ 6,049.20		\$ 1,554.61		\$ -	\$ 4,494.59	
2289	Boulevard Streetscape Improvement Phase V	9-11-12	175,000.00	1,982.43	25,000.00		3,621.25			23,361.18	
2303/2346	Repairs and Improvements to Veteran's Memorial Park	05-25-13,08-11-15	65,000.00	-	3,755.50		3,755.50			-	
2304/2320	Construction of Barrier Free Curb Ramps	05-28-13,12-10-13	202,180.00	63,195.73	20,000.00				63,195.73	20,000.00	
2307	Boulevard Streetscape Improvement Phase VI	06-11-13	170,000.00	24,431.56	20,000.00		18,677.18		5,754.38	20,000.00	
2312	Acquisition of New Street Sweeper	09-10-13	190,000.00	-	1,680.70				-	1,680.70	
2313	Aqu. Of 4WD Vehicle for Police Department	09-10-13	40,000.00		6,115.40					6,115.40	
2314	2013 Road Resurfacing Program	09-10-13	300,000.00	-	5,334.47				-	5,334.47	
2316	Bond Refunding	12-10-13	166,000.00	6,260.11	126,679.88				6,260.11	126,679.88	
2321	Installation of New Synthetic Turf - Hitchcock Field	03-11-14	600,000.00		109,714.89		20,130.00			89,584.89	
2324	Repairs and Improvements to Polify Park	05-27-14	60,000.00	-	10,446.91				-	10,446.91	
2326	Acquisition of Equipment for Free Public Library	08-12-14	25,000.00	-	3,096.80				-	3,096.80	
2327	Acquisition of Two Trucks for DPW	08-12-14	200,000.00	-	15,276.84				-	15,276.84	
2328	Acquisition of a "Quint" Combination Ladder Truck for FD	08-12-14	1,000,000.00		28,029.31		7,222.38			20,806.93	
2329	Provide for Additional Funding for Boulevard Streetscape	08-12-14	100,000.00		78,333.58		38,603.17			39,730.41	
2337	Boulevard Streetscape Improvement Phase VII & VIII	05-12-15	400,000.00	168,358.10	95,000.00		186,295.81			77,062.29	
2338	2011 / 2012 Road Resurfacing Program	05-12-15	600,000.00		336,191.04		96,471.55			239,719.49	
2339	Curb and Sidewalk Replacement Program	05-12-15	150,000.00		128,343.00				93.00	128,250.00	
2340	Improvements to Woodland Park Playground	05-12-15	250,000.00	23,913.24	237,500.00		197,380.46			64,032.78	
2350	Improvements to Stanley Ave Roadway, Curbs, & Sidewalks	09-22-15	385,000.00	-	129,901.66				-	129,901.66	
2351	Improvement to Playground Surfaces	09-22-15	115,000.00	50,317.62	60,000.00		108,737.85			1,579.77	
2358	2016 Road Resurfacing Program	06-14-16	400,000.00		367,550.61		354,777.29			12,773.32	
2361	Repair and or Reconstruction of Sanitary Sewer System	07-26-16	100,000.00		79,203.12		45,340.45			33,862.67	
2370	Improvements to Playground Surfaces at Depken Field	11-29-16	70,000.00	29,000.00	41,000.00		68,707.65			1,292.35	
2371	Boulevard Streetscape Improvement Phase IX	11-29-16	200,000.00	122,000.00	78,000.00		106,780.50		15,219.50	78,000.00	
2372	Resurfacing Portions of Cleveland, Webb and Lincoln	11-29-16	125,000.00	81,000.00	44,000.00		3,637.56		77,362.44	44,000.00	
2373	Acquisition of Garbage Truck	11-29-16	225,000.00	12,000.00	213,000.00		148.80		11,851.20	213,000.00	
2374	Acquisition of Finger Printing and Mug Shot Equipment	11-29-16	30,000.00	4,000.00	26,000.00		23,380.02			6,619.98	
2391	2017 Road Resurfacing Program	08-08-17	300,000.00			300,000.00	155.10		14,844.90	285,000.00	
2392	Upgrade of Radio Equipment for Police, Fire and DPW	08-08-17	100,000.00			100,000.00	3,433.20		1,566.80	95,000.00	
2393	Systems	08-08-17	50,000.00			50,000.00	12,237.25			37,762.75	
2394	Acquisitions of a Generator for the DPW	08-08-17	120,000.00			120,000.00	369.85		49,630.15	70,000.00	
2397	Upgrade and Improvements to Municipal Buildings	11-28-17	125,000.00			125,000.00	321.75		7,178.25	117,500.00	
2398	Acquisition of Heavy Equipment for the DPW	11-28-17	225,000.00			225,000.00	330.00		14,670.00	210,000.00	
				\$ 961,232.18	\$ 2,840,277.04	\$ 920,000.00	\$ 1,371,885.83	\$ -	\$ 637,987.19	\$ 2,711,636.20	
Reference				C	C	Below	C-2		C	C, C-6	

Reference

Capital Improvement Fund	C-7	\$ 52,500.00
Deferred Charges Unfunded	C-6	822,500.00
Due from County -Open Space Grant	C-5	
Due from Community Dev./ County OS	C-5	
Due from FEMA	C	45,000.00
	Above	<u>\$ 920,000.00</u>

See independent auditor's report and the notes to the financial statements.



BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2017

**SCHEDULE OF GENERAL SERIAL BONDS**

C-9

PURPOSE	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance			Balance Dec. 31, 2017
			Outstanding Dec. 31, 2017			Increased	Decreased		
			Date	Amount					
Refunding Bonds 2014	2/10/2014	3,555,000.00	9/15/2018-20	350,000.00	4.00%	\$ 2,425,000.00	\$ -	\$ 355,000.00	\$ 2,070,000.00
			9/15/2021-22	345,000.00					
			9/15/2023	330,000.00	4.00%				
						<u>\$ 2,425,000.00</u>	<u>\$ -</u>	<u>\$ 355,000.00</u>	<u>\$ 2,070,000.00</u>
								A-3	
Reference						C			C

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2017

SCHEDULE OF BOND ANTICIPATION NOTES

C-10

Ord. No.	Description	Original Amount Issued	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
1989	Acquisition of a new Garbage Truck	190,000.00	04/04/08	03/24/17	03/23/18	1.190%	39,500.00		21,500.00	18,000.00
1991	Rehabilitation of Sanitary Sewers	47,500.00	04/04/08	03/24/17	03/23/18	1.190%	5,500.00		5,500.00	-
2058	Acquisition of Turnout Gear and Equipment for Fire Dept.	40,000.00	04/04/08	03/24/17	03/23/18	1.190%	10,000.00		5,000.00	5,000.00
2089	Acquisition of 2 new 4Wheel Drive Vehicles for Fire Dept. and Fire Prevention Dept.	80,000.00	04/04/08	03/24/17	03/23/18	1.190%	17,000.00		9,000.00	8,000.00
2134	Computer Upgrades	51,950.00	04/04/08	03/24/17	03/23/18	1.190%	9,950.00		6,000.00	3,950.00
2159	Acquisition of Gear and Equip. for the Fire Dept.	180,000.00	04/04/08	03/24/17	03/23/18	1.190%	40,000.00		20,000.00	20,000.00
2184	2008 Road Resurfacing Program	237,500.00	10/25/08	03/24/17	03/23/18	1.190%	30,000.00		30,000.00	-
1908	Resurfacing of Ottawa Ave. from Burton Ave. to Rt 17	64,250.00	04/03/10	03/24/17	03/23/18	1.190%	26,750.00		7,500.00	19,250.00
1941	Resurfacing of Kipp Ave. from the Boulevard to Terrace Ave.	40,000.00	04/03/10	03/24/17	03/23/18	1.190%	15,000.00		5,000.00	10,000.00
1942	Resurfacing of LaSalle Ave. from the Boulevard to Oak Grove Ave. and Paterson Ave. from Terrace Ave. to Burton Ave.	43,000.00	04/03/10	03/24/17	03/23/18	1.190%	18,000.00		5,000.00	13,000.00
1990	Acquisition of Gear and Equip. for the Fire Dept.	23,750.00	04/03/10	03/24/17	03/23/18	1.190%	11,875.00		2,500.00	9,375.00
2189	Renovations to DPW Building	50,000.00	04/03/10	03/24/17	03/23/18	1.190%	25,000.00		7,000.00	18,000.00
2208	Acquisition of an Ambulance	80,000.00	04/03/10	03/24/17	03/23/18	1.190%	40,000.00		10,000.00	30,000.00
2210	Resurfacing of Jefferson Ave. from Burton Ave to Woodside Ave.	137,500.00	04/03/10	03/24/17	03/23/18	1.190%	69,500.00		17,000.00	52,500.00
2211	Improvement to Miers Park	110,000.00	04/03/10	03/24/17	03/23/18	1.190%	62,000.00		17,000.00	45,000.00
2219	2009 Road Resurfacing Program	237,500.00	04/03/10	03/24/17	03/23/18	1.190%	117,500.00		27,500.00	90,000.00
2183	Acquisition of a Garbage Truck & Dump Truck w/ Salter	298,750.00	04/01/11	03/24/17	03/23/18	1.190%	165,750.00		33,250.00	132,500.00
2185/2209	Boulevard Streetscape Phase I & II	80,000.00	04/01/11	03/24/17	03/23/18	1.190%	45,000.00		9,000.00	36,000.00
2233	Environmental Remediation at Department of Public Works	85,000.00	04/01/11	03/24/17	03/23/18	1.190%	49,000.00		9,000.00	40,000.00
2253	Resurfacing of Burton Avenue and Collins Avenue	119,000.00	3/30/12	03/24/17	03/23/18	1.190%	66,000.00		13,500.00	52,500.00
2254	2010 Road Resurfacing Program	285,000.00	3/30/12	03/24/17	03/23/18	1.190%	161,875.00		32,000.00	129,875.00
2262	Reconstruction of Damaged Sanitary Sewer System	70,000.00	3/30/12	03/24/17	03/23/18	1.190%	42,000.00		7,000.00	35,000.00
2271	Refurbishment of the Hook & Ladder Truck for Fire Dept.	75,000.00	3/30/12	03/24/17	03/23/18	1.190%	46,000.00		8,500.00	37,500.00
2255/2294	Construction of a New Pavilion in Woodland Park	108,000.00	03/28/13	03/24/17	03/23/18	1.190%	47,100.00		6,700.00	40,400.00
2282	2011/2012 Road Resurfacing Program	402,500.00	03/28/13	03/24/17	03/23/18	1.190%	315,000.00		45,000.00	270,000.00
2285	Reconstruction of Coolidge Avenue	400,000.00	03/28/13	03/24/17	03/23/18	1.190%	283,000.00		40,500.00	242,500.00
2286	Acquisition of in Car Video System for the Police Dept.	70,000.00	03/28/13	03/24/17	03/23/18	1.190%	52,500.00		7,500.00	45,000.00
2288	Repair and/or Construction of Sanitary Sewer System	95,000.00	03/28/13	03/24/17	03/23/18	1.190%	73,000.00		10,500.00	62,500.00
2290	Acquisition of Gear and Equipment for the Fire Dept.	71,000.00	03/28/13	03/24/17	03/23/18	1.190%	54,000.00		8,000.00	46,000.00
2292	Acquisition of Radio Equipment for PD, FD & PWD	52,000.00	03/28/13	03/24/17	03/23/18	1.190%	39,775.00		5,600.00	34,175.00
2303	Repairs to Veteran's Memorial Park	31,000.00	06/19/14	03/24/17	03/23/18	1.190%	27,900.00		3,100.00	24,800.00
2308	Repair &/or Reconstruction of Sanitary Sewer System	95,000.00	06/19/14	03/24/17	03/23/18	1.190%	85,500.00		9,500.00	76,000.00
2312	Acquisition of New Street Sweeper	180,000.00	06/19/14	03/24/17	03/23/18	1.190%	162,000.00		20,000.00	142,000.00
2313	Acquisition of 4WD Vehicle for Police Department	38,000.00	06/19/14	03/24/17	03/23/18	1.190%	34,200.00		4,250.00	29,950.00
2314	2013 Road Resurfacing Program	285,000.00	06/19/14	03/24/17	03/23/18	1.190%	256,500.00		31,700.00	224,800.00
2321	New Synthetic Turf Field At Hitchcock Field	570,000.00	06/19/14	03/24/17	03/23/18	1.190%	456,000.00		57,000.00	399,000.00
2326	Acquisition of Equipment for Free Public Library	23,000.00	03/27/15	03/24/17	03/23/18	1.190%	20,700.00		2,000.00	18,700.00
2327	Acquisition of Two Trucks for Fire Dept.	190,000.00	03/27/15	03/24/17	03/23/18	1.190%	175,125.00		12,000.00	163,125.00
2328	Acquisition of Quint Ladder Truck for Fire Dept.	950,000.00	03/27/15	03/24/17	03/23/18	1.190%	950,000.00		95,000.00	855,000.00
2329	Add. Funds for Phases II & III, Boulevard Streetscape	95,000.00	03/27/15	03/24/17	03/23/18	1.190%	85,500.00		9,500.00	76,000.00
2324	Repairs and Improvements to Polifly Park	34,000.00	03/24/16	03/24/17	03/23/18	1.190%	34,000.00		3,400.00	30,600.00
2337	Boulevard Streetscape Phase VII & VIII	95,000.00	03/24/16	03/24/17	03/23/18	1.190%	95,000.00		9,500.00	85,500.00
2338	2014/2015 Road Resurfacing Program	570,000.00	03/24/16	03/24/17	03/23/18	1.190%	570,000.00		25,000.00	545,000.00
2339	Curb and Sidewalk Replacement Program	142,500.00	03/24/16	03/24/17	03/23/18	1.190%	142,500.00		14,250.00	128,250.00
2340	Improvements to Woodland Park Playground	142,500.00	03/24/16	03/24/17	03/23/18	1.190%	142,500.00		14,250.00	128,250.00
2350	Improvements to Stanley Avenue	220,000.00	03/24/16	03/24/17	03/23/18	1.190%	220,000.00		12,000.00	208,000.00
2351	Improvements to Playgrounds Surfaces-Mier Park & Central Ave Park	60,000.00	03/24/16	03/24/17	03/23/18	1.190%	60,000.00		6,000.00	54,000.00
2340/2366	Improvements to Woodland Park Playground	95,000.00	03/24/17	03/24/17	03/23/18	1.190%		95,000.00		95,000.00
2358	2016 Road Resurfacing Program	380,000.00	03/24/17	03/24/17	03/23/18	1.190%		380,000.00		380,000.00
2361	Repair and/or Reconstruction of Sanitary Sewer System	95,000.00	03/24/17	03/24/17	03/23/18	1.190%		95,000.00		95,000.00
2370	Improvements to Playground Surfaces at Depken Field	41,000.00	03/24/17	03/24/17	03/23/18	1.190%		41,000.00		41,000.00
2371	Boulevard Streetscape Improvement Phase IX	78,000.00	03/24/17	03/24/17	03/23/18	1.190%		78,000.00		78,000.00
2372	Resurfacing Portions of Cleveland Ave., Webb Place and Lincoln Street	44,000.00	03/24/17	03/24/17	03/23/18	1.190%		44,000.00		44,000.00
2373	Acquisition of Garbage Truck	213,000.00	03/24/17	03/24/17	03/23/18	1.190%		213,000.00		213,000.00
2374	Acquisition of Finger Printing and Mug Shot Equipment	26,000.00	03/24/17	03/24/17	03/23/18	1.190%		26,000.00		26,000.00
		<u>\$ 7,545,200.00</u>					<u>\$ 5,495,000.00</u>	<u>\$ 972,000.00</u>	<u>\$ 760,000.00</u>	<u>\$ 5,707,000.00</u>

Reference

C

C-2,11, Below

Below

C, C-6

New Bond Anticipation Note

\$ 972,000.00

Paid by Budget

\$ 760,000.00

C-11

C-6

\$ 972,000.00

\$ 760,000.00

Above

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CAPITAL FUND  
DECEMBER 31, 2017

**SCHEDULE OF RESERVE TO/FOR GARRISON AVENUE REPAIR - FEMA FUNDS**

**C-12**

	Reference	
Balance December 31, 2016	C	<u>\$ 7,800.86</u>
Balance December 31, 2017	C	<u><u>\$ 7,800.86</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2017

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-11

Ord. No.	Improvement Description	Balance December 31, 2016	Authorized 2017	Bond Anticipation Notes Issued	Cancelled	Funded by Budget Approp.	Balance December 31, 2017
	General Improvements:						
1719	Reconstruction of Lawrence Ave. from the Boulevard to Terrace Ave.	\$ 17,500.00				\$ 10,000.00	\$ 7,500.00
1720	Reconstruction & Improvement of the Storm Water Drainage Line West of the Boulevard between Franklin and LaSalle	153,918.48					153,918.48
1915/1940	Purchase of Communication Equip., Improvement of parks, Improvement of pistol range and acquisition of a 4-wheel drive vehicle for the Police Dept.	500.00					500.00
1944/1968/1985	Construction of a new Municipal Building and a new Public Safety Building	900.00					900.00
2054	Resurfacing of Oak Grove Ave. from Jefferson Ave. to Williams Ave.	65,000.00				15,000.00	50,000.00
2238	Continuation of Boulevard Streetscape Improvement	25,000.00					25,000.00
2252	Boulevard Streetscape Improvement - Phase IV	20,000.00					20,000.00
2255/2294	Construction of a New Pavilion in Woodland Park	45,000.00					45,000.00
2289	Boulevard Streetscape Improvement Phase V	25,000.00					25,000.00
2304/2320	Construction of Barrier Free Curb Ramps	20,000.00					20,000.00
2307	Boulevard Streetscape Improvement Phase VI	20,000.00					20,000.00
2316	Bond Refunding	126,679.88					126,679.88
2340/2366	Improvements to Woodland Park Playground	95,000.00		95,000.00			-
2358	2016 Road Resurfacing Program	380,000.00		380,000.00			-
2361	Repair and or Reconstruction of Sanitary Sewer System	95,000.00		95,000.00			-
2370	Improvements to Playground Surfaces at Depken Field	41,000.00		41,000.00			-
2371	Boulevard Streetscape Improvement Phase IX	78,000.00		78,000.00			-
2372	Resurfacing Portions of Cleveland Ave., Webb Place and Lincoln Street	44,000.00		44,000.00			-
2373	Acquisition of Garbage Truck	213,000.00		213,000.00			-
2374	Acquisition of Finger Printing and Mug Shot Equipment	26,000.00		26,000.00			-
2391	2017 Road Resurfacing Program		285,000.00				285,000.00
2392	Upgrade of Radio Equipment for Police, Fire and DPW		95,000.00				95,000.00
2393	Acquisition and Upgrade of Computers and Technology Systems		45,000.00				45,000.00
2394	Acquisitions of a Generator for the DPW		70,000.00				70,000.00
2397	Upgrade and Improvements to Municipal Buildings		117,500.00				117,500.00
2398	Acquisition of Heavy Equipment for the DPW		210,000.00				210,000.00
		<u>\$ 1,491,498.36</u>	<u>\$ 822,500.00</u>	<u>\$ 972,000.00</u>	<u>\$ -</u>	<u>\$ 25,000.00</u>	<u>\$ 1,316,998.36</u>
Reference		C	C-6	C-10		C-6	C

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GRANT FUND  
DECEMBER 31, 2017

**SCHEDULE OF CASH-COLLECTOR-TREASURER**

**D-1**

	<u>Reference</u>		
Balance December 31, 2016	D		\$ 105,745.20
Increased by Receipts:			
State Grant Funds - Appropriated	D-2	\$ 17,244.90	
State Grant Funds - Unappropriated	D-4	<u>43,317.08</u>	
			<u>60,561.98</u>
			166,307.18
Decreased by Disbursements:			
State Grant Funds	D-3	<u>41,458.78</u>	
			<u>41,458.78</u>
Balance December 31, 2017	D		<u><u>\$ 124,848.40</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GRANT FUND  
DECEMBER 31, 2017

**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

**D-2**

<u>Grant</u>	<u>Balance Dec. 31, 2016</u>	<u>2017 Budget Revenue Realized</u>	<u>Canceled/ Cash Received</u>	<u>Applied From Unappropriated</u>	<u>Balance Dec. 31, 2017</u>
Clean Communities Act	\$ -	\$ 25,244.97		\$ 25,244.97	\$ -
Recycling Tonnage Grant	-	17,244.90	17,244.90		-
Body Armor Fund	-	2,905.96		2,905.96	-
Drunk Driving Enforcement Fund	-	10,005.92		10,005.92	-
Governor's Council on Alcoholism and Drug Abuse	(0.00)				(0.00)
Alcohol Education and Rehabilitation Fund	-	966.90		966.90	-
Bergen County Municipal Alliance Special Project	0.00				-
Assistance to Firefighters Grant	1,250.00		1,250.00		-
Governor's Council on Alcoholism and Drug Abuse - Match	-				-
	<u>\$ 1,250.00</u>	<u>\$ 56,368.65</u>	<u>\$ 18,494.90</u>	<u>\$ 39,123.75</u>	<u>\$ (0.00)</u>
Reference	D	A-2,D-3	Below	D-3,4	D
	Cash Received	D-1	17,244.90		
	Canceled	A-1, D-1	1,250.00		
		Above	<u>\$ 18,494.90</u>		

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GRANT FUND  
DECEMBER 31, 2017

**SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

**D-3**

<u>Grant</u>	<u>Balance Dec. 31, 2016</u>	<u>Budget</u>	<u>40A:4-87</u>	<u>Canceled/ Expended</u>	<u>Balance Dec. 31, 2017</u>
Clean Communities Act Street Cleaning	\$ 4,655.49	\$ 25,244.97		\$ 12,452.66	\$ 17,447.80
Division of Criminal Justice Body Armor Fund	3,025.82	2,905.96		3,392.40	2,539.38
Recycling Tonnage Grant	25,380.12	17,244.90		25,434.72	17,190.30
Drunk Driving Enforcement Fund Police	29,666.87	10,005.92		179.00	39,493.79
Alcohol Education and Rehabilitation Fund	3,568.65	966.90			4,535.55
Governor's Council on Alcoholism and Drug Abuse	0.00				-
Assistance to Firefighters Grant	1,250.00			1,250.00	-
<u>Matching Funds for Grants</u>					
Cops More	324.50				324.50
Governor's Council on Alcoholism and Drug Abuse					-
	<u>\$ 67,871.45</u>	<u>\$ 56,368.65</u>	<u>\$ -</u>	<u>\$ 42,708.78</u>	<u>\$ 81,531.32</u>
Reference	D	D-2		Below	D
<u>TRANSFERRED TO STATE GRANT FUND</u>			Ref.		
Grant Funds - Current Receipts		\$ 17,244.90			
Grant Funds - from Unappropriated		39,123.75	D-2		
		<u>\$ 56,368.65</u>	Above, D-2		
			Canceled	D-2	1,250.00
			Expended	D-1	41,458.78
			Above		<u>\$ 42,708.78</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GRANT FUND  
DECEMBER 31, 2017

D-4

**SCHEDULE OF UNAPPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

<u>Grant</u>	Balance	Cash	Transferred to 2017		Balance
	<u>Dec. 31, 2016</u>	<u>Received in 2017</u>	<u>Budget</u>	<u>40A:4-87</u>	<u>Dec. 31, 2017</u>
Alcohol Education and Rehabilitation	\$ 966.90	\$ 1,608.50	\$ 966.90		\$ 1,608.50
Clean Communities Grant Funds	25,244.97	21,447.19	25,244.97		21,447.19
Tonnage Grant	-	17,351.04			17,351.04
Drunk Driving Enforcement Fund	10,005.92		10,005.92		-
Body Armor Fund	2,905.96	2,910.35	2,905.96		2,910.35
	<u>\$ 39,123.75</u>	<u>\$ 43,317.08</u>	<u>\$ 39,123.75</u>	<u>\$ -</u>	<u>\$ 43,317.08</u>
Reference	D	D-1	D-2		D

See independent auditor's report and the notes to the financial statements.



BOROUGH OF HASBROUCK HEIGHTS, NJ  
PUBLIC ASSISTANCE TRUST FUND  
DECEMBER 31, 2017

**SCHEDULE OF CASH - COLLECTOR - TREASURER**

**E-1**

	<u>Reference</u>		
Balance December 31, 2016	E		\$ 27,027.33
Increased by Receipts:			
Interest Income- Due to Current	Contra	211.55	
Food Pantry Donations	E-2	<u>\$ 3,212.55</u>	
			<u>3,424.10</u>
			30,451.43
Decreased by Disbursements:			
Interest Income- Transferred to Current	Contra	211.55	
Public Assistance Expenditures	E-3	<u>2,925.00</u>	
			<u>3,136.55</u>
Balance, December 31, 2017	E		<u><u>\$ 27,314.88</u></u>
Balance on Deposit per statement of			
Valley National Bank A/C # 0001016865		\$ 27,346.33	
Reconciling Items		<u>(31.45)</u>	
Balance December 31, 2017		<u><u>\$ 27,314.88</u></u>	

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
PUBLIC ASSISTANCE TRUST FUND  
DECEMBER 31, 2017

**SCHEDULE OF PUBLIC ASSISTANCE REVENUES**

**E-2**

	<u>Reference</u>	P.A.T.F #II	TOTAL
Food Pantry Donations	E-1,4	<u>\$ 3,212.55</u>	<u>\$ 3,212.55</u>

**SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES**

**E-3**

	<u>Reference</u>	P.A.T.F #II	TOTAL
Public Assistance - Replenish Food Pantry	E-1,4	<u>\$ 2,925.00</u>	<u>\$ 2,925.00</u>

**SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE**

**E-4**

	<u>Reference</u>	P.A.T.F #II	TOTAL
Balance December 31, 2016	E	\$ 27,027.33	\$ 27,027.33
Increased by:			
Revenues	E-2	<u>3,212.55</u>	<u>3,212.55</u>
		30,239.88	30,239.88
Decreased by:			
Expenditures	E-3	<u>2,925.00</u>	<u>2,925.00</u>
Balance December 31, 2017	E	<u>\$ 27,314.88</u>	<u>\$ 27,314.88</u>

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF HASBROUCK HEIGHTS**  
**LAST TEN FISCAL YEARS ENDED JUNE 30,**

Exhibit G-1

**SCHEDULE OF BOROUGH'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Police and Firemen's Retirement System (PFRS)**

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Borough's proportionate share of the net pension liability (asset) **	0.10711%	0.10340%	0.10833%	0.10146%	0.11400%					
Borough's proportionate share of the net pension liability (asset) associated with the Borough	\$ 16,535,046	\$ 19,752,299	\$ 18,044,774	\$ 12,762,418	\$ 15,154,968					
Total	<u>16,535,046</u>	<u>19,752,299</u>	<u>18,044,774</u>	<u>12,762,418</u>	<u>15,154,968</u>					
Borough's covered employee payroll	3,631,426	3,458,206	3,319,636	3,331,098	\$ 3,367,841					
Borough's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	455%	571%	544%	383%	450%					
Plan fiduciary net position as a percentage of the total pension liability (Local)	58.60%	52.01%	56.31%	62.41%	58.70%					

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

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Borough's proportionate of the net pension liability (asset)	0.05212%	0.04972%	0.04898%	0.04748%	0.04739%					
Borough's proportionate share of the net pension liability (asset)	\$ 12,131,694	\$ 14,726,659	\$ 10,995,247	\$ 8,889,140	\$ 9,057,324					
Borough's covered employee payroll	3,427,542	3,475,659	3,399,645	3,342,032	3,294,702					
Borough's proportionate share of net pension liability (asset) as a percentage of its covered -employee payroll	354%	424%	323%	266%	275%					
Plan fiduciary net position as a percentage of the total pension liability (Local)	48.10%	40.14%	47.93%	52.08%	48.72%					

\* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

See independent auditor's report and notes to the financial statements

**BOROUGH OF HASBROUCK HEIGHTS  
LAST TEN FISCAL YEARS ENDED JUNE 30,**

Exhibit G-2

**SCHEDULE OF BOROUGH CONTRIBUTIONS  
Police and Firemen's Retirement System (PFRS)**

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution*	\$ 947,905	\$ 834,073	\$ 880,599	\$ 779,264	\$ 831,702					
Contributions in relation to the contractually required contributions*	(947,905)	(834,073)	(880,599)	(779,264)	(831,702)					
Contributions deficiency (excess)	-	-	-	-	-					
Borough's covered employee payroll	3,631,426	3,458,206	3,319,636	3,331,098	\$ 3,367,841					
Contributions as a percentage of covered-employee payroll	26.10%	24.12%	26.53%	23.39%	24.70%					

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

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution*	\$ 482,796	\$ 464,257	\$ 424,294	\$ 391,400	\$ 357,080					
Contributions in relation to the contractually required contributions*	(482,796)	(464,257)	(424,294)	(391,400)	(357,080)					
Contributions deficiency (excess)	-	-	-	-	-					
Borough's covered employee payroll	3,427,542	3,475,659	3,399,645	3,342,032	3,294,702					
Contributions as a percentage of covered-employee payroll	14.09%	13.36%	12.48%	11.71%	10.84%					

\* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

See independent auditor's report and notes to the financial statements

BOROUGH OF HASBROUCK HEIGHTS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
Pension Schedules  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**Exhibit G-3**

**Police & Firemen's Retirement System**

*Changes of benefit terms.* The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service, and disability benefits after 4 years of service

*Changes of assumptions.* Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

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

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

*Changes of assumptions.* Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Hasbrouck Heights, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the financial statements – regulatory basis (the "financial statements") of the Borough of Hasbrouck Heights, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Borough's basic financial statements, and have issued our report thereon dated June 29, 2018. As described in Note 1, the Borough prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough'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 to 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 the deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and requirements prescribed by the Division, which are described in the accompanying schedule of audit comments and recommendations as #2017-001.

## **Management's Response to Findings**

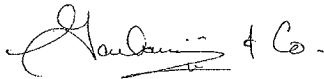
Management's responses to the findings identified in our audit are described in the accompanying schedule of audit comments and recommendations. Management's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **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 Borough'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 Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Paul W. Garbarini, CPA  
Registered Municipal Accountant  
No. 534



Garbarini & Co. P.C. CPAs  
Registered Municipal Accountants

June 29, 2018  
Carlstadt, New Jersey

**BOROUGH OF HASBROUCK HEIGHTS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE**  
**DECEMBER 31, 2017**

Schedule I-1

<u>Federal Grantor/ Pass-Through Grantor Program</u>	<u>Federal CFDA#</u>	<u>Pass - Through Entity ID #</u>	<u>Grant Award</u>	<u>Grant Period</u>	<u>Cash Received</u>	<u>Program Expenditures</u>	<u>Receivable Unreimbursed</u>
Department of Housing and Urban Development Office of Community Planning and Development: Barrier Free Curb (Ord. 1868) Barrier Free Curb (Ord. 2304/2320) Resurfacing Portions of Cleveland, Webb, & Lincoln St (Ord 2372)	14.218	Bergen County		Prior Period Prior Period 01/01/16-12/31/16	\$ - 0.00	\$ - 6,089.38 PY	\$ 5,140.55 102,925.00 76,700.00
Community Development Block Grant- Hurricane Sandy	14.269	State of New Jersey	32,754.25	01/01/17-12/31/17	32,754.25	32,754.25	
Transportation State Aid Highway: Resurfacing of Burton Ave (Ord 1803) Safe Routes to School Program (Ord # 2221,2222 ) Boulevard Streetscape Improvement (Ord 2209) Boulevard Streetscape Improvement (Ord 2238) Curb Replacement Program (Ord 2234,2246,2307,2232) Boulevard Streetscape Improvement (Ord 2252) Boulevard Streetscape Improvement (Ord 2307) Boulevard Streetscape Improvement (Ord 2337) Boulevard Streetscape Improvement (Ord 2371)	20.205	NJ Dept of Transportation 078 6300 480 FDT 13 078 6320 480 AKN/AK3 12 078 6320 480 AKN/AK3 12 078 6320 480 AKN/AK3 12	173,000.00 150,000.00 140,000.00 230,000.00 150,000.00 145,000.00 298,000.00 116,590.00	Prior Years Prior Years 01/01/09-12/31/09 01/01/10-12/31/17 01/01/10-12/31/14 01/01/11-12/31/17 01/01/13-12/31/17 01/01/15-12/31/17 01/01/16-12/31/17		4,578.06 156,568.00 57,637.31 2,033.27 PY 51,896.56 187,000.00 10,534.84 13,677.18 168,358.10 101,370.50	
New Jersey State Police Public Assistance- Winter Storm 01/22/16 Public Assistance- DPW Generator	97.036	State of New Jersey	27,227.48 45,000.00	01/01/17-12/31/17 01/01/17-12/31/17	27,227.48	27,227.48	45,000.00
<b>Total Federal Financial Assistance</b>					<u>\$ 141,296.62</u>	<u>\$ 362,045.00</u>	<u>\$ 1,121,362.80</u>

PY- Expended Prior Year



**BOROUGH OF HASBROUCK HEIGHTS**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**DECEMBER 31, 2017**

Schedule I-2

<u>State Grant Program</u>	<u>Pass - Through Entity ID #</u>	<u>State Account Number</u>	<u>Grant Award</u>	<u>Grant Period</u>	<u>Cash Received</u>	<u>Program Expenditures</u>	<u>Receivable</u>
Environmental Solid Waste Administration:							
Clean Communities Grant	N/A	042-4900-765-004	\$ 21,447.19	01/01/17-12/31/17	\$ 21,447.19	\$ 12,452.66	\$ -
Recycling Tonnage Grant	N/A	042-4900-752-001	34,595.94	01/01/16-12/31/17	34,595.94	25,434.72	
Law and Public Division of Criminal Justice:							
Body Armor Replacement Fund	N/A	066-1020-018-001	2,910.35	01/01/17-12/31/17	2,910.35	3,392.40	
Division of Motor Vehicles:							
Drunk Driving Enforcement Fund	N/A	6400-100-078-6400		01/01/1-12/31/16		179.00	
Municipal Court:							
Alcohol Education & Rehabilitation	N/A	098-9735-760-001	1,608.50	01/01/17-12/31/17	1,608.50	-	
Division of State Library:							
Per Capita Aid	N/A	074-2541-100-006	5,140.00	01/01/17-12/31/17	5,140.00	4,581.88	
New Jersey Department of Community Affairs							
Legislative Grants:							
Bureau of Housing Inspection	N/A	022-810-100-023	2,162.00	01/01/17-12/31/17	4,233.00	4,233.00	
<b>Total State Financial Assistance:</b>					<u>\$ 69,934.98</u>	<u>\$ 50,273.66</u>	<u>\$ -</u>

**BOROUGH OF HASBROUCK HEIGHTS**  
**SCHEDULE OF EXPENDITURES OF COUNTY FINANCIAL ASSISTANCE**  
**DECEMBER 31, 2017**

Schedule I-3

<u>County Grant Program</u>	<u>Pass - Through Entity ID #</u>	<u>County Account Number</u>	<u>Grant Award</u>	<u>Grant Period</u>	<u>Cash Received</u>	<u>Program Expenditures</u>	<u>Receivable</u>
Bergen County Open Space Trust:	N/A	Unavailable					
Improvements to Veterans Memorial Park (ord # 2303)			32,000.00	01/01/13-12/31/17	\$ -	\$ 1,109.56	\$ 1,109.56
Improvements to Polifly Parks (Ord # 2324)			24,000.00	01/01/14-12/31/17		6,867.74 PY	6,867.74
Improvements to Playground Surfaces (Ord # 2351)			51,000.00	01/01/15-12/31/17		46,317.62	51,000.00
Improvements to Woodland Park (Ord # 2340)			100,000.00	01/01/15-12/31/16			100,000.00
Improvements to Playground Surfaces (Ord # 2370)			25,000.00	01/01/16-12/31/17		25,000.00	25,000.00
<b>Total County Financial Assistance</b>					<u>\$ -</u>	<u>\$ 79,294.92</u>	<u>\$ 183,977.30</u>
PY- Adjusted - Expended Prior Year							

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
DECEMBER 31, 2017

**1. General**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Borough. The Borough is defined in Note 1A of the Borough'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.

**2. Basis of Accounting**

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

**3. Relationship of Financial Statements**

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

	<u>Federal</u>	<u>State</u>	<u>County</u>	<u>Total</u>
Capital Fund	\$ 302,063.27	\$ -	\$ 79,294.92	\$ 381,358.19
Grant Fund		41,458.78		41,458.78
Current Fund	59,981.73	8,814.88		68,796.61
	<u>\$ 362,045.00</u>	<u>\$ 50,273.66</u>	<u>\$ 79,294.92</u>	<u>\$ 491,613.58</u>

**4. Relationship to Federal and State Financial Reports**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**5. State Loans Outstanding**

The Borough has no state loans outstanding as of December 31, 2017.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
OFFICIALS IN OFFICE AND SURETY BONDS  
DECEMBER 31, 2017

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
John DeLorenzo III	Mayor	
Justin A. DiPisa	Council President	
Josephine Ciocia	Councilwoman	
Ronald Kistner	Councilman	
Pamela J. Link	Councilwoman	
Russell A. Lipari	Councilman	
Peter Traina, Jr.	Councilman – Resigned December 12, 2017	
Michael Kronyak	Borough Administrator	
	CFO/ Treasurer/ Purchasing Agent	
Conchita T. Parker	Tax Collector /Tax Search Officer	
		(1)
Louise Balsamo	Assistant to Collector	(1)
Pam Grisafe	Secretary to Administrator/Payroll Clerk	
Laurie Varga (from 08/01/2017)	Acting Borough Clerk	
Rose Marie Sees (retired 07/31/2017)	Borough Clerk	
George Reggo	Assessor	
Evan M. Jacobs, Neglia Engineering	Engineer	
Joseph R. Jones	Judge	
Thomas Mason/ Mark Musella (Alt)	Public Defender	(1)
Rosario Presti/ Thomas Flinn (Alt)	Prosecutors	
Susan Paul	Clerk of the Court/Violations Clerk	
Lyne Moody	Deputy Violations Clerk	(1)
Michael Colaneri, Jr.	Chief of Police	(1)
Nick Melfi	Construction Official	
Laura French	Secretary Board of Health Registrar	
Joseph J. Cariddi	Fire Official- Uniform Fire Code	
Mimi Hui	Library Director	
Ralph W. Chandless, Jr.	Borough Attorney	
William Spindler	Superintendent of Public Works	

(1) New Jersey Intergovernmental Insurance Fund Blanket Bond. Limit is \$1,000,000 per occurrence.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
GENERAL COMMENTS  
DECEMBER 31, 2017

Contracts and Agreements Required to be Advertised for NJS 40A:11-4

NJS40A:11-4 states "Every contract awarded by the contracting agents, for the provision or performance of any goods or services, the cost of which in the aggregate exceed the bid threshold [40A:11-3 "a contract year the total sum of \$17,500...If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$40,000."], shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law."

NJS40A:11-9 states "The governing body of any contracting unit may by ordinance, in the case of a municipality, by ordinance or resolution, as the case may be, in the case of a county, or by resolution in all other cases, establish the office of purchasing agent, or a purchasing department or a purchasing board, with the authority, responsibility, and accountability as its contracting agent, for the purchasing activity for the contract in unit, to prepare public advertising for bids and to receive bids for the provision or performance of goods or services on behalf of the contracting unit and to award contracts permitted pursuant to subsection a. of section 3 of P.L.1971, c. 198 (C.40A:11-3) in the name of the contracting unit, and conduct any activities as may be necessary or appropriate to the purchasing function of the contracting unit."

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000 within the calendar year or any twelve-month period. Where questions arise as to whether any contract or agreement might result in a violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$40,000 "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

Expenditure of \$6,000 or more and less than \$40,000 Per N.J.S.A. 40A:11-6.1

N.J.S.A 40A:11-6.1 states, "a. For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L.1971, c.198 (C.40A:11-5), except for paragraph (a) of that subsection professional services and paragraph (b) of the subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor. (d.) Whenever two or more responses to a request of a contracting agent offer equal prices and are the lowest responsible bids or proposals, the contracting unit may award the contract to the vendor whose response, in the discretion of the contracting unit, is the most advantageous, price and other factors considered. In such a case, the award resolution or purchase order documentation shall explain why the vendor selected is the most advantageous."

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
GENERAL COMMENTS  
DECEMBER 31, 2017  
(Continued)

Collection of Interest of Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rate 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 17, 2017 adopted the following resolution authorizing interest to be charged on delinquent taxes:

**WHEREAS**, N.J.S.A. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

**WHEREAS**, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% be collected against a delinquency prior to the end of the calendar year;

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Borough Council of the Borough of Hasbrouck Heights, County of Bergen, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in areas beyond December 31, and additional penalty of 6% shall be charged against the delinquency.
2. Effective January 17, 2017 there will be a ten-day grace period of quarterly tax payments made by cash, check, or money order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

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

Borough of Hasbrouck Heights  
Schedule of Findings and Responses  
For the Year Ended December 31, 2017

Part 1- Summary of Auditor's Results

Financial Statement Section

A) Type of Auditors Report Issued

Unmodified (Regulatory Basis)

B) Internal Control over Financial Reporting

1) Material weakness identified

Yes

X

No

2) Were reportable conditions identified that were  
not considered to be material weaknesses?

X

Yes

No

C) Noncompliance material to financial statements?

Yes

X

No

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

Borough of Hasbrouck Heights  
Schedule of Findings and Responses (Continued)  
For the Year Ended December 31, 2017

**Part 2 - Schedule of Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

**Finding 2017-001**

The following capital ordinances (over 5 years old with cash deficits) remain unfunded as of June 29, 2018:

Ord # 2054	\$3,680.61	Resurfacing of Oak Grove from Jefferson Ave to Williams Ave
Ord # 1915/1940	\$ 4.56	Various Equipment & Vehicles
Ord # 1944/1868/1985/ #2038/2082	\$ 899.20	Construction of New Municipal & Public Safety Building

That ordinances with grants receivables over 5 years old are causing cash deficits in the following ordinances and need to be cancelled and funded and or investigated:

Ord # 1628	\$ 2,015.00	Resurfacing of Burton Ave. from Williams Ave. to Rt.46
Ord # 1803	\$ 2,408.06	Resurfacing of Burton Ave. from Williams to Passaic
Ord # 1868	\$ 5,140.55	Barrier Free Curb Cuts
Ord # 2232/2234 2246	\$154,473.13	Curb Replacement (Received \$32,586.87 in 2018)
Ord # 2185/2209	\$ 10,212.48	Boulevard Streetscape
Ord # 2238	\$ 37,625.39	Boulevard Streetscape (Net of \$25,000 Funded in 2018)
Ord# 2252	\$133,553.25	Boulevard Streetscape ( IV)- (Net of \$20,000 Funded in 2018)

**Criteria or Specific Requirement**

State of New Jersey Local Bond Law 40A:2.

**Condition**

There exists capital ordinances greater than 5 years old with cash deficits.

**Context**

During review of cash analysis it was discovered that cash deficits exist for ordinances over 5 years old.

**Effect**

The Borough must fund ordinances with deficits in order to maintain a sufficient amount of working capital.

**Cause**

The borough has not funded capital ordinances greater than 5 years old with deficits through bond anticipation notes or serial bonds on a timely basis. Grants receivable balances have caused cash deficits in the above ordinances.



Borough of Hasbrouck Heights  
Schedule of Findings and Responses (Continued)  
For the Year Ended December 31, 2017

**Part 2 - Schedule of Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

**Finding 2017-001 (Continued)**

**Recommendation**

Capital Ordinances greater than 5 years old with cash deficits should be funded. It is recommended that the balances currently outstanding as grant receivables be reviewed and cleared of record.

**Management's Response**

Cash deficits were funded through a combination of 2018 budget appropriation and inclusion of unfunded portions of ordinance in renewal of Bond Anticipation Note 1-2018 dated March 23, 2018.

**Part 3- Schedule of Federal and State Award Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by the Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR FEDERAL AND STATE AWARDS**

Not Applicable

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

This section identifies the status of prior year findings related to the financial statements and federal and state awards required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, the Uniform Guidance and NJ OMB Circular 15-08.

**Status of Prior Year Findings**

**\*16-001 Recommendation:**

Capital Ordinances greater than 5 years old with cash deficits should be funded. It is recommended that the balances currently outstanding as grant receivables be reviewed and cleared of record.

**Status:**

Corrective action was partially taken.

\* Repeated from prior year's audit

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
AUDIT COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2017

“None”

### Appreciation

We desire to express our appreciation of the assistance and courtesies rendered by the Borough Officials and employees during the year.

\* \* \* \* \*

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

June 29, 2018