## CITY OF JERSEY CITY

NEW JERSEY

## REPORT OF AUDIT

FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017


DONOHUE, GIRONDA, DORIA \& TOMKINS, LLC
CERTIFIED PUBLIC ACCOUNTANTS REGISTERED MUNICIPAL ACCOUNTANTS

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## CITY OF JERSEY CITY

REPORT OF AUDIT
FINANCIAL SECTION: CURRENT FUND FINANCIAL STATEMENTS [with Federal and State Grant Fund]

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members<br>of the City Council<br>City of Jersey City, New Jersey

## Report on the Financial Statements

We have audited the accompanying financial statements - regulatory basis of the City of Jersey City, New Jersey (the "City"), which comprise the comparative balance sheet - regulatory basis, of each fund and General Fixed Assets as of December 31, 2018 and 2017, and the related comparative statement of operations and changes in fund balance - regulatory basis, statement of revenues - regulatory basis and statement of appropriations - regulatory basis, of the Current Fund, and the related statement of changes in Fund Balance - regulatory basis, of the General Capital Fund, for the years then ended, and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial 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, audit requirements prescribed by the Division and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 A, the financial statements are prepared by the City on the basis of the financial reporting provisions of 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 Division.

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2018 and 2017, and the changes in its financial position for the years then ended.

## Unmodified Opinion on Regulatory Basis Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the comparative financial position - regulatory basis, of each fund and General Fixed Assets of the City as of December 31, 2018 and 2017, the Current Fund's respective operations and changes in fund balance regulatory basis, revenues - regulatory basis and appropriations - regulatory basis, the General Capital Fund's changes in fund balance - regulatory basis, for the years then ended, in accordance with the financial reporting provisions of the Division as described in Note A.

## Emphasis of a Matter - Pension Rate of Return Assumption

As discussed in Note F to the financial statements, the actuary conducting the valuation of the Employees' Retirement System of Jersey City (Plan) noted the Plan's investment return assumption conflicts with the actuary's professional judgment and consideration should be given to reducing the rate from the assumed $7.95 \%$. The actuary's opinion was modified for this reason. The extent to which the elevated investment return assumption understated pension liabilities and annual City contributions cannot be determined but may be material.

## Other Matters

## Management Discussion and Analysis

Management has omitted the management 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 a 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, but is not required by the financial reporting provisions of the Division. Our opinion on the basic financial statements is not affected by the missing information.

## Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The statistical section and schedule of expenditures of other financial assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying supplementary data section, general comments and comments and recommendations are presented for purposes of additional analysis as required by the Division. The schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and N.J. Office of Management and Budget Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, respectively. The supplementary data section, general comments, comments and recommendations, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and schedule of expenditures of other financial assistance are also presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 23, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.


Bayonne, New Jersey
January 23, 2020

## CITY OF JERSEY CITY <br> CURRENT FUND <br> AS OF DECEMBER 31, 2018 AND 2017

## COMPARATIVE BALANCE SHEET - REGULATORY BASIS



## CITY OF JERSEY CITY <br> CURRENT FUND <br> AS OF DECEMBER 31, 2018 AND 2017

## COMPARATIVE BALANCE SHEET - REGULATORY BASIS



## CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

## COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE REGULATORY BASIS



## CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

## COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE REGULATORY BASIS



## CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## STATEMENT OF REVENUES - REGULATORY BASIS



## CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## STATEMENT OF REVENUES - REGULATORY BASIS



# Exhibit A-2 

Sheet 3 of 4

## CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## STATEMENT OF REVENUES - REGULATORY BASIS

|  | Anticipated |  |  |  | Realized |  | Excess or (Deficit) |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Budget as Adopted |  | $\begin{aligned} & \hline \text { N.J.S.A } \\ & \text { 40A:4-87 } \end{aligned}$ |  |  |  |  |
| MISCELLANEOUS REVENUES: (continued) |  |  |  |  |  |  |  |  |
| PUBLIC AND PRIVATE REVENUES OFFSET |  |  |  |  |  |  |  |  |
| WITH APPROPRIATIONS (continued) |  |  |  |  |  |  |  |  |
| Job Training Partnership Act Grant | \$ | - | \$ | 2,748,030 | \$ | 2,748,030 | \$ | - |
| JTPA - Smartsteps |  | 12,038 |  | - |  | 12,038 |  |  |
| Port Security Grant - Police ESU |  | 19,600 |  | - |  | 19,600 |  |  |
| STD Education / Screening |  | - |  | 122,183 |  | 122,183 |  |  |
| Clean Communities Program |  | - |  | 371,385 |  | 371,385 |  |  |
| Summer Works Initiative |  | 180,000 |  | - |  | 180,000 |  |  |
| Comprehensive Traffic Safety |  | 27,020 |  | - |  | 27,020 |  |  |
| Make-A-Splash |  | - |  | 4,824 |  | 4,824 |  |  |
| Apple Tree House - NJCH |  | 5,000 |  | - |  | 5,000 |  |  |
| Apple Tree House - HCHPP |  | 6,500 |  | - |  | 6,500 |  |  |
| CLPP (Porsche) |  | 704,583 |  | 834,000 |  | 1,538,583 |  |  |
| SAFER - Firefighters Hiring Grant |  | 8,390,000 |  | - |  | 8,390,000 |  |  |
| Sustainable Jersey - Gardinier |  | 30,000 |  | - |  | 30,000 |  |  |
| Family Health Initiative |  | 20,000 |  | - |  | 20,000 |  |  |
| CSX Transporting Healthy Food |  | 10,000 |  | - |  | 10,000 |  |  |
| The Hartford - Junior Fire Marshal Program |  | 10,000 |  | - |  | 10,000 |  |  |
| Healthiest Cities \& Counties Challenge |  | 10,000 |  | - |  | 10,000 |  |  |
| Arbor Day Tree (NJSEA) |  | 1,000 |  | - |  | 1,000 |  |  |
| Summer Expansion Program (JJDP) |  | 20,000 |  | - |  | 20,000 |  |  |
| NEA Big Read |  | 15,000 |  | - |  | 15,000 |  |  |
| COPS Hiring |  | 1,875,000 |  | - |  | 1,875,000 |  |  |
| Sandy Recovery - FEMA Match |  | 404,774 |  | - |  | 404,774 |  |  |
| Kresge Foundation |  | - |  | 125,000 |  | 125,000 |  |  |
| Target Soccer Youth Program |  | - |  | 1,000 |  | 1,000 |  |  |
| Mental Health Awareness Training (MHAT) |  | - |  | 375,000 |  | 375,000 |  |  |
| Cooperative Marketing |  | - |  | 10,500 |  | 10,500 |  |  |
| HCOS-Riverview Fisk Park Rehabilitation |  | - |  | 500,000 |  | 500,000 |  |  |
| HCOS-Berry Lane Skate Park |  | - |  | 500,000 |  | 500,000 |  |  |
| MLK Drive Roadway \& Traffic Signal |  | - |  | 839,385 |  | 839,385 |  |  |
| AHA Community Impact Grant |  | - |  | 2,800 |  | 2,800 |  | - |
| Justice Assistance Grant (JAG) |  | - |  | 173,538 |  | 173,538 |  |  |
| Target Corporation-National Night Out |  | - |  | 500 |  | 500 |  | - |
| Youth Corp Urban Gateway |  | - |  | 32,000 |  | 32,000 |  |  |
| Senior Farmer's Market |  | - |  | 1,750 |  | 1,750 |  | - |
|  |  | 14,309,097 |  | 22,011,271 |  | 36,320,368 |  | - |

## CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## STATEMENT OF REVENUES - REGULATORY BASIS

|  | Anticipated |  |  |  | Realized |  | Excess or (Deficit) |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Budget as Adopted |  | $\begin{gathered} \hline \text { N.J.S.A } \\ 40 \mathrm{~A}: 4-87 \end{gathered}$ |  |  |  |  |
| OTHER SPECIAL ITEMS |  |  |  |  |  |  |  |  |
| Payments in Lieu of Taxes | \$ | 139,913,455 | \$ | - | \$ | 133,574,847 | \$ | $(6,338,608)$ |
| Sale of Municipal Property - Land Sales |  | 12,000,000 |  | - |  | 12,000,000 |  | - |
| United Water Reimbursement - Operations |  | 346,105 |  | - |  | 533,534 |  | 187,429 |
| MUA Franchise Concession Payment |  | 21,000,000 |  | - |  | 21,000,000 |  | - |
| MUA Water Debt Service Payment |  | 5,250,244 |  | - |  | 5,250,244 |  | - |
| Uniform Fire Safety Act |  | 250,000 |  | - |  | 250,000 |  | - |
| MLK Community Center |  | 105,000 |  | - |  | 105,000 |  | - |
| Reserve Parking Authority |  | 10,160 |  | - |  | 10,160 |  | - |
| Reserve for Payment of Debt |  | 1,200,000 |  | - |  | 1,200,000 |  | - |
| MUA Stormwater Catch Basins |  | 700,000 |  | - |  | 700,000 |  | - |
| Reserve for Abatement Buy-up |  | 1,635 |  | - |  | 1,635 |  | - |
| Reserve for JCIA |  | 453,742 |  | - |  | 453,742 |  | - |
|  |  | 181,230,341 |  | - |  | 175,079,162 |  | $(6,151,179)$ |
| Total Miscellaneous Revenues |  | 316,839,335 |  | 22,011,271 |  | 338,265,597 |  | $(585,009)$ |
| RECEIPTS FROM DELINQUENT TAXES: |  | 1,195,926 |  | - |  | 4,508,431 |  | 3,312,505 |
| Subtotal - General Revenues |  | 344,615,509 |  | 22,011,271 |  | 369,354,276 |  | 2,727,496 |
| AMOUNT TO BE RAISED BY TAXES FOR |  |  |  |  |  |  |  |  |
| SUPPORT OF MUNICIPAL BUDGET: |  |  |  |  |  |  |  |  |
| Local Tax Including Reserve for |  |  |  |  |  |  |  |  |
| Uncollected Taxes |  | 236,746,746 |  | - |  | 243,452,015 |  | 6,705,269 |
| Addition to Local District School Tax |  | 3,063,404 |  | - |  | 3,063,404 |  | - |
| Minimum Library Tax |  | 9,472,953 |  | - |  | 9,472,953 |  | - |
| Total Amount to be Raised by Taxes |  | 249,283,103 |  | - |  | 255,988,372 |  | 6,705,269 |
| Total Budget Revenues |  | 593,898,612 |  | 22,011,271 |  | 625,342,648 |  | 9,432,765 |
| Non-Budget Revenues |  | - |  | - |  | 12,771,742 |  | 12,771,742 |
| Total General Revenues | \$ | 593,898,612 | \$ | 22,011,271 | \$ | 638,114,390 | \$ | 22,204,507 |
|  |  | A-3 |  | A-3 |  |  |  |  |
|  | Budgeted Non-budgeted |  |  | A-2a | \$ | 625,342,648 |  |  |
|  |  |  |  | A-2b |  | 12,771,742 |  |  |
|  |  |  |  |  | \$ | 638,114,390 |  |  |

# CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018 

## STATEMENT OF REVENUES - REGULATORY BASIS ANALYSIS OF BUDGET REVENUES

| Allocation of Current Tax Collections: |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| Collected in Current Year, including Homestead Benefit | A-4 | \$ 506,186,528 |  |  |
| Add: Prior Year Overpayments Applied | A-22 | 1,329,159 |  |  |
| Less: Overpayments Payable | A-22 | 4,274,212 |  |  |
| Current Year Taxes Collected in Current Year | A-7 | 503,241,475 |  |  |
| Current Year Taxes Collected in Prior Year | A-7, A-21 | 14,023,865 |  |  |
| State Share of Sr. Citizens \& Veterans Deductions | A-7, A-8 | 377,374 |  |  |
| Current Taxes Realized in Cash |  |  |  | 517,642,714 |
| Add: Appropriation for "Reserve for Uncollected Taxes" | A-3 |  |  | 7,599,511 |
|  | A-1 |  |  | 525,242,225 |
| Allocated to: |  |  |  |  |
| School Taxes | A-24 | 120,529,903 |  |  |
| County Taxes | A-25 | 143,546,080 |  |  |
| Special District Taxes | A-27 | 4,490,653 |  |  |
| Municipal Open Space Tax | A-17 | 687,217 |  |  |
| Total Allocated to School and County Taxes |  |  |  | 269,253,853 |
| Amount for Support of Municipal Budget Appropriations | A-2 |  | \$ | 255,988,372 |
| Receipts from Delinquent Taxes: |  |  |  |  |
| Delinquent Taxes Collected | A-4, A-7 |  | \$ | 4,195,982 |
| Tax Title Liens Collected | A-9 |  |  | 312,449 |
| Total Receipts from Delinquent Taxes | A-1, A-2 |  | \$ | 4,508,431 |
| Miscellaneous Revenues Anticipated: |  |  |  |  |
| Accrual per Revenue Accounts Receivable | A-11 |  | \$ | 235,586,337 |
| State Aid Allocation Anticipated | A-15 |  |  | 66,358,892 |
| State and Federal Grants | A-17 |  |  | 36,320,368 |
| Total Miscellaneous Revenues Anticipated | A-1, A-2 |  | \$ | 338,265,597 |
| Fund Balance | A-1, A-2 |  | \$ | 26,580,248 |
| Total Realized Budget Revenues | A-2 |  | \$ | 625,342,648 |

## CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## STATEMENT OF REVENUES - REGULATORY BASIS ANALYSIS OF NON-BUDGET REVENUES

| Increased by Cash Received for: |  |
| :--- | ---: |
| Express Scripts | $1,042,184$ |
| Build America Bonds Federal Credit | $1,752,190$ |
| HEDC Fine - Deviation from |  |
| Board Approved Plans | 582,000 |
| Abatement Transfer Fee | 278,934 |
| DPW Container Rentals | 192,472 |
| Other Recreation Fees | 102,518 |
| Recovery Zone Bonds Federal Credit | 197,559 |
| JCRA Reimbursement | 68,575 |
| JCPD ABC | 67,180 |
| Protested Checks | 52,570 |
| Miscellaneous Inspection Fees | 47,300 |
| Recyclables | 44,616 |
| Refunds | 37,950 |
| Auto Repair License | 29,400 |
| Scrap Metals | 28,416 |
| Childcare Certificate License | 24,800 |
| Special Priveleges | 19,908 |
| HEDC Sidewalk Café Licneses | 18,400 |
| Initial License Inspection / Review Plan | 15,380 |
| City Clerk Receipts | 15,102 |
| Miscellanous | 11,497 |
| DPW Citywide Festivals | 11,123 |
| Rental of City Owned Property | 10,999 |
| Burglar Alarm System | 9,470 |
| Food Handler's Course | 8,635 |
| Mechanical Amusement Devices | 8,575 |
| Shade Tree | 8,102 |
| Due from IRS for Interest | 7,859 |
| Senior Citizen/Vet Deduction Admin Fee | 7,722 |
| Carnival Fee | 7,675 |
| Special Beverage Permit | 7,325 |
| Discover Fees | 6,915 |
| Exhibitin Licenses | 6,650 |
| Junk Shop Licenses | 6,000 |
| Police Training Fees | 5,769 |
| Recycling Receptacle | 2,785 |
| Tire Permits | 1,725 |
| Used Motor Vehicle Licneses | 1,400 |
| Retail Florist License | 1,400 |
| Trade Licenses | 1,275 |
| Lead Based Pant | 900 |
| Driveway Permits | Bail Forfeiture |
|  |  |
| Ber |  |


| Increased by Cash Received for (continued): |  |  |  |
| :---: | :---: | :---: | :---: |
| Loading Zones | \$ | 450 |  |
| Pigeon Keeping |  | 450 |  |
| Spray Paint / Markers |  | 225 |  |
| Journal Square Streetscape |  | 200 |  |
| Pay Telephone Licenses |  | 140 |  |
| Pet Shop Licenses |  | 130 |  |
| Tax Lien Deposits |  | 100 |  |
| Business Liquidation |  | 75 |  |
| PILOT Fees Not Budgeted: |  |  |  |
| James Monroe |  | 3,476,553 |  |
| 837 Jersey Ave |  | 1,779,070 |  |
| Liberty Harbor North III |  | 1,070,134 |  |
| Gs Fc Pep 1 |  | 912,780 |  |
| Nams Developers Inc |  | 221,815 |  |
| 16 Bennett Urban Renewal |  | 101,139 |  |
| Laidlaw Properties Urban Renewal, LLC |  | 88,566 |  |
| Bergen Manor Associates |  | 62,531 |  |
| 380 Newark Real |  | 61,047 |  |
| 17-19 Division Urban Renewal |  | 31,134 |  |
| Kennedy Manor Associates |  | 30,415 |  |
| Hudson Main Urban Renewal |  | 28,965 |  |
| 312 Pacific |  | 22,050 |  |
| 170 Lafayette Urban Renewal |  | 18,902 |  |
| 102 York St |  | 14,191 |  |
| NSJ Properties |  | 12,860 |  |
| Summit Urban Renewal |  | 11,061 |  |
| 8 Erie JC |  | 10,886 |  |
| Storms Ave Apt YWCA |  | 9,339 |  |
| MLK Drive Urban Renewal |  | 7,050 |  |
| Port Liberte |  | 6,592 |  |
| 212 Third Street |  | 5,979 |  |
| 372 Pacific |  | 5,609 |  |
| ISC LLC |  | 5,530 |  |
| Alliot Belgrave |  | 4,724 |  |
| Fairmount Housing Group |  | 4,303 |  |
| Srinan Prop |  | 3,814 |  |
| 747 Grand LLC |  | 2,900 |  |
| Kennedy House LLC |  | 2,587 |  |
| 115 Wales LLC |  | 1,769 |  |
| Oleary S\&J |  | 1,738 |  |
| 113 Wales LLC |  | 884 |  |
| 271 Van Wagenen |  | 717 | A-1; A-2 |
|  | \$ | 12,771,742 |  |
| Cash Receipts | \$ | 12,763,883 | A-4 |
| Interfunds |  | 7,859 | A-17 |
|  | \$ | 12,771,742 |  |

## STATEMENT OF APPROPRIATIONS - REGULATORY BASIS



## STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

| DEPARTMENT OF ADMINISTRATION (continued) |  | Appropriations |  |  | Expended |  |  |  |  |  | Over Expended |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Adopted Budget | Budget After Modification |  | Paid or Charged |  | Encumbered |  | Reserved |  |  |  |  |
|  |  | DEPARTMENT OF ADMINISTRATION (continued) |  |  |  |  |  |  |  |  |  |  |  |
| Public Defender |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages | \$ | 120,000 | \$ | 120,000 | \$ | 103,917 | \$ | - | \$ | 16,083 | \$ |  | - |
| Other Expenses |  | 302,000 |  | 302,000 |  | 157,635 |  | 41,196 |  | 103,169 |  |  | - |
| Collections |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 739,948 |  | 729,948 |  | 681,152 |  | - |  | 48,796 |  |  | - |
| Other Expenses |  | 181,749 |  | 181,749 |  | 73,271 |  | 14,842 |  | 93,636 |  |  | - |
| Architecture |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 819,551 |  | 769,551 |  | 721,365 |  | - |  | 48,186 |  |  | - |
| Other Expenses |  | 32,500 |  | 32,500 |  | 14,905 |  | 3,267 |  | 14,328 |  |  | - |
| Engineering |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 1,882,548 |  | 1,792,548 |  | 1,756,592 |  | - |  | 35,956 |  |  | - |
| Other Expenses |  | 1,767,579 |  | 1,767,579 |  | 1,238,028 |  | 198,858 |  | 330,693 |  |  | - |
| Accounts and Control |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 595,000 |  | 595,000 |  | 574,085 |  | - |  | 20,915 |  |  | - |
| Other Expenses |  | 11,625 |  | 11,625 |  | 6,265 |  | 2,987 |  | 2,373 |  |  | - |
| Treasury and Debt Management |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 248,000 |  | 253,000 |  | 247,774 |  | - |  | 5,226 |  |  | - |
| Other Expenses |  | 4,372 |  | 4,372 |  | 2,971 |  | 343 |  | 1,058 |  |  | - |
| OFFICE OF THE TAX ASSESSOR |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Tax Assessor |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 961,629 |  | 961,629 |  | 948,540 |  | - |  | 13,089 |  |  | - |
| Other Expenses |  | 327,777 |  | 327,777 |  | 84,031 |  | 48,571 |  | 195,175 |  |  | - |
| DEPARTMENT OF LAW |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Law Department |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 3,562,912 |  | 3,477,912 |  | 3,383,997 |  | - |  | 93,915 |  |  | - |
| Other Expenses |  | 912,430 |  | 997,430 |  | 503,890 |  | 294,914 |  | 198,626 |  |  | - |
| DEPARTMENT OF PUBLIC WORKS |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Director's Office |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 2,202,346 |  | 2,317,346 |  | 2,308,517 |  | - |  | 8,829 |  |  | - |
| Other Expenses |  | 20,770,148 |  | 20,770,148 |  | 15,230,974 |  | 5,471,463 |  | 67,711 |  |  | - |
| Parks Maintenance |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 2,461,605 |  | 2,801,605 |  | 2,791,571 |  | - |  | 10,034 |  |  | - |
| Other Expenses |  | 748,100 |  | 748,100 |  | 445,518 |  | 88,604 |  | 213,978 |  |  | - |
| Building and Street Maintenance |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 3,584,376 |  | 3,809,376 |  | 3,799,904 |  | - |  | 9,472 |  |  | - |
| Other Expenses |  | 2,585,500 |  | 2,585,500 |  | 2,293,108 |  | 156,054 |  | 136,338 |  |  | - |
| Automotive Services |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 2,300,855 |  | 2,300,855 |  | 2,221,226 |  | - |  | 79,629 |  |  | - |
| Other Expenses |  | 5,133,350 |  | 5,133,350 |  | 4,185,662 |  | 806,240 |  | 141,448 |  |  | - |
| Sanitation |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 5,252,854 |  | 5,467,854 |  | 5,465,930 |  | - |  | 1,924 |  |  | - |
| Other Expenses |  | 2,122,000 |  | 1,907,000 |  | 1,412,903 |  | 443,764 |  | 50,333 |  |  | - |
| Neighborhood Improvement |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 1,486,212 |  | 1,411,212 |  | 1,274,271 |  | - |  | 136,941 |  |  | - |
| Other Expenses |  | 59,000 |  | 59,000 |  | 13,403 |  | 29,478 |  | 16,119 |  |  | - |
| DEPARTMENT OF RECREATION |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Director's Office |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 4,322,068 |  | 4,422,068 |  | 4,447,197 |  | - |  | - |  | 25,129 |  |
| Other Expenses |  | 610,285 |  | 610,285 |  | 385,269 |  | 68,073 |  | 156,943 |  |  | - |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Director's Office |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 986,016 |  | 836,016 |  | 819,163 |  | - |  | 16,853 |  |  | - |
| Other Expenses |  | 393,700 |  | 393,700 |  | 175,986 |  | 131,958 |  | 85,756 |  |  | - |
| Environmental Health |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 1,216,085 |  | 1,431,085 |  | 1,415,833 |  | - |  | 15,252 |  |  | - |
| Other Expenses |  | 60,350 |  | 60,350 |  | 22,075 |  | 12,044 |  | 26,231 |  |  | - |
| Disease Prevention |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 630,711 |  | 520,711 |  | 468,603 |  | - |  | 52,108 |  |  | - |
| Other Expenses |  | 86,600 |  | 86,600 |  | 28,163 |  | 33,090 |  | 25,347 |  |  | - |

## STATEMENT OF APPROPRIATIONS - REGULATORY BASIS



## STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

|  | Appropriations |  | Expended |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Adopted Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | Over Expended |
| HOUSING, ECONOMIC DEVELOPMENT AND COMMERCE (continued) |  |  |  |  |  |  |
| Planning Board |  |  |  |  |  |  |
| Board of Adjustment |  |  |  |  |  |  |
| Historic District Commission Other Expenses | 1,000 | 1,000 | - | - | 1,000 | - |
| Zoning Officer |  |  |  |  |  |  |
| Salaries and Wages | 465,550 | 465,550 | 452,408 | - | 13,142 | - |
| Other Expenses | 18,168 | 18,168 | 10,224 | 4,300 | 3,644 | - |
| INSURANCE |  |  |  |  |  |  |
| Insurance - All Departments | 12,000,000 | 12,375,000 | 11,259,637 | 724,947 | 390,416 | - |
| Employee Group Health Insurance | 95,637,454 | 95,567,454 | 83,392,842 | 6,966,823 | 5,207,789 | - |
| Health Benefit Waiver | 1,700,000 | 1,700,000 | 1,622,934 | - | 77,066 | - |
| UNCLASSIFIED |  |  |  |  |  |  |
| Municipal Publicity | 30,000 | 30,000 | 28,075 | - | 1,925 | - |
| Other Municipal Advertising | 25,000 | 25,000 | 3,550 | - | 21,450 | - |
| Celebration of Public Events | 350,000 | 350,000 | 341,858 | 7,568 | 574 | - |
| Professional Affiliations | 22,000 | 22,000 | 8,784 | 12,242 | 974 | - |
| Ethical Standards Board | 20,000 | 20,000 | - | 5,000 | 15,000 | - |
| Electricity | 2,500,000 | 2,500,000 | 1,764,514 | 735,486 | - | - |
| Street Lighting | 3,400,000 | 3,650,000 | 3,075,934 | 489,055 | 85,011 | - |
| Municipal Rent | 2,700,000 | 2,766,000 | 2,679,593 | $(57,611)$ | 144,018 | - |
| Gasoline | 1,300,000 | 1,300,000 | 1,221,404 | 75,474 | 3,122 | - |
| Communications | 1,020,000 | 1,020,000 | 294,809 | 241,508 | 483,683 | - |
| Office Services | 2,663,286 | 2,788,286 | 2,257,277 | 263,365 | 267,644 | - |
| Salary Adjustment | 1,500,000 | 1,500,000 | - | - | 1,500,000 | - |
| Contractual Severance Liabilities | - | 14,500,000 | 14,500,000 | - | - | - |
| Accumulated Absence Reserve | - | - | - | - | - | - |
| (B) Contingent | 50,000 | 50,000 | - | - | 50,000 | - |
| Total Operations Including |  |  |  |  |  |  |
| Contingent within "CAPS" | 415,023,195 | 430,393,695 | 392,916,917 | 19,805,803 | 17,696,104 | 25,129 |
| Detail: |  |  |  |  |  |  |
| Salaries and Wages | 243,328,227 | 242,232,727 | 234,525,557 | 63,677 | 7,732,299 | 25,129 |
| Other Expenses | 171,694,968 | 188,160,968 | 158,391,360 | 19,742,126 | 9,963,805 | - |
| (E) Deferred Charges and Statutory Expenditures within "CAPS" |  |  |  |  |  |  |
| Overexpended Reserve for Off Duty Police | 153,900 | 153,900 | 153,900 | - | - | - |
| Prior Years' Bills | 21,426 | 21,426 | 21,426 | - | - | - |
| (2) STATUTORY EXPENDITURES |  |  |  |  |  |  |
| Contribution to: |  |  |  |  |  |  |
| Social Security System (O.A.S.I.) | 5,450,000 | 5,450,000 | 5,442,197 | - | 7,803 | - |
| Consolidated Police and Fire Fund | 58,994 | 58,994 | - | - | 58,994 | - |
| Police/Fire Retirement System (PFRS) | 42,235,796 | 42,235,796 | 42,235,796 | - | - | - |
| Municipal Employees Pension Fund | 9,416,160 | 9,341,160 | 9,123,059 | - | 218,101 | - |
| Employees Non-Contributory Pension | 220,000 | 220,000 | 149,328 | - | 70,672 | - |
| Pensioned Employees | 50,000 | 50,000 | 39,379 | - | 10,621 | - |
| Payments to Widows and Dependents of Deceased Public Safety Members | 779 | 779 | 659 | - | 120 | - |
| Contribution to: |  |  |  |  |  |  |
| Unemployment Compensation Insurance | 65,000 | 65,000 | 65,000 | - | - ${ }^{-}$ | - |
| Public Employees Retirement (PERS) | 4,247,216 | 4,322,216 | 4,261,728 | - | 60,488 | - |
| Defined Contribution Plan (DCRP) | 65,000 | 65,000 | 53,882 | - | 11,118 | - |
|  | 61,984,271 | 61,984,271 | 61,546,354 | - | 437,917 | - |
| (H-1)TOTAL GENERAL APPROPRIATIONS |  |  |  |  |  |  |
| FOR MUNICIPAL PURPOSES WITHIN "CAPS" | 477,007,466 | 492,377,966 | 454,463,271 | 19,805,803 | 18,134,021 | 25,129 |

## STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

|  | Appropriations |  |  |  | Expended |  |  |  |  |  | Over <br> Expended |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Adopted <br> Budget | Budget After <br> Modification |  |  | Paid or Charged | Encumbered |  | Reserved |  |  |  |
| (A) Operations - Excluded From "CAPS" GENERAL GOVERNMENT: |  |  |  |  |  |  |  |  |  |  |  |  |
| Maintenance of Free Public Library | \$ | 9,620,000 | \$ | 9,620,000 | \$ | 9,372,539 | \$ | - | \$ | 247,461 | \$ |  |
| Tax Overpayments |  | 2,000,000 |  | 2,000,000 |  | 801,330 |  | - |  | 1,198,670 |  |  |
| Reserve for Tax Appeals |  | 400,000 |  | 400,000 |  | 12,035 |  | - |  | 387,965 |  |  |
|  |  | 12,020,000 |  | 12,020,000 |  | 10,185,904 |  | - |  | 1,834,096 |  | - |


| PUBLIC AND PRIVATE APPROPRIATIONS |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| OFFSET BY REVENUES |  |  |  |  |  |  |
| Federal and State Grants Fund |  |  |  |  |  |  |
| Distracted Driving Grant | 6,600 | 6,600 | 6,600 | - | - | - |
| Innovation Team Grant | 73,443 | 73,443 | 73,443 | - | - | - |
| Municipal Drug Alliance |  |  |  |  |  |  |
| Grant Funds | - | 213,903 | 213,903 | - | - | - |
| City Match | - | 53,476 | 53,476 | - | - | - |
| Drunk Driver Enforcement Fund | 12,411 | 12,411 | 12,411 | - | - | - |
| Urban Area Security Initiative (UASI) | - | 1,735,000 | 1,735,000 | - | - | - |
| Recycling Tonnage Grant | 306,936 | 306,936 | 306,936 | - | - | - |
| Community Service Block Grant (CSBG) | 233,394 | 933,801 | 933,801 | - | - | - |
| Woman, Infants \& Children (WIC) | - | 1,802,584 | 1,802,584 | - | - | - |
| Summer Food Program | 754,626 | 754,626 | 754,626 | - | - | - |
| Senior Nutrition |  |  |  |  |  |  |
| Salaries and Wages | 1,086,122 | 1,113,301 | 1,113,301 | - | - | - |
| Other Expenses | 271,530 | 271,530 | 271,530 | - | - | - |
| YMCA State Alliance Healthy NJ Contest | 18,800 | 18,800 | 18,800 | - | - | - |
| Healthier JC Program | - | 4,824 | 4,824 | - | - | - |
| Comprehensive Cancer Control | 26,250 | 26,250 | 26,250 | - | - | - |
| Summer Works Initiative | 180,000 | 180,000 | 180,000 | - | - | - |
| CLPP (Porsche) | 704,583 | 704,583 | 704,583 | - | - | - |
| JTPA | - | 2,748,030 | 2,748,030 | - | - | - |
| STD Education | - | 122,183 | 122,183 | - | - | - |
| Sub-Regional Transportation |  |  |  |  |  |  |
| Grant Funds | - | 112,130 | 112,130 | - | - | - |
| City Match | - | 22,632 | 22,632 | - | - | - |
| Seniors Farmers Market | - | 1,750 | 1,750 | - | - | - |
| Peer Grouping | 40,000 | 80,000 | 80,000 |  | - | - |
| SAFER - Firefighters Hiring Grant | 8,390,000 | 8,390,000 | 8,390,000 | - | - | - |
| Clean Communities Program | - | 371,385 | 371,385 | - | - | - |
| ROID | 12,000 | 12,000 | 12,000 | - | - | - |
| Justice Assistance Grant | - | 173,538 | 173,538 | - | - | - |
| MLK Drive Roadway (LAIF) | - | 839,385 | 839,385 | - | - | - |
| Post Security Grant - Police ESU | 19,600 | 19,600 | 19,600 |  | - | - |
| Comprehensive Traffic Safety | 27,020 | 27,020 | 27,020 | - | - | - |
| COPS Hiring | 1,875,000 | 1,875,000 | 1,875,000 | - | - | - |
| Target Grant | - | 500 | 500 | - | - | - |
| County Open Space - Berry Lane Park | - | 500,000 | 500,000 | - | - | - |
| Sustainable Jersey | 30,000 | 30,000 | 30,000 | - | - | - |
| JTPA Smartsteps | 12,038 | 12,038 | 12,038 | - | - | - |
| Cooperative Marketing | - | 10,500 | 10,500 | - | - | - |
| Sub Regional Studies Program |  |  |  |  |  |  |
| Grant Funds | - | 240,000 | 240,000 | - | - | - |
| City Match | - | 60,000 | 60,000 | - | - | - |
| HCOS-Riverview Fisk Par | - | 500,000 | 500,000 | - | - | - |
| Sandy Recovery - FEMA Match | 404,774 | 404,774 | 404,774 | - | - | - |
| Apple Tree House - NJCH | 5,000 | 5,000 | 5,000 | - | - | - |
| Apple Tree House - HCHPP | 6,500 | 6,500 | 6,500 | - | - | - |
| Family Health Initiative | 20,000 | 20,000 | 20,000 | - | - | - |
| The Conservation Fund | 10,000 | 10,000 | 10,000 | - | - | - |
| The Hartford Junior Fire Marshal Program | 10,000 | 10,000 | 10,000 | - | - | - |
| Healthiest Cities \& Counties Challenge | 10,000 | 10,000 | 10,000 | - | - | - |
| Arbor Day Tree (NJSEA) | 1,000 | 1,000 | 1,000 | - | - | - |
| Summer Expansion Program (JJDP) | 20,000 | 20,000 | 20,000 | - | - | - |
| NEA Big Read | 15,000 | 15,000 | 15,000 | - | - | - |
| Aha Community Impact | - | 2,800 | 2,800 | - | - | - |

## STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

|  | Appropriations |  | Expended |  |  | Over Expended |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Adopted Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved |  |
| PUBLIC AND PRIVATE APPROPRIATIONS |  |  |  |  |  |  |
| OFFSET BY REVENUES (continued) |  |  |  |  |  |  |
| Youth Corp Urban | \$ | \$ 32,000 | \$ 32,000 | \$ | \$ | \$ |
| Child Health - CLPPP | - | 834,000 | 834,000 | - | - | - |
| Mental Health Awareness | - | 375,000 | 375,000 | - | - | - |
| Target Soccer Youth | - | 1,000 | 1,000 | - | - | - |
| KRESGE - Public Health St | - | 125,000 | 125,000 | - | - | - |
| Matching Funds for Grants | 100,000 | 33,892 | - | - | 33,892 | - |
| Trust Fund (Housing and Urban Development Grants): |  |  |  |  |  |  |
| Community Development Block Grant | - | 5,603,099 | 5,603,099 | - | - | - |
| Home Investment Partnerships | - | 2,019,702 | 2,019,702 | - | - | - |
| Housing Opportunities for | - |  |  |  |  |  |
| Persons with Aids | - | 2,422,186 | 2,422,186 | - | - | - |
| Emergency Solutions Grant | - | 453,186 | 453,186 | - | - | - |
|  | 14,682,627 | 36,763,898 | 36,730,006 | - | 33,892 | - |
| Total Operations - Excluded from "CAPS" | 26,702,627 | 48,783,898 | 46,915,910 | - | 1,867,988 | - |
| Detail: |  |  |  |  |  |  |
| Salaries and Wages | - | - | - | - | - | - |
| Other Expenses | 26,702,627 | 48,783,898 | 46,915,910 | - | 1,867,988 | - |
| (C) Capital Improvements - Excluded from "CAPS" |  |  |  |  |  |  |
| Capital Improvement Fund | 1,874,490 | 1,874,490 | 1,874,490 | - | - | - |
| (D) Municipal Debt Service |  |  |  |  |  |  |
| General Debt Service: |  |  |  |  |  |  |
| Serial Bonds - General Qualified | 3,727,000 | 3,727,000 | 3,727,000 | - | - | - |
| Serial Bonds - General Refunding | 18,950,000 | 18,950,000 | 18,950,000 | - | - | - |
| Interest on Bonds - General Qualified | 895,179 | 895,179 | 895,179 | - | - | - |
| Interest on Bonds - General Refunding | 6,115,163 | 6,115,163 | 6,115,163 | - | - | - |
| Interest on Notes - General and Refunding | 882,091 | 882,091 | 882,091 | - | - | - |
| Serial Bonds - General Principal | 10,985,000 | 10,985,000 | 10,985,000 | - | - | - |
| Bond Anticipation Notes - Principal | 1,997,200 | 1,997,200 | 1,997,200 | - | - | - |
| Serial Bonds - General Interest | 3,958,733 | 3,958,733 | 3,958,733 | - | - | - |
| Fire Pension Refunding Bonds - Interest | 902,788 | 902,788 | 902,788 | - | - | - |
| Police Pension Refunding Bonds - Interest | 1,055,647 | 1,055,647 | 1,055,647 | - | - | - |
| Green Trust Loan Repayments for Principal and Interest |  |  |  |  |  |  |
| Wayne Street Park | 4,511 | 4,511 | 4,511 | - | - | - |
| Apple Tree House | 14,669 | 14,669 | 14,669 | - | - | - |
| Roberto Clemente Park | 17,662 | 17,662 | 17,662 | - | - | - |
| Sgt. Anthony Park | 9,017 | 9,017 | 9,017 | - | - | - |
| Marion Pavonia Pool | 26,429 | 26,429 | 26,429 | - | - | - |
| Multi Parks | 38,243 | 38,243 | 38,243 | - | - | - |
| Montgomery Gateway | 3,110 | 3,110 | 3,110 | - | - | - |
| Berry Lane | 8,084 | 8,084 | 8,084 | - | - | - |
| Build America Bonds - Principal | 2,180,000 | 2,180,000 | 2,180,000 | - | - | - |
| Build America Bonds - Interest | 5,817,604 | 5,817,604 | 5,817,604 | - | - | - |
| Police/Fire Pension Refunding Bonds-Prin. | 5,275,000 | 5,275,000 | 5,275,000 | - | - | - |
| Assessment Bonds - Principal | 595,000 | 595,000 | 595,000 | - | - | - |
| Assessment Bonds - Interest | 444,380 | 444,380 | 444,380 | - | - | - |
| Water Debt Service: |  |  |  |  |  |  |
| Serial Bonds - General Qualified | 3,325,000 | 3,325,000 | 3,325,000 | - | - | - |
| Serial Bonds - Refunding | 1,275,000 | 1,275,000 | 1,275,000 | - | - | - |
| Interest on Bonds - Refunding | 371,347 | 371,347 | 371,347 | - | - | - |
| Interest on Bonds - Qualified | 278,897 | 278,897 | 278,897 | - | - | - |
|  | 69,152,754 | 69,152,754 | 69,152,754 | - | - | - |
| (E) Deferred Charges - Municipal - Excluded from "CAPS" |  |  |  |  |  |  |
| 5 Years (N.J.S.40A:4-55) | 6,000,000 | 6,000,000 | 6,000,000 | - | - |  |
| (H-2)TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL |  |  |  |  |  |  |
| PURPOSES - EXCLUDED FROM "CAPS" | 103,729,871 | 125,811,142 | 123,943,154 | - | 1,867,988 | - |

## FOR THE YEAR ENDED DECEMBER 31, 2018

## STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

|  | Appropriations |  |  | Expended |  |  |  |  |  | Over <br> Expended |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Adopted Budget | Budget After Modification |  |  | Paid or Charged | Encumbered |  | Reserved |  |  |  |
| (K) Local District School Purposes - Excluded from "CAPS" |  |  |  |  |  |  |  |  |  |  |  |
| Serial Bonds - School Qualified | \$ 4,900,000 | \$ | 4,900,000 | \$ | 4,900,000 | \$ | - | \$ | - |  | - |
| Interest on Bonds - School Qualified | 661,764 |  | 661,764 |  | 661,764 |  | - |  | - |  | - |
|  | 5,561,764 |  | 5,561,764 |  | 5,561,764 |  | - |  | - |  | - |
| (O) TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM "CAPS" | 109,291,635 |  | 131,372,906 |  | 129,504,918 |  | - |  | 1,867,988 |  | - |
| (L) Subtotal General Appropriations | 586,299,101 |  | 623,750,872 |  | 583,968,189 |  | 19,805,803 |  | 20,002,009 |  | 25,129 |
| (M) Reserve for Uncollected Taxes | 7,599,511 |  | 7,599,511 |  | 7,599,511 |  | - |  | - |  | - |
| TOTAL GENERAL APPROPRIATIONS | \$ 593,898,612 | \$ | 631,350,383 | \$ | 591,567,700 | \$ | 19,805,803 |  | 20,002,009 | \$ | 25,129 |
| Ref. |  |  |  |  |  |  | A-19 |  | A |  | 16 |
| Budget As Adopted | A-2 | \$ | 593,898,612 | \$ | 7,599,511 |  | A-2a | Reserve for Uncollected Taxes |  |  |  |
| Added by N.J.S.A. 40A:4-87 | A-2 |  | 22,011,271 |  | 169,927,810 |  | A-4 | Cash Disbursements |  |  |  |
| Added by N.J.S.A. 40A:4-53, |  |  |  |  | 40,617,125 |  | A-15 | Qualified Bonds Paid by State |  |  |  |
| Special Emergency | A-16 |  | 15,440,500 |  |  |  |  |  |  |  |  |  |  |
| Overexpenditure |  |  | 25,129 |  | 153,900 |  | A-17 | Deferred Charges - Other Funds Capital Improvement Fund |  |  |  |
|  | A-1 | \$ | 631,375,512 |  | 1,874,490 |  | A-17 |  |  |  |  |  |  |
|  |  |  |  |  | 330,793,226 |  | A-17 | Payroll Clearing |  |  |  |
|  |  |  |  |  | 36,730,006 |  | A-17 | State and Federal Grants |  |  |  |
|  |  |  |  |  | $(11,568,868)$ |  | A-17 |  | -Duty Police |  |  |
|  |  |  |  |  | 15,440,500 | A-30 |  |  |  |  |  |
|  |  |  |  | \$ | 591,567,700 |  |  | Special Emergencies |  |  |  |

## CITY OF JERSEY CITY

REPORT OF AUDIT
FINANCIAL SECTION:
TRUST FUND FINANCIAL STATEMENTS

## CITY OF JERSEY CITY <br> TRUST FUND <br> AS OF DECEMBER 31, 2018 AND 2017

## COMPARATIVE BALANCE SHEET - REGULATORY BASIS



## CITY OF JERSEY CITY

TRUST FUND
AS OF DECEMBER 31, 2018 AND 2017

## COMPARATIVE BALANCE SHEET - REGULATORY BASIS



## CITY OF JERSEY CITY REPORT OF AUDIT <br> FINANCIAL SECTION: <br> GENERAL CAPITAL FUND FINANCIAL STATEMENTS

# Exhibit C 

## CITY OF JERSEY CITY <br> GENERAL CAPITAL FUND <br> AS OF DECEMBER 31, 2018 AND 2017

## COMPARATIVE BALANCE SHEET - REGULATORY BASIS

|  | $\underline{\text { Ref. }}$ | 2018 |  | 2017 |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |
| Assets |  |  |  |  |  |
| Cash and Cash Equivalents | C-2; C-3 | \$ | 95,660,577 | \$ | 56,313,000 |
| Restricted for Payment of Notes | C-6 |  | 17,581,000 |  | - |
| Deferred Charges to Future Taxation: |  |  |  |  |  |
| Funded | C-4 |  | 385,106,540 |  | 422,696,779 |
| Unfunded | C-5 |  | 257,359,985 |  | 54,237,887 |
| Interfund Receivable | C-8 |  | 962,203 |  | 329,337 |
| Due from Municipal Utilities Authority | C-7 |  | 16,550,000 |  | 21,150,000 |
|  |  | \$ | 773,220,305 | \$ | 554,727,003 |
| Liabilities and Reserves |  |  |  |  |  |
| Interfund Payable | C-8 | \$ | 3,687,109 | \$ | 500,009 |
| Reserve for Encumbrances | C-17 |  | 25,568,556 |  | 14,466,259 |
| Improvement Authorizations: |  |  |  |  |  |
| Funded | C-9 |  | 16,071,782 |  | 34,333,334 |
| Unfunded | C-9 |  | 220,099,419 |  | 28,343,765 |
| School Serial Bonds Payable | C-12 |  | 15,930,000 |  | 20,830,000 |
| General Serial and Term Bonds Payable | C-13 |  | 326,263,000 |  | 352,980,000 |
| Pension Refunding Bonds | C-14 |  | 31,435,000 |  | 36,710,000 |
| Water Serial Bonds Payable | C-15 |  | 16,550,000 |  | 21,150,000 |
| Local Improvement Bonds | C-16 |  | 10,631,000 |  | 11,226,000 |
| Green Trust Loans Payable | C-11 |  | 847,540 |  | 950,779 |
| Bond Anticipation Notes | C-10 |  | 81,033,098 |  | 24,901,000 |
| Capital Improvement Fund | C-20 |  | - |  | 377,066 |
| Reserve for Retirement of Debt | C-19 |  | 2,341,418 |  | 3,528,302 |
| Refunding Proceeds Held for |  |  |  |  |  |
| Payment of Series 2018A Notes | C-6A |  | 17,581,000 |  | - |
| Other Reserves | C-18 |  | 2,971,380 |  | 3,002,382 |
|  |  |  | 771,010,302 |  | 553,298,896 |
| Fund Balance | C-1 |  | 2,210,003 |  | 1,428,107 |
| Total Liabilities, Reserves, and Fund Balance |  | \$ | 773,220,305 | \$ | 554,727,003 |
| Bonds and Notes Authorized But Not Issued | C-21 | \$ | 176,326,887 | \$ | 29,336,887 |

## CITY OF JERSEY CITY

GENERAL CAPITAL FUND FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017

## COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS

| Receipts | Ref. | 2018 |  | 2017 |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Premiums on Bonds and Notes, Net of Closing Costs | C-2 | \$ | 1,465,186 | \$ | 166,444 |
| Expenditures |  |  |  |  |  |
| Note Principal Paid from Bond Proceeds | C-2, C-10 |  | 328,290 |  | 28 |
| Ordinance No. 18.009 to Fully Fund the |  |  |  |  |  |
| Acquisition of a Mask Service Unit Truck | C-9 |  | 150,000 |  | - |
| Ordinance No. 18.017 to Fully Fund the |  |  |  |  |  |
| Acquisition of a Mask Service Unit Truck | C-9 |  | 205,000 |  | - |
| Current Fund Share of Premiums |  |  | - |  | 44,550 |
|  |  |  | 683,290 |  | 44,578 |
| Change in Fund Balance |  |  | 781,896 |  | 121,866 |
| Fund Balance, January 1 | C |  | 1,428,107 |  | 1,306,241 |
| Fund Balance, December 31 | C | \$ | 2,210,003 | \$ | 1,428,107 |

## CITY OF JERSEY CITY <br> REPORT OF AUDIT <br> FINANCIAL SECTION: <br> FIXED ASSETS <br> FINANCIAL STATEMENTS

# CITY OF JERSEY CITY <br> GENERAL FIXED ASSETS AS OF DECEMBER 31, 2018 AND 2017 

## COMPARATIVE BALANCE SHEET - REGULATORY BASIS



# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## REPORTING ENTITY

The City of Jersey City (the "City") is organized as a Mayor - Council municipality under the provisions of N.J.S.A. 40:69A. The City is governed by an elected Mayor and Council, and by such other officers and employees as may be duly appointed. The Council consists of nine members, six of whom are elected from the City's six wards and three of whom are elected at-large by voters of the City. The Mayor is also elected directly by the voters of the City. The Mayor and each Council member serve a term of four years beginning on the first day of July next following their election.

The financial statements of the City include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City, as required by N.J.S.A. 40A:5-5. The Governmental Accounting Standards Board (herein referred to as "GASB") establishes criteria to be used to determine which component units should be included in the financial statements of the primary government (the City). The State of New Jersey, Department of Community Affairs, Division of Local Government Services (the "Division") requires the financial statements of the City to be reported separately from it component units. If the provisions of GASB had been complied with, the financial statements of the following component units would have been discretely presented with the financial statements of the City:

| Jersey City Free Public Library | Jersey City Redevelopment Agency |
| :--- | :--- |
| Exchange Place Alliance SID | Jersey City Employment \& Training Program, Inc. |
| Jersey City Central Ave SID | Jersey City Economic Development Corp |
| Jackson Hill Main Street SID | Jersey City Municipal Utilities Authority |
| Journal Square SID | Jersey City Employees' Retirement System |
| McGinley Square SID | Jersey City Housing Authority |
| Historic Downtown SID |  |

Audit reports of the component units are available at the offices of each of the respective component units.

The Jersey City Board of Education became a Type II School District effective November 4, 2008, rendering the entity no longer a component unit of the City. However, material outstanding bonds remain on the City's books which were originally issued prior to this date when the City operated as a Type I School District, at which time it met the criteria for inclusion as a component unit. See also "Note O. Related Party Transactions".

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## BASIS OF PRESENTATION

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

The financial statements of the City have been prepared in conformity with accounting principles and practices prescribed by the Division, which differ from GAAP. The principles and practices prescribed by the Division are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through the following separate funds and account group, which differ from the fund structure required by GAAP.

## DESCRIPTION OF FUNDS

Current Fund - is used to account for all resources and expenditures for governmental operations of a general nature.

Federal and State Grants Fund - is used to account for receivables due from grantor agencies and the balance of grant awards available for spending, after first having been formally adopted by Current Fund budget or subsequent insertion in the budget in accordance with N.J.S.A. 40A:4-87. This fund is presented within the City's Current Fund statements and schedules.

General Capital Fund - is used to account for the receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund or other funds. Also included in this fund are bonds and notes payable offset by deferred charges to future taxation and deferred charges to future water rents.

General Fixed Assets - is used to account for all fixed assets of the City.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## DESCRIPTION OF FUNDS (continued)

Trust Funds - are used to account for receipts, custodianship and disbursement of dedicated revenues in accordance with the purpose for which each reserve was created, subject to available cash in each individual trust fund reserve established pursuant to applicable state statutes or as an agent for individuals and other governmental agencies. The City has the following Trust Funds:

Animal Control Trust Fund - is used to account for fees collected from dog and cat licenses and expenditures which are regulated by N.J.S.A 4:19-15.11.

Trust Fund - Other Funds - is used to account for the assets and resources held by the City in a trustee or agent capacity. Included in this fund are monies collected and disbursed for the purposes of: employee and employer contributions and obligations resulting from the administration of unemployment benefits, Council on Affordable Housing and NJHMFA fees, tax sale redemption and premiums, restitution, dedicated penalties, bid deposits, developer and other escrow accounts, the parking offenses adjudication act, public defender fees, selfinsurance reserves, federal and state forfeitures, miscellaneous other items and donations of various sorts and the outside employment of off-duty police officers whereas fees are charged contractors for the use of police officers and vehicles and police officer overtime is then paid from these contractor's fees.

CDBG Trust Fund - is used to account for the assets and resources held by the City in a trustee or agent capacity, the source of which is United States Housing and Urban Development grant awards such as the Community Development Block Grant, Home Investment Partnership Grant, Housing Opportunities for Persons with AIDS, Emergency Shelter and MLK..

Payroll Clearing Fund - is an agency fund established to account for assets transferred by the City from its other funds for the payment of employee payrolls and as agent of federal and state governments in the collection and remittance of employee withholding taxes, retirement contributions, social security taxes and other required remittances.

Municipal Open Space, Recreation and Historic Preservation Fund - is used to account for the receipt of funds raised through a dedicated tax and corresponding expenditures as allowable under N.J.S.A. 40A:12-15.7 and as authorized by referendum. This fund was established in 2017.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The accounts of the City are maintained in accordance with the Division's principles of fund accounting to ensure observance of limitations and restrictions on resources available. The Division's principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance (equity), revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. General Fixed Assets, on the other hand, is a financial reporting device designed to provide accountability for certain fixed assets and the investment in those fixed assets that are not recorded in the funds because they do not directly affect net expendable available financial resources.

## BASIS OF ACCOUNTING

The City 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 special purpose framework of accounting other than accounting principles generally accepted in the United States of America. The current financial resources focus and modified accrual basis of accounting is generally followed with significant exceptions which are explained as follows:

Revenues - Revenues are realized when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal revenue sharing funds and other Federal and State grants are realized as revenue when anticipated in the budget. Receivables for property taxes and other amounts that are due to the City are recorded with offsetting reserves on the balance sheet of the Current Fund. Such amounts are not recorded as revenue until collected. Accordingly, no provision has been made to estimate that portion of receivables that are uncollectible. Taxes and payments in lieu of taxes collected in advance are recorded as cash liabilities in the financial statements. GAAP requires revenues to be recognized in the accounting period when they become measurable and available and in certain instances reduced by an allowance for doubtful accounts.

Reserve for Uncollected Taxes - Reserve for Uncollected Taxes is required to provide assurance that cash collected for taxes in the current year will provide sufficient cash flow to meet expected obligations. The minimum amount of Reserve for Uncollected Taxes is determined on the percentage of collections experienced in the immediate preceding year, unless allowable alternative methods are utilized. A Reserve for Uncollected Taxes is not established under GAAP.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Appropriation reserves covering unexpended appropriation balances are automatically created at the end of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriations for principal and interest payments on general capital indebtedness are provided on the cash basis. GAAP requires expenditures in the current (or general) fund, to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt, which should be recognized when due.

Encumbrances - Encumbrances are contractual orders outstanding at year end reported as expenditures through the establishment of an encumbrance payable. Outstanding encumbrances at year end are reported as a cash liability in the financial statements. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Appropriations are available until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Transfers are allowed between certain line items during the first three months of the fiscal year. Lapsed appropriation reserves are recorded as other credits to income. Appropriation Reserves do not exist under GAAP.

Interfunds - Advances from the current fund are reported as interfunds receivable with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfunds receivable in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time the individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Property Acquired for Taxes - Property Acquired for Taxes is recorded in the current fund at the assessed valuation when the property was acquired and is subsequently updated for revaluations. The value of the property is fully reserved. GAAP requires such property to be recorded as a fixed asset at market value on the date of acquisition.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Charges to Future Taxation (Funded and Unfunded) - Upon the authorization of general capital projects, the City establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized costs of capital projects. The City may levy taxes on all taxable property within the City to repay the debt. Annually, the City raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced. GAAP does not require the establishment of deferred charges to future taxation.

Deferred Charges to Future Water Rents - Upon the authorization of water capital projects, the City establishes deferred charges for the costs of the capital projects to be raised by future water rents. Funded deferred water rents relate to permanent debt issued. The City may impose water rents on all water users within the City to repay the debt. GAAP does not require the establishment of deferred charges to future water rents.

Improvement Authorizations - Improvement Authorizations in the general capital fund represent the unexpended balance of an ordinance appropriation and is similar to the unexpended portion of the budget in the current fund. GAAP does not recognize these amounts as liabilities.

Long-Term Obligations - General long-term debt is recognized as a liability of the General Capital Fund for the full principal amount.

Compensated Absences and Post-Employment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources to be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long-term obligations.

Net Pension Liabilities - Had generally accepted accounting principles been followed, the City's share of its actuarially determined net pension liabilities for the Public Employees Retirement System ("PERS") and Police and Fire Retirement System ("PFRS") would be required to be accrued on the City's balance sheet. Accounting practices prescribed by the Division of Local Government Services only require note disclosure of these liabilities and related actuarial information. The City appropriates annually the amounts required to be paid in any fiscal year in that year's budget its share of PERS and PFRS obligations.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General Fixed Assets - Accounting for Governmental Fixed Assets as promulgated by the Division differs in certain respects from GAAP, and requires the inclusion of a statement of general fixed assets as part of the City's basic financial statements.

Fixed assets used in governmental operations (general fixed assets) are accounted for in an account group identified as "General Fixed Assets" and are not included within the records of any fund types. Purchases from these funds for fixed assets are recorded as expenditures within the fund. Public domain (infrastructure) general fixed assets consisting of certain improvements, other than improvements to buildings, such as improvements to roads, bridges, curbs and gutters, streets and sidewalks and drainage systems, are not capitalized.

All fixed assets, except land, are valued at historical cost or estimated historical cost if actual historical cost is not available. Expenditures for construction in progress are recorded in the Capital Fund against authorizations under which the project was approved until such time as the construction is completed and put into operation.

The City is required to maintain a subsidiary ledger of detailed records of fixed assets and to provide property management standards to control fixed assets. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than five years and an acquisition cost of $\$ 5,000$ or more per unit.

The City has developed a fixed assets accounting and reporting system based on an inspection and appraisal prepared by an independent appraisal firm.

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

No depreciation has been provided in the financial statements.

GAAP requires the recording of infrastructure assets and requires capital assets be depreciated over their estimated useful life unless they are either inexhaustible or are infrastructure assets reported using the modified approach.

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reserves (Other than Reserve for Receivables) - Reserves, other than reserve for receivables, are considered liabilities, and not as a reservation of fund balance.

Reserves for Receivables - Receivables of the City, with the exception of certain intergovernmental receivables, are offset on the balance sheet with a credit that is created to preserve the revenue recognition basis required by the Division's accounting policies. The reserve delays the recognition of these revenues until they are received in cash.

Sale of Municipal Assets - The proceeds of the sale of municipal assets can be held until made available through a future budget appropriation. GAAP requires such proceeds to be recorded as revenue in the year of sale.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect: the reported amounts of assets and liabilities, 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.

Advertising Costs - Advertising costs are charged against the appropriate budget line as they occur. The City does not engage in direct-response advertising.

Fund Balance - Fund equity represented on the financial statements consists solely of Fund Balance, which is not further categorized with respect to reservations (portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use) or designations (plans for future use of financial resources).

Budgets and Budgetary Accounting - The City is required to adopt an annual budget and integrate it 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 City and approved by the Division in accordance with the Local Budget Law. Budgets are adopted on the same basis of accounting utilized for the preparation of the City's financial statements. The budgetary requirements herein outlined are applicable to only the Current Fund, and not the Trust Fund, Capital Fund or General Fixed Assets.

Statutes further require the City to annually adopt a six-year capital plan. This plan allows the governing body to expend or incur obligations for capital purposes only. Such projects under the plan must be adopted through capital ordinance.

DECEMBER 31, 2018 AND 2017

## NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## BASIS OF ACCOUNTING (continued)

## Budgets and Budgetary Accounting - continued

The City must adhere to procedures for adoption of its annual budget as established by the Division. These procedures include statutory deadlines of: February 10 for introduction and approval and March 20 for adoption. These dates are subject to extension by the Division by approval of the Local Finance Board. Appropriations within the adopted budget cannot be modified until the final two months of the year at which time transfers between certain line items are allowed. Transfers from appropriations excluded from "CAPS" are prohibited unless they are between debt service appropriations. Under certain circumstances emergency authorizations and insertions of items of revenue and appropriation are allowed by authorization of the governing body, subject to approval of the Division.

The City must prepare its budgets in compliance with applicable laws capping the amounts by which both the budgeted appropriations and the tax levy can be increased. A description of both "CAPS" follows:

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the City is permitted to increase its overall appropriations (with certain exceptions) by $2.5 \%$ or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the traditional Federal government inflation calculation. The City can, when the COLA is less than or equal to $2.5 \%$, increase its allowable inside-the-cap spending to $3.5 \%$, upon passage of a COLA Rate Ordinance.

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A 40A:4-45.44 through 45.47. It establishes limits on the increase in the total City amount to be raised by taxation (tax levy). The core of the levy cap formula is a $2 \%$ increase to the previous year's amount to be raised by taxation, net of any applicable cap base adjustments and emergency or special emergency appropriations.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Investments - New Jersey governmental units are required to deposit public funds in a public depository. Public depositories are defined by statutes as any state or federally chartered bank, savings bank or an association located in New Jersey or a state or federally chartered bank, savings bank or an association located in another state with a branch office in New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation ("FDIC") and which receives or holds public funds on deposit, but does not include deposits held by the State of New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The City is also required to annually adopt a cash management plan and to deposit or invest its funds pursuant to the cash management plan. The cash management plan adopted by the City requires it to deposit funds as permitted in N.J.S.A 40:5-15.1, so long as the funds are deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey and requires all public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

In 2009, legislation revised GUDPA to provide higher levels of security and oversight. The revised GUDPA ensures a common level of deposit risk for each bank choosing to accept local government deposits. It requires banks to fully collateralize deposits over $\$ 200$ million, implements enforcement protocol which allows the Department of Banking and Insurance to institute risk-based collateral requirements promptly when a bank shows signs of stress, provides enhanced oversight by the Department of Banking and Insurance and permits GUDPA certificates to be provided through an online system.

Cash Equivalents include certificate of deposits with a maturity date of three (3) month or less.

Also see Note B - Cash and Cash Equivalents.

## NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## BASIC FINANCIAL STATEMENTS

The GASB Codification also requires the financial statements of a governmental unit presented in the general purpose financial statements to be in accordance with GAAP. The City presents financial statements which are required by the Division and which differ from the financial statements required by GAAP. These financial statements are listed in the table of contents.

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

Reclassifications - Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. These reclassifications had no effect on fund balance and changes in fund balance.

Reconciliation of Accounting Basis - As described throughout Note A, substantial differences exist between GAAP and the budgetary basis prescribed by the Division. Reconciliation between the two would not be meaningful or informative and therefore is not provided herein.

## NOTE B. CASH AND CASH EQUIVALENTS

## DEPOSITS

The City's cash and cash equivalents on deposit are partially insured by the FDIC up to $\$ 250,000$ for each depository. Deposits in excess of FDIC limits, as noted below, are insured or collateralized by a collateral pool maintained by public depositories as required by GUDPA (see Note A - Cash and Investments) or are on deposit with the New Jersey Cash Management Fund or Municipal Investors Service Corporation.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a deposit policy for custodial credit risk.

## DECEMBER 31, 2018 AND 2017

## NOTE B. CASH AND CASH EQUIVALENTS (continued)

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:
a. Uncollateralized.
b. Collateralized with securities held by the pledging financial institution.
c. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

The City's cash and cash equivalents on deposit at December 31, 2018 and 2017 are summarized in the following table. At December 31, 2018, 78\% of the City's deposits were with one financial institution and the remaining $22 \%$ of deposits were distributed among seven financial institutions. As of December 31, 2017, $70 \%$ of the City's deposits were with one financial institution and the remaining $30 \%$ of deposits were distributed among seven financial institutions.

|  | At December 31, |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | 2018 |  | 2017 |  |
| FDIC Insured | \$ | 1,580,047 | \$ | 1,541,460 |
| GUDPA Insured |  | 315,058,654 |  | 238,554,562 |
| New Jersey Cash Management Fund |  | 116,804 |  | 114,697 |
|  | \$ | 316,755,505 | \$ | 240,210,719 |

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect deposits. None of the City's deposits as of December 31, 2018 and 2017 are known to be held in foreign currency.

## INVESTMENTS

Custodial Credit Risk - In the case of investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the City's name and are held by either the counterparty or its trust department or agent, but not in the City's name.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE B. CASH AND CASH EQUIVALENTS (continued)

## INVESTMENTS (continued)

New Jersey statutes permit the City to purchase the following types of securities when authorized by the cash management plan (described in note A):

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- Government money market mutual funds.
- Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located.
- Bonds or other obligations having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units.
- Local Finance Notice 2017-24 further authorizes local governments, such as the City, to invest in notes issued by New Jersey municipalities, counties, fire districts and boards of education without prior Division approval, so long as such investments are incorporated into a cash management plan.
- Debt obligations from the following local government entities are statutorily authorized to be incorporated into a cash management plan without being subject to a 397-day maturity limit: Parking Authorities, Sewerage and Utilities Authorities, County Improvement Authorities, Pollution control Financing Authority, certain Water Commissions, Municipal Port Authorities, Municipal Shared Service Energy Authority as well as bonds issued pursuant to the Local Redevelopment and Housing Law by authorities, redevelopment agencies, municipalities and counties.
- Local government investment pools.
- Deposits with the State of New Jersey Cash Management Fund.
- Agreements for the repurchase of fully collateralized securities if (a) the underlying securities are permitted investments pursuant to the first and third bullets of this section, (b) the custody of collateral is transferred to a third party, (c) the maturity of the agreement is not more than 30 days, (d) the underlying securities are purchased through a public depository and (e) a master repurchase agreement providing for the custody and security of collateral is executed.


# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE B. CASH AND CASH EQUIVALENTS (continued)

Foreign Currency Risk - Investments are also exposed to the same foreign currency risk as deposits. It is the risk that changes in exchange rates will adversely affect investments. The City does not have any investments denominated in foreign currency as of December 31, 2018 and 2017.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have an investment policy regarding the management of credit risk.

Concentration of Credit Risk - The City places no formal limit on the amount it may invest in any one issuer. New Jersey Statutes limit municipal investments to those specified and summarily identified in the first paragraph of the "Investments" section of this Note. Currently, the City's only investments consist of deposits in the New Jersey Cash Management Fund and MBIA Municipal Investors Service Corporation, which are both classified as Government Investment Pools.

The City's investments at December 31, 2018 and 2017 are presented as follows:


* Short-term investments are carried at cost, which approximates fair value.

Government Investment Pools consists of investments in the New Jersey Cash Management Fund and MBIA Municipal Investors Service Corporation. Because of their liquidity, these investments are classified as cash and cash equivalents on the financial statements of the City. These investments are described in more detail as follows

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE B. CASH AND CASH EQUIVALENTS (continued)

New Jersey Cash Management Fund - All investments in the New Jersey Cash Management Fund are governed by the regulations of the State Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In addition to the Investment Council regulations, the Division of Investment sets further standards for specific investments and monitors the credit of all eligible securities issues on a regular basis. In all the years of the Division of Investment's existence, it has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated in the New Jersey Cash Management Fund as additional protection for the other-than-State participants, which includes the City. The City does not own specific identifiable securities, but instead has a net realizable interest in the joint value of the fund. There is no available credit rating for the New Jersey Cash Management Fund. As of December 31, 2018 and 2017, the City had a balance of $\$ 116,804$ and $\$ 114,697$, respectively, in the New Jersey Cash Management Fund.

## NOTE C. PROPERTY TAXES

## PROPERTY TAX CALENDAR

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1 and November 1. The City annually holds an accelerated tax sale which includes unpaid taxes, as well as assessments and other municipal charges, as of November 11 of the current year.

The amount of tax levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the budget of the following entities:

County Taxes - The City is responsible for levying, collecting and remitting county taxes for the County of Hudson. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. Monies are forwarded to the County quarterly. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year. As of December 31, 2018 and 2017, the City had County taxes payable of $\$ 2,969,537$ and $\$ 1,490,205$, respectively.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE C. PROPERTY TAXES (continued)

School Taxes - The City is responsible for levying, collecting and remitting school taxes for the local school district. Monies are forwarded to the school district monthly. Operations is charged for the full amount due to operate the local school district, and is based upon the annual County certification of apportionment of levies. As of December 31, 2018 and 2017, the City had no school taxes payable.

Special Improvement District - The City is responsible for levying, collecting and remitting Special Improvement District (SID) taxes for the Central Ave SID, Journal Square Restoration Corp. SID, Historic Downtown / Newark Ave SID, McGinley Square Partnership SID and the Jackson Hill Main Street SID. The SID taxes are derived from assessments made upon the members within the SID. Monies are forwarded to the SIDs monthly. As of December 31, 2018 and 2017, the City had on reserve for SIDs $\$ 61,888$ and $\$ 137,326$, respectively.

Municipal Open Space Taxes - In 2017, voters of the City approved a referendum for the collection of an additional assessed valuation to be added to the tax levy and dedicated to provide funding for approved open space purposes. During 2018 and 2017, the rate of this additional assessment was $\$ 0.002$ per $\$ 100$ of assessed valuation. Operations is charged for the amount due to the Open Space Trust Fund, based upon the annual County certification of apportionment of levies. The municipal open space tax levied during the years ended December 31, 2018 and 2017 was $\$ 687,217$ and $\$ 623,000$, respectively.

## PROPERTY TAXES RECEIVABLE

Reserve for Uncollected Taxes - Reserve for Uncollected Taxes is a non-spending item of appropriation required by statute to be included in the City's annual budget. This appropriation protects the City from taxes not paid currently by providing assurance that cash collected in the current year will provide sufficient cash flow to meet obligations as they become due. The minimum amount required to be appropriated in the budget is determined on the percentage of collections experiences in the immediate preceding year, unless the three-year average option is chosen. For the years ended December 31, 2018 and 2017, the budgeted reserve for uncollected taxes was $\$ 7,599,511$ and $\$ 4,880,770$, respectively.

Delinquent Taxes and Tax Title Liens - As described in Note A, taxes receivable and tax title liens are realized as revenue when collected. Uncollected receivables are fully reserved, so no provision is made for the uncollectible portions of these taxes. As of December 31, 2018 and 2017, property taxes receivable were $\$ 3,442,607$ and $\$ 10,252,653$, respectively, and tax title liens receivable were $\$ 45,428$ and $\$ 37,154$, respectively.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE C. PROPERTY TAXES (continued)

Prepaid Taxes - Taxes collected in advance are recorded as cash liabilities in the financial statements. Prepaid taxes as of December 31, 2018 and 2017 were $\$ 5,122,504$ and $\$ 14,023,865$, respectively.

Tax Overpayments - Overpaid taxes collected during the year and due to taxpayers either as a refund or tax credit are recorded as cash liabilities in the financial statements. Tax overpayments as of December 31, 2018 and 2017 were $\$ 4,308,699$ and $\$ 2,176,043$, respectively.

Property Acquired by Tax Title Lien Liquidation - The City held its annual accelerated tax sale on December 17, 2018. The value of properties acquired by tax title liens at December 31, 2018 and 2017 were $\$ 1,455,500$, each year.

When such property is sold in the manner provided by statute and sales contracts are entered into in lieu of cash sales, a separate account must be maintained for "Sales Contracts Receivable - Property Acquired for Taxes". The value of such receivables at December 31, 2018 and 2017 were $\$ 285,550$, each year.

## NOTE D. MUNICIPAL DEBT

## SUMMARY OF MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds to finance general municipal and utility capital expenditures. Most bonds are retired in serial installments within the statutory period of usefulness. Other bonds may be term bonds with sinking fund requirements. Bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond Anticipation Notes, which are issued to temporarily finance capital projects, must be paid off within ten years or retired by the issuance of bonds.

Qualified Bonds - Certain bonds of the City are issued pursuant to the Municipal Qualified Bond Act. Under this act, portions of State Aid revenues are withheld by the State of New Jersey and forwarded directly to paying agents for principal and interest payments of such bonds. The City is responsible to certify maturity schedules of the qualified bonds to the State. Qualified bonds are identified within each of bond schedules that follow. During the years ended December 31, 2018 and 2017, the State of New Jersey paid $\$ 40,617,125$ and $\$ 46,019,272$, respectively, of qualified bond interest and principal maturities on behalf of the City in lieu of direct State Aid payments to the City.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

School Debt (Included as Obligations of the City) - In the general election of November 4, 2008, the Jersey City Board of Education was voted to become a Type II School District. As such, statutes require bonds and notes issued and authorized by the Board of Education to be included in the City's statutory gross debt, but are not obligations of the City. Only the amount of school district debt exceeding the school district's debt limit, if any, is included in the net debt of the City.

However, prior to the general election of November 4, 2008, including its time as a State-Operated School District from October 4, 1989 through April 17, 2008, the Jersey City Board of Education operated as a Type I school district. Therefore any bonds and notes issued and authorized by the Board of Education prior to November 4, 2008, and still outstanding as of December 31, 2018 and 2017, remain general obligations of the City.

Statutory Debt - At December 31, 2018 and 2017, the City's statutory debt as defined by the Local Bond Law is summarized as follows:

| Issued: | Dec. 31, 2018 |  |  |  |  |  | Dec. 31, 2017 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Issued and Outstanding |  | Authorized but |  | Total |  |  |  |
|  |  |  |  | ote Issued |  |  | Total |  |
| General: |  |  |  |  |  |  |  |  |
| General Improvement Bonds | \$ | 326,263,000 | \$ | 174,739,629 | \$ | 501,002,629 | \$ | 380,729,629 |
| Green Trust Loans |  | 847,540 |  | - |  | 847,540 |  | 950,779 |
| Bond Anticipation Notes |  | 81,033,098 |  | - |  | 81,033,098 |  | 24,901,000 |
| Local Improvement Bonds |  | 10,631,000 |  | - |  | 10,631,000 |  | 11,226,000 |
| Water Improvement Bonds |  | 16,550,000 |  | - |  | 16,550,000 |  | 21,150,000 |
| School Improvement Bonds |  | 15,930,000 |  | 1,587,258 |  | 17,517,258 |  | 22,417,258 |
| Pension Refunding Bonds |  | 31,435,000 |  | - |  | 31,435,000 |  | 36,710,000 |
| Total Gross Statutory Debt Issued |  | 482,689,638 |  | 176,326,887 |  | 659,016,525 |  | 498,084,666 |
| Debt of JCMUA Guaranteed by City |  | 177,214,922 |  | - |  | 177,214,922 |  | 150,221,941 |
|  |  | 659,904,560 |  | 176,326,887 |  | 836,231,447 |  | 648,306,607 |
| Less Statutory Deductions to Debt Limit: |  |  |  |  |  |  |  |  |
| Debt of JCMUA Guaranteed by City |  | 177,214,922 |  | - |  | 177,214,922 |  | 150,221,941 |
| Due from JCMUA for Issued Water Debt |  | 16,550,000 |  | - |  | 16,550,000 |  | 21,150,000 |
| Bonds and Notes for School Purposes |  | 15,930,000 |  | 1,587,258 |  | 17,517,258 |  | 22,417,258 |
| Funds on Hand |  | 17,581,000 |  | - |  | 17,581,000 |  | - |
| NJSA40A:2-52 Refunding Bonds: <br> Pension Refunding |  | 31,435,000 |  | - |  | 31,435,000 |  | 36,710,000 |
| Net Statutory Bonds and Notes Issued and Authorized but not Issued | \$ | 418,774,638 | \$ | 174,739,629 | \$ | 575,933,267 | \$ | 417,807,408 |

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

In addition to the general capital debt shown in the preceding schedule, the City had additional debt which, in accordance with statutes, is not included as part of the City's statutory debt position. All such debt is recorded in the Current Fund and is as follows:

## Current Fund Debt

Issued:

| Dec. 31, 2018 |  | Dec. 31, 2017 |  |
| :---: | :---: | :---: | :---: |
| \$ | 19,200,000 | \$ | 9,700,000 |
|  | 3,000,000 |  | 4,000,000 |
|  | 940,500 |  | - |
| \$ | 23,140,500 | \$ | 13,700,000 |

Summary of Long-Term Debt - The following is a summary of changes in long-term debt for the year ended December 31, 2018:

|  | $\begin{gathered} \text { Balance } \\ \text { Dec. 31, } 2017 \\ \hline \end{gathered}$ |  | (1) <br> New Issues |  | (1) <br> Retirements |  | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2018 \\ \hline \end{gathered}$ |  | $\begin{gathered} \text { Due by } \\ \text { Dec. } 31,2019 \\ \hline \end{gathered}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| School Serial Bonds | \$ | 20,830,000 | \$ | - | \$ | 4,900,000 | \$ | 15,930,000 | \$ | 4,715,000 |
| General Serial and Term Bonds |  | 352,980,000 |  | 9,125,000 |  | 35,842,000 |  | 326,263,000 |  | 42,511,000 |
| Pension Refunding Bonds |  | 36,710,000 |  | - |  | 5,275,000 |  | 31,435,000 |  | 2,220,000 |
| Water Serial Bonds |  | 21,150,000 |  | - |  | 4,600,000 |  | 16,550,000 |  | 3,350,000 |
| Local Improvement Bond |  | 11,226,000 |  | - |  | 595,000 |  | 10,631,000 |  | 595,000 |
| Green Trust Loans |  | 950,779 |  | - |  | 103,239 |  | 847,540 |  | 100,761 |
|  | \$ | 443,846,779 | \$ | 9,125,000 | \$ | $\underline{\text { 51,315,239 }}$ | \$ | 401,656,540 | \$ | 53,491,761 |

The following is a summary of changes in long-term debt for the year ended December 31, 2017:

|  | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2016 \end{gathered}$ |  | (1) <br> New Issues |  | (1) <br> Retirements |  | Balance <br> Dec. 31, 2017 |  | Due by <br> Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| School Serial Bonds | \$ | 27,155,000 | \$ | - | \$ | 6,325,000 | \$ | 20,830,000 | \$ | 4,900,000 |
| General Serial and Term Bonds |  | 390,017,000 |  | - |  | 37,037,000 |  | 352,980,000 |  | 35,842,000 |
| Pension Refunding Bonds |  | 38,365,000 |  |  |  | 1,655,000 |  | 36,710,000 |  | 5,275,000 |
| Water Serial Bonds |  | 25,590,000 |  |  |  | 4,440,000 |  | 21,150,000 |  | 4,600,000 |
| Local Improvement Bond |  | 11,821,000 |  |  |  | 595,000 |  | 11,226,000 |  | 595,000 |
| Green Trust Loans |  | 1,056,405 |  | - |  | 105,626 |  | 950,779 |  | 103,239 |
|  | \$ | 494,004,405 | \$ |  | \$ | 50,157,626 | \$ | 443,846,779 | \$ | 51,315,239 |

(1) New issues and retirements are shown net of amounts refunded, which are described more fully as follows.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

Debt Refunding - On November 20, 2018, the City issued General Improvement Refunding Bonds, Taxable Series 2017A, in the amount of $\$ 9,125,000$, the proceeds of which refunded and permanently financed $\$ 9,125,000$ of the Bond Anticipation Notes, Series 2018A, issued on January 18, 2018 in the amount of $\$ 17,734,000$. Proceeds were also used to pay certain costs associated with the issuance of the bonds.

On July 13, 2017, the City issued General Improvement Refunding Bonds, Taxable Series 2017A, in the amount of $\$ 70,915,000$, the proceeds of which, together with premiums of $\$ 1,055,000$ refunded $\$ 71,970,000$ of the General Improvement 'Build America' Bonds, Taxable Series 2010B issued on November 3, 2010 in the original amount of $\$ 84,495,000$. Proceeds were also used to pay certain costs associated with the issuance of the bonds.

The City also renewed or refunded Bond Anticipation Notes in the amount outstanding at December 31,2018 of $\$ 21,001,983$. Proceeds of the renewed or refunded notes were used to pay the principal of the maturing notes less statutory minimum payments appropriated through the Current Fund budget. Bond Anticipation Notes are more fully discussed herein.

## BONDS PAYABLE

General Serial and Term Bonds Payable - The City has outstanding at December 31, 2018 and 2017 various general serial and term bonds. The following table, which includes fiscal year adjustment bonds in addition to the general improvement bonds, is a summary of the activity for such debt during the year ended December 31, 2018 and the short term liability for each bond outstanding at year end:

| Description | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2017 \\ \hline \end{gathered}$ |  | Increase |  | Decrease |  | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2018 \\ \hline \end{gathered}$ |  | Due by Dec. 31, 2019 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Qualified Fiscal Year Adjustment | \$ | 1,365,000 | \$ |  | \$ | 430,000 | \$ | 935,000 | \$ | 455,000 |
| Refunding Bonds, Taxable Series 2004D <br> Issued 10/15/2004 for $\$ 5,515,000$ <br> Maturing annually from 2004 to 2020 <br> Bearing interest rates of 4.306-5.246\% |  |  |  |  |  |  |  |  |  |  |
| Qualified Fiscal Year Adjustment <br> Refunding Bonds, Taxable Series 2004D Issued 10/15/2004 for \$5,330,000 Maturing annually from 2004 to 2020 Bearing interest rates of 4.306-5.246\% |  | 1,315,000 |  | - |  | 415,000 |  | 900,000 |  | 440,000 |
| Qualified Fiscal Year Adjustment <br> Refunding Bonds, Taxable Series 2004D <br> Issued 10/15/2004 for \$6,570,000 <br> Maturing annually from 2004 to 2020 <br> Bearing interest rates of 4.306-5.246\% |  | 1,630,000 |  | - |  | 515,000 |  | 1,115,000 |  | 545,000 |

## DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)



# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

| Description | Balance Dec. 31, 2017 |  | Increase |  | Decrease |  | Balance Dec. 31, 2018 |  | Due by <br> Dec. 31, 2019 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Qualified General Improvement Bonds, Series 2012 Issued 8/21/2012 for $\$ 24,875,000$ <br> For partial funding of Ordinance No. 12-042 <br> Maturing annually on March 1, 2013-2027 Bearing interest rates of $3.00-5.00 \%$ | \$ | 18,115,000 | \$ |  | \$ | 1,490,000 | \$ | 16,625,000 | \$ | 1,550,000 |
| Qualified General Improvement Refunding <br> Bonds, Series 2012A <br> Issued 9/6/2012 for $\$ 16,405,000$ <br> To refund Qualified General Improvement Bonds <br> Maturing annually on Sept. 1, 2013-2025 <br> Bearing interest rates of $2.75-4.00 \%$ |  | 13,085,000 <br> 5/2005 |  |  |  | 1,480,000 |  | 11,605,000 |  | 1,530,000 |
| Qualified General Improvement Refunding <br> Bonds, Taxable Series 2012C <br> Issued 9/6/2012 for \$4,690,000 <br> Maturing annually on Sept. 1, 2013-2022 and 2033 |  | 3,855,000 |  |  |  | 170,000 |  | 3,685,000 |  | 180,000 |
| Qualified Public Improvement Refunding <br> Bonds, Taxable Series 2013A <br> Issued 3/20/2013 for \$24,670,000 <br> Maturing annually on Sept. 1, 2014-2020 <br> Bearing interest rates of 0.942-2.723\% |  | 6,395,000 |  |  |  | 3,110,000 |  | 3,285,000 |  | 1,660,000 |
| General Improvement Bonds, Series 2014 Issued 12/11/2014 for $\$ 31,820,000$ <br> To Fund Ordinance No. 14.131 <br> Maturing annually on Dec. 1, 2015-2027 <br> Bearing interest rates of 3-5\% |  | 25,630,000 |  |  |  | 2,145,000 |  | 23,485,000 |  | 2,210,000 |
| Qualified General Improvement Refunding Bonds <br> Tax-Exempt Series 2014A <br> Issued 11/20/2014 for $\$ 16,590,000$ <br> To refund Qualified General Improvement Bonds <br> Maturing annually on August 1, 2015-2023 <br> Bearing interest rates of 2-5\% |  | $14,340,000$ 2/2006 |  |  |  | 2,150,000 |  | 12,190,000 |  | 2,240,000 |
| Qualified Public Improvement Refunding Bonds, <br> Taxable Series 2014 <br> Issued 11/20/2014 for $\$ 29,945,000$ <br> To refund Qualified Public Improvement Refundin <br> Maturing annually on Sept. 1, 2015-2022 <br> Bearing interest rates of 0.659-3.286\% |  | $28,675,000$ <br> dated $3 / 30$ |  |  |  | 350,000 |  | 28,325,000 |  | 355,000 |
| General Improvement Refunding Bonds, <br> Series 2015A <br> Issued $11 / 25 / 2015$ for $\$ 13,060,000$ <br> To refund Qualified Public Improvement Refundin <br> Maturing on Feb. 15, 2016 and annually therafter <br> Bearing interest rates of $2.0 \%-4.0 \%$ |  | $\begin{aligned} & 12,975,000 \\ & \text { dated } 12 / 0 \\ & 8-2024 \end{aligned}$ |  |  |  | 1,630,000 |  | 11,345,000 |  | 1,700,000 |

## DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)



| \$ 352,980,000 | \$ 9,125,000 | \$ 35,842,000 | \$ 326,263,000 | \$ 42,511,000 |
| :---: | :---: | :---: | :---: | :---: |

DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

The following table is a summary of the activity for general serial and term bonds payable during the year ended December 31, 2017 and the short term liability for each bond outstanding at year end:

| Description | Balance <br> Dec. 31, 2016 |  | Increase |  | Decrease |  | Balance Dec. 31, 2017 |  | Due by Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Qualified Fiscal Year Adjustment <br> Refunding Bonds, Taxable Series 2004D <br> Issued 10/15/2004 for $\$ 5,515,000$ <br> Maturing annually from 2004 to 2020 <br> Bearing interest rates of 4.306-5.246\% | \$ | 1,775,000 | \$ |  | \$ | 410,000 | \$ | 1,365,000 | \$ | 430,000 |
| Qualified Fiscal Year Adjustment Refunding Bonds, Taxable Series 2004D Issued 10/15/2004 for \$5,330,000 Maturing annually from 2004 to 2020 Bearing interest rates of 4.306-5.246\% |  | 1,710,000 |  |  |  | 395,000 |  | 1,315,000 |  | 415,000 |
| Qualified Fiscal Year Adjustment Refunding Bonds, Taxable Series 2004D Issued 10/15/2004 for \$6,570,000 Maturing annually from 2004 to 2020 Bearing interest rates of 4.306-5.246\% |  | 2,120,000 |  | - |  | 490,000 |  | 1,630,000 |  | 515,000 |
| Qualified Public Improvement Refunding Bonds, Taxable Series 2006B Issued 3/30/2006 for \$72,595,000 Maturing in one lump sum in 2021 Bearing an interest rate of 5.49\% |  | 72,595,000 |  | - |  | 10,425,000 |  | 62,170,000 |  | 10,280,000 |
| Qualified General Improvement Refunding <br> Bonds, Series 2007A <br> Issued 4/25/2007 for \$27,680,000 <br> Maturing annually from 2014 to 2023 <br> Bearing interest rates of $4-5.55 \%$ |  | 4,935,000 |  | - |  | 4,935,000 |  | - |  | - |
| Qualified General Improvement Refunding <br> Bonds, Series 2007A <br> Issued 12/7/2007 for \$26,242,000 <br> For funding of Ordinance No. 07-162 <br> Maturing annually on August 1 from 2010 to 2024 Bearing interest rates of 4-4.25\% |  | 1,585,000 |  | - |  | 1,585,000 |  | - |  | - |
| Qualified General Improvement Bonds <br> Series 2009 <br> Issued 12/29/2009 for $\$ 39,928,000$ <br> For funding of Ordinance No. 08-148 <br> Maturing annually on January 15 from 2011 to 2029 <br> Bearing an interest rate of $5 \%$ |  | 5,415,000 |  | - |  | 1,725,000 |  | 3,690,000 |  | 1,805,000 |

DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

| Description | Balance Dec. 31, 2016 |  | Increase |  | Decrease |  | Balance Dec. 31, 2017 |  | Due by Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Qualified General Improvement HCIA Bonds <br> Series 2009 <br> Issued 12/17/2009 for $\$ 2,000,000$ <br> Maturing annually on August 1 from 2010 to 2019 <br> Bearing an interest rate of $8 \%$ | \$ | 695,000 | \$ |  | \$ | 222,000 | \$ | 473,000 | \$ | 232,000 |
| Qualified General Improvement Bonds <br> JCPA Tax Exempt, Series 2009A <br> Issued 12/17/2009 for $\$ 3,380,950$ <br> For funding of Ordinance No. 09-109 <br> Maturing annually on July 15 from 2010 to 2029 <br> Bearing interest rates of 4-5\% |  | 295,000 |  |  |  | 90,000 |  | 205,000 |  | 100,000 |
| Qualified General Improvement Bonds <br> JCPA Taxable, Series 2009A <br> For funding of Ordinance No. 09-109 <br> Issued 12/17/2009 for \$1,000,000 <br> Maturing annually on July 15 from 2010 to 2019 <br> Bearing interest rates of 4.75-6.00\% |  | 300,000 |  |  |  | 100,000 |  | 200,000 |  | 100,000 |
| General Improvement Bonds <br> Taxable Series 2010B, Build America Bonds <br> For funding of Ordinance No. 09-068 and 10-081 <br> Issued 11/3/2010 for $\$ 84,495,000$ <br> Maturing annually on Nov. 1, 2011-2027 and 2031 <br> Bearing interest rates of 3.25-7.25\% |  | $80,490,000$ $40$ |  | - |  | 73,660,000 |  | 6,830,000 |  | 2,180,000 |
| General Improvement Bonds, <br> Taxable Series 2010C <br> Recovery Zone Economic Development Bonds <br> For funding of Ordinance No. 09-068 and 10-081 <br> Issued $11 / 3 / 2010$ for $\$ 6,420,000$ <br> Maturing annually on Nov. 1, 2021-2025 and 2030 <br> Bearing interest rates of 3.25-7.25\% |  | $6,420,000$ |  | - |  | - |  | 6,420,000 |  | - |
| Qualified General Improvement Refunding <br> Bonds, Series 2011A <br> Issued 12/30/2011 for $\$ 11,253,000$ <br> To refund Qualified General Improvement Bonds <br> Maturing annually on Sept. 1, 2012-2019 and 2022 semiannually 2014 <br> Bearing interest rates of $1.75-4.00 \%$ |  | $\begin{aligned} & 6,775,000 \\ & 1 / 2003 \end{aligned}$ |  | - |  | 50,000 |  | 6,725,000 |  | 50,000 |
| Qualified General Improvement Bonds, Series 2012 Issued $8 / 21 / 2012$ for $\$ 24,875,000$ <br> For partial funding of Ordinance No. 12-042 <br> Maturing annually on March 1, 2013-2027 Bearing interest rates of 3.00-5.00\% |  | $19,555,000$ |  | - |  | 1,440,000 |  | 18,115,000 |  | 1,490,000 |
| Qualified General Improvement Refunding <br> Bonds, Series 2012A <br> Issued 9/6/2012 for $\$ 16,405,000$ <br> To refund Qualified General Improvement Bonds <br> Maturing annually on Sept. 1, 2013-2025 <br> Bearing interest rates of 2.75-4.00\% |  | $\begin{aligned} & 14,510,000 \\ & 15 / 2005 \end{aligned}$ |  | - |  | 1,425,000 |  | 13,085,000 |  | 1,480,000 |

## DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)



# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

| Description | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2016 \\ \hline \end{gathered}$ |  | Increase |  | Decrease |  | Balance Dec. 31, 2017 |  | Due by Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| General Improvement Refunding Bonds, <br> Taxable Series 2016A <br> Issued 11/2/2016 for \$18,635,000 <br> To refund Qualified General Improvem <br> Maturing annually on Sept. 1 from 201 <br> Bearing interest rates of $1.137 \%-2.573 \%$ | \$ | $18,635,000$ $\begin{aligned} & 25 / 2007 \\ & 2023 . \end{aligned}$ | \$ | - | \$ | 400,000 | \$ | 18,235,000 | \$ | 5,410,000 |
| General Improvement Refunding Bonds, <br> Taxable Series 2017A <br> (Refunding \$71,970,000 of <br> Build America Bonds, Series 2010B, <br> Issued 11/03/2010 for $\$ 84,495,000$ <br> Refunding Ordinance No. 16.133) |  | - |  | 70,915,000 |  | - |  | 70,915,000 |  | - |
|  |  | - $390,017,000$ | \$ | 70,915,000 | \$ | 107,952,000 | \$ | 352,980,000 | \$ | 35,842,000 |
| Refunded |  |  |  | $(70,915,000)$ |  | $(70,915,000)$ |  |  |  |  |
| New Debt/ Retired on Refunding |  |  |  | - |  | $(1,055,000)$ |  |  |  |  |
| Increase and Decrease Net of Refunding |  |  | \$ |  | \$ | 35,982,000 |  |  |  |  |

## General Serial and Term Bonds - Sinking Fund Redemption

Following is the sinking fund schedule for each of the term bond payments required for these bonds:

|  |  |  |  | SCHED |  | MANDAT |  | KINGFU |  | MENTS |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Series |  | erm Bonds |  |  |  | es 2012C monds aturing |  | 2016A-B <br> monds <br> aturing |  |  |  |  |
|  |  | v. 1, 2030 |  | v. 1, 2035 |  | v. 1, 2040 |  | . 1,2033 |  | t. 1, 2023 |  | t. 1,2033 |  | OTAL |
| 2022 | \$ | - | \$ | - | \$ | - | \$ | - | \$ | 290,000 | \$ | - | \$ | 290,000 |
| 2023 |  | - |  | - |  | - |  | 205,000 |  | 3,980,000 |  | - |  | 4,185,000 |
| 2024 |  | - |  | - |  | - |  | 215,000 |  | - |  | 15,000 |  | 230,000 |
| 2025 |  | - |  | - |  | - |  | 225,000 |  | - |  | 15,000 |  | 240,000 |
| 2026 |  | 255,000 |  | - |  | - |  | 240,000 |  | - |  | 15,000 |  | 510,000 |
| 2027 |  | 265,000 |  | - |  | - |  | 250,000 |  | - |  | 15,000 |  | 530,000 |
| 2028 |  | 275,000 |  | - |  | - |  | 265,000 |  | - |  | 15,000 |  | 555,000 |
| 2029 |  | 295,000 |  | - |  | - |  | 275,000 |  | - |  | 395,000 |  | 965,000 |
| 2030 |  | 305,000 |  | - |  | - |  | 290,000 |  | - |  | 405,000 |  | 1,000,000 |
| 2031 |  | - |  | 315,000 |  | - |  | 310,000 |  | - |  | 425,000 |  | 1,050,000 |
| 2032 |  | - |  | 335,000 |  | - |  | 320,000 |  | - |  | 435,000 |  | 1,090,000 |
| 2033 |  | - |  | 345,000 |  | - |  | 335,000 |  | - |  | 455,000 |  | 1,135,000 |
| 2034 |  | - |  | 355,000 |  | - |  | - |  | - |  | - |  | 355,000 |
| 2035 |  | - |  | 375,000 |  | - |  | - |  | - |  | - |  | 375,000 |
| 2036 |  | - |  | - |  | 395,000 |  | - |  | - |  | - |  | 395,000 |
| 2037 |  | - |  | - |  | 405,000 |  | - |  | - |  | - |  | 405,000 |
| 2038 |  | - |  | - |  | 435,000 |  | - |  | - |  | - |  | 435,000 |
| 2039 |  | - |  | - |  | 450,000 |  | - |  | - |  | - |  | 450,000 |
| 2040 |  | - |  | - |  | 465,000 |  | - |  | - |  | - |  | 465,000 |
| Due at |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Maturity | \$ | 1,395,000 | \$ | 1,725,000 | \$ | 2,150,000 | \$ | 2,930,000 | \$ | 4,270,000 | \$ | 2,190,000 | \$ | 14,660,000 |
|  |  |  |  |  |  |  |  | 2016A | \$ | 3,685,000 |  |  |  |  |
|  |  |  |  |  |  |  |  | es 2016B |  | 585,000 |  |  |  |  |
|  |  |  |  |  |  |  |  |  | \$ | 4,270,000 |  |  |  |  |

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

The General Improvement Bonds dated November 3, 2010 (Series 2010B and 2010C), the Qualified General Improvement Refunding Bonds dated September 6, 2012 (Taxable Series 2012C) and the Taxable Refunding Bonds dated November 2, 2016 (Series 2016A and 2016B) consist partially of term bonds in addition to serial payments. These term bonds are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to $100 \%$ of the principal amount to be redeemed, plus accrued interest thereon to the date fixed for redemption.

Build America and Recovery Zone Bonds - The City has outstanding at December 31, 2018 and 2017 Build America Bonds and Recovery Zone Economic Development Bonds. As part of the American Recovery and Reinvestment Act (ARRA), the City is to receive Federal subsidy payments equal to $35 \%$ of the interest payments on Build America Bonds and $45 \%$ of the interest payments on Recovery Zone Bonds.

|  | Outstanding at December 31, |  |  |  | Federal Government Subsidies |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |  |
| Build America Bonds | \$ | 4,650,000 | \$ | 6,830,000 | \$ | 1,752,190 | \$ | 1,768,300 |
| Recovery Zone Economic |  |  |  |  |  |  |  |  |
| Development Bonds |  | 6,420,000 |  | 6,420,000 |  | 197,559 |  | 196,503 |
|  | \$ | 11,070,000 | \$ | 13,250,000 | \$ | 1,949,749 | \$ | 1,964,803 |

Original Serial Maturities Dated November 1 of 2021 through 2027 Refunded by 2017A Bonds.

School Serial Bonds Payable - The City has outstanding at December 31, 2018 and 2017 various school serial bond debt issues. The following table is a summary of the activity for such debt during the year ended December 31, 2018 and the short term liability for each bond outstanding at year end:


# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

The following table is a summary of the activity for such debt during the year ended December 31, 2017 and the short term liability for each bond outstanding at year end:


Water Serial Bonds Payable - The City has outstanding at December 31, 2017 and 2016 various water serial bond debt issues.

The following table is a summary of the activity for such debt during the year ended December 31, 2018 and the short term liability for each bond outstanding at year end:

## DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)



## DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

The following table is a summary of the activity for such debt during the year ended December 31, 2017 and the short term liability for each bond outstanding at year end:

| Description | Balance <br> Dec. 31, 2016 |  | Increase |  | Decrease |  | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2017 \end{gathered}$ |  | Due by Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Qualified Water Refunding Bonds, Series 2007B <br> Issued 4/25/2007 for \$10,930,000 <br> Maturing annually from 2010 to 2023 and 2033 <br> Bearing interest rates of 4-5\% | \$ | 235,000 | \$ |  | \$ | 235,000 | \$ | - | \$ |  |
| Qualified Water Improvement Refunding <br> Bonds, Series 2011B <br> Issued 12/30/2011 for \$1,987,000 <br> Maturing annually: 2012-2019, 2022, 2024-2028; semiannually 2014 <br> Bearing interest rates of $1.75-4.00 \%$ |  | 1,690,000 |  |  |  | 10,000 |  | 1,680,000 |  | 10,000 |
| Qualified Water Improvement Refunding <br> Bonds, Series 2012B <br> Issued 9/6/12 for \$4,265,000 <br> To refund Water Capital Improvement Bonds and Qualified Water Improvement Bonds da <br> Maturing annually: 2013-2024 <br> Bearing interest rates of 2.75-4.00\% |  | 4,170,000 |  |  |  | 625,000 |  | 3,545,000 |  | 710,000 |
| Qualified Water Improvement Refunding <br> Bonds, Series 2013B <br> Issued 3/20/2013 for \$12,050,000 <br> To refund Qualified Water <br> Refunding Bonds dated 10/15/2005 <br> Maturing annually: 2014-2021 <br> Bearing interest rates of 0.942-3.055\% |  | 7,300,000 |  |  |  | 2,180,000 |  | 5,120,000 |  | 2,225,000 |
| Qualified Water Improvement Refunding Bonds, Series 2014A Issued 11/20/14 for $\$ 1,990,000$ To Refund Qualified Water Improvement Bond Maturing annually on Aug. 1 from 2015 to 2021 Bearing interests of 2-4\% | $d 11$ | $1,965,000$ /2006 |  |  |  | 365,000 |  | 1,600,000 |  | 380,000 |
| Water Improvement Refunding Bonds, <br> Series 2016B <br> Issued 5/13/16 for $\$ 6,335,000$ <br> To Refund Qualified Water Refunding Bonds Maturing annually on Jan. 15 from 2017 to 2022 Bearing interests of 2-5\% | $3 / 30$ | $6,285,000$ |  |  |  | 965,000 |  | 5,320,000 |  | 1,000,000 |
| Water Refunding Bonds, Taxable Series 2016B Issued 11/2/16 for $\$ 3,945,000$ <br> To Refund Qualified Water Refunding Bonds Maturing annually on Sept. 1 from 2017 to 2021 Bearing interests of 1.137-3.758\% | $4 / 25$ $2023$ | $3,945,000$ |  | - |  | 60,000 |  | 3,885,000 |  | 275,000 |
|  |  | 25,590,000 | \$ |  | \$ | 4,440,000 | \$ | 21,150,000 | \$ | 4,600,000 |

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

Local Improvement Bonds Payable - The City has outstanding at December 31, 2018 and 2017 a bond issued for the Greene Street Local Improvement Project. The following table is a summary of the activity for such debt during the year ended December 31, 2018 and the short term liability outstanding at year end:


The following table is a summary of the activity for such debt during the year ended December 31, 2017 and the short term liability outstanding at year end:

| Description | Balance <br> Bec 312016 |  | Increase |  | Decrease |  | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2017 \\ \hline \end{gathered}$ |  | Due by Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Local Improvement | \$ | 11,821,000 | \$ | - | \$ | 595,000 | \$ | 11,226,000 | \$ | 595,000 |
| Bonds, Taxable Series 2016A |  |  |  |  |  |  |  |  |  |  |
| (Funding of Ordinance No. 01-057) |  |  |  |  |  |  |  |  |  |  |
| Maturing annually from 2018 to 2036 |  |  |  |  |  |  |  |  |  |  |
| Bearing interests of 3.00-4.25\% |  | - |  | - |  | - |  | - |  |  |
|  |  | 11,821,000 | \$ | - | \$ | 595,000 | \$ | 11,226,000 | \$ | 595,000 |

Pension Refunding Bonds Payable - The City has outstanding at December 31, 2018 and 2017 various pension refunding bond debt issues. The following table summarizes the activity of such debt during the year ended December 31, 2018 and the short term liability for each bond outstanding at year end:

DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

2018 Summary of Pension Refunding Bonds Activity

| Description | Balance Dec. 31, 2017 |  | Increase |  | Decrease |  | Balance Dec. 31, 2018 |  | Due by Dec. 31, 2019 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Pension Obligation Refunding Bonds | \$ | 16,670,000 | \$ |  | \$ | 1,655,000 | \$ | 15,015,000 | \$ | 1,895,000 |
| Series 2003A, Taxable |  |  |  |  |  |  |  |  |  |  |
| Issued 1/15/2003 for \$23,595,000 |  |  |  |  |  |  |  |  |  |  |
| Maturing annually from 2012 to 2024 |  |  |  |  |  |  |  |  |  |  |
| Bearing interest rates of 4.8-5.5\% |  |  |  |  |  |  |  |  |  |  |
| Pension Obligation Refunding Bonds |  | 16,695,000 |  | - |  | 275,000 |  | 16,420,000 |  | 325,000 |
| Series 2003A, Taxable |  |  |  |  |  |  |  |  |  |  |
| Issued 3/15/2003 for \$17,465,000 |  |  |  |  |  |  |  |  |  |  |
| Maturing annually from 2012 to 2033 |  |  |  |  |  |  |  |  |  |  |
| Bearing interest rates of 4.58-5.46\% |  |  |  |  |  |  |  |  |  |  |
| Pension Obligation Refunding Bonds |  | 3,345,000 |  | - |  | 3,345,000 |  | - |  | - |
| Series 2006, Taxable |  |  |  |  |  |  |  |  |  |  |
| Issued 3/22/2006 for \$3,345,000 |  |  |  |  |  |  |  |  |  |  |
| Maturing in one lump sum in 2018 |  |  |  |  |  |  |  |  |  |  |
| Bearing an interest rate of 5.51\% |  | - |  |  |  |  |  | - |  |  |
|  | \$ | 36,710,000 | \$ | - | \$ | 5,275,000 | \$ | 31,435,000 | \$ | 2,220,000 |

The following table is a summary of the activity for such debt during the year ended December 31, 2017 and the short term liability for each bond outstanding at year end:

| Description | Balance Dec. 31, 2016 |  | Increase |  | Decrease |  | Balance <br> Dec. 31, 2017 |  | Due by Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Pension Obligation Refunding Bonds | \$ | 18,100,000 | \$ | - | \$ | 1,430,000 | \$ | 16,670,000 | \$ | 1,655,000 |
| Series 2003A, Taxable <br> Issued $1 / 15 / 2003$ for $\$ 23,595,000$ <br> Maturing annually from 2012 to 2024 <br> Bearing interest rates of 4.8-5.5\% |  |  |  |  |  |  |  |  |  |  |
| Pension Obligation Refunding Bonds <br> Series 2003A, Taxable <br> Issued 3/15/2003 for $\$ 17,465,000$ <br> Maturing annually from 2012 to 2033 <br> Bearing interest rates of 4.58-5.46\% |  | 16,920,000 |  | - |  | 225,000 |  | 16,695,000 |  | 275,000 |
| Pension Obligation Refunding Bonds <br> Series 2006, Taxable <br> Issued 3/22/2006 for $\$ 3,345,000$ <br> Maturing in one lump sum in 2018 <br> Bearing an interest rate of $5.51 \%$ |  | 3,345,000 |  | - - - |  | - - - |  | 3,345,000 |  | 3,345,000 |
|  | \$ | 38,365,000 | \$ | - | \$ | $\underline{ }$ 1,655,000 | \$ | 36,710,000 | \$ | 5,275,000 |

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

## LOANS PAYABLE

Green Trust Loans - The City has outstanding at December 31, 2018 and 2017 various Green Trust Loans. The following table summarizes such loan activity for the year ended December 31, 2018 and the short term liability for each loan outstanding at year end:

| Description | Balance Dec. 31, 2017 |  | Increase |  | Decrease |  | Balance Dec. 31, 2018 |  | Due by Dec. 31, 2019 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Wayne Street Park Loan | \$ | 4,465 | \$ | - | \$ | 4,465 | \$ | - | \$ | - |
| Received 7/29/1998-\$142,000 <br> Due semi-annually until 2018 <br> Bearing an interest rate of $2 \%$ |  |  |  |  |  |  |  |  |  |  |
| Apple Tree House Loan <br> Received 7/07/2004-\$235,894 <br> Due semi-annually until 2024 <br> Bearing an interest rate of $2 \%$ |  | 88,993 |  | - |  | 12,953 |  | 76,040 |  | 13,214 |
| Sgt. Anthony's Park Project Loan <br> Received 7/08/2005-\$145,000 <br> Due semi-annually until 2025 <br> Bearing an interest rate of $2 \%$ |  | 62,506 |  | - |  | 7,805 |  | 54,701 |  | 7,962 |
| Roberto Clemente Park Project Loan <br> Received 7/08/2005-\$284,000 <br> Due semi-annually until 2025 <br> Bearing an interest rate of $2 \%$ |  | 122,428 |  | - |  | 15,288 |  | 107,140 |  | 15,595 |
| Marion Pavonia Pool Project Loan <br> Received 7/08/2005-\$425,000 <br> Due semi-annually until 2025 <br> Bearing an interest rate of $2 \%$ |  | 183,210 |  | - |  | 22,878 |  | 160,332 |  | 23,338 |
| Multi-Park Loan <br> Received 6/30/2009 - \$615,000 <br> Due semi-annually until 2028 <br> Bearing an interest rate of $2 \%$ |  | 375,934 |  | - |  | 30,878 |  | 345,056 |  | 31,498 |
| Montgomery Gateway Loan <br> Received 6/30/2009 - \$50,000 <br> Due semi-annually until 2028 <br> Bearing an interest rate of $2 \%$ |  | 30,564 |  | - |  | 2,510 |  | 28,054 |  | 2,561 |
| Berry Lane Park Loan <br> Received 6/30/2010-\$130,000 <br> Due semi-annually until 2029 <br> Bearing an interest rate of $2 \%$ |  | 82,679 |  | - |  | 6,462 |  | 76,217 |  | 6,593 |
|  | \$ | 950,779 | \$ | - | \$ | 103,239 | \$ | 847,540 | \$ | 100,761 |

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

The following table summarizes such loan activity for the year ended December 31, 2017 and the short term liability for each loan outstanding at year end:

| Description | Balance Dec. 31, 2016 |  | Increase |  | Decrease |  | Balance Dec. 31, 2017 |  | Due by Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Wayne Street Park Loan <br> Received 7/29/1998-\$142,000 <br> Due semi-annually until 2018 <br> Bearing an interest rate of $2 \%$ | \$ | 13,263 | \$ | - | \$ | 8,798 | \$ | 4,465 | \$ | 4,465 |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| Apple Tree House Loan <br> Received 7/07/2004-\$235,894 <br> Due semi-annually until 2024 <br> Bearing an interest rate of $2 \%$ |  | 101,691 |  | - |  | 12,698 |  | 88,993 |  | 12,953 |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| Sgt. Anthony's Park Project Loan <br> Received 7/08/2005-\$145,000 <br> Due semi-annually until 2025 <br> Bearing an interest rate of $2 \%$ |  | 70,158 |  | - |  | 7,652 |  | 62,506 |  | 7,805 |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| Roberto Clemente Park Project Loan <br> Received 7/08/2005 - \$284,000 <br> Due semi-annually until 2025 <br> Bearing an interest rate of $2 \%$ |  | 137,414 |  | - |  | 14,986 |  | 122,428 |  | 15,288 |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| Marion Pavonia Pool Project Loan <br> Received 7/08/2005-\$425,000 <br> Due semi-annually until 2025 <br> Bearing an interest rate of $2 \%$ |  | 205,637 |  | - |  | 22,427 |  | 183,210 |  | 22,878 |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| Multi-Park Loan <br> Received 6/30/2009-\$615,000 <br> Due semi-annually until 2028 <br> Bearing an interest rate of $2 \%$ |  | 406,203 |  | - |  | 30,269 |  | 375,934 |  | 30,878 |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| Montgomery Gateway Loan <br> Received 6/30/2009-\$50,000 <br> Due semi-annually until 2028 <br> Bearing an interest rate of $2 \%$ |  | 33,025 |  | - |  | 2,461 |  | 30,564 |  | 2,510 |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| Berry Lane Park Loan <br> Received 6/30/2010-\$130,000 <br> Due semi-annually until 2029 <br> Bearing an interest rate of $2 \%$ |  | 89,014 |  | - |  | 6,335 |  | 82,679 |  | 6,462 |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  | - |  | - |  | - |  | - |  | - |
|  | \$ | $\underline{1,056,405}$ | \$ | - | \$ | $\underline{\text { 105,626 }}$ | \$ | $\underline{950,779}$ | \$ | 103,239 |

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

## DEBT SERVICE REQUIREMENTS TO MATURITY

The debt service requirements to maturity for City bonds at December 31, 2018 are as follows:

| Year | Total | Total Bonded Obligations |  |  |  |  |  | Green Acres Loans |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total |  | Principal |  | Interest |  | Total |  | Principal |  | Interest |  |
| 2019 | \$ 71,018,956 | \$ | 70,800,986 | \$ | 53,391,000 | \$ | 17,409,986 | \$ | 217,970 | \$ | 100,761 | \$ | 117,209.00 |
| 2020 | 74,695,544 |  | 74,475,551 |  | 59,325,000 |  | 15,150,551 |  | 219,993 |  | 102,784 |  | 117,209 |
| 2021 | 70,556,805 |  | 70,334,746 |  | 58,010,000 |  | 12,324,746 |  | 222,059 |  | 104,850 |  | 117,209 |
| 2022 | 44,679,367 |  | 44,455,201 |  | 34,470,000 |  | 9,985,201 |  | 224,166 |  | 106,957 |  | 117,209 |
| 2023 | 36,833,818 |  | 36,607,502 |  | 28,040,000 |  | 8,567,502 |  | 226,316 |  | 109,107 |  | 117,209 |
| 2024-2028 | 114,872,305 |  | 114,219,054 |  | 84,970,000 |  | 29,249,054 |  | 653,251 |  | 319,082 |  | 334,169 |
| 2029-2033 | 59,447,425 |  | 59,439,383 |  | 43,537,000 |  | 15,902,383 |  | 8,042 |  | 4,001 |  | 4,041 |
| 2034-2038 | 35,268,074 |  | 35,268,074 |  | 28,281,000 |  | 6,987,074 |  | - |  | - |  | - |
| 2039-2040 | 11,344,125 |  | 11,344,125 |  | 10,785,000 |  | 559,125 |  | - |  | - |  | - |
|  | \$518,716,419 | \$ | 516,944,622 | \$ | 400,809,000 | \$ | 116,135,622 | \$ | 1,771,797 | \$ | 847,542 | \$ | 924,255 |

Debt service requirements for bonded obligations are further detailed as follows:

| Year | Total <br> Bonds |  | General \& Local Improvement |  |  |  | Pension Refunding |  |  |  | School Bonds |  |  |  | Water Bonds |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Principal |  | Interest |  | Principal |  | Interest |  | Principal |  | Interest |  | Principal |  | Interest |  |
| 2019 | \$ | 70,800,986 | \$ | 43,106,000 | \$ | 14,676,908 | \$ | 2,220,000 | \$ | 1,660,375 | \$ | 4,715,000 | \$ | 541,763 | \$ | 3,350,000 | \$ | 530,940 |
| 2020 |  | 74,475,553 |  | 50,850,000 |  | 12,781,639 |  | 2,490,000 |  | 1,531,257 |  | 2,460,000 |  | 409,646 |  | 3,525,000 |  | 428,011 |
| 2021 |  | 70,334,747 |  | 49,660,000 |  | 10,291,198 |  | 2,780,000 |  | 1,386,738 |  | 2,460,000 |  | 328,848 |  | 3,110,000 |  | 317,963 |
| 2022 |  | 44,455,200 |  | 28,620,000 |  | 8,306,882 |  | 3,130,000 |  | 1,224,641 |  | 945,000 |  | 243,150 |  | 1,775,000 |  | 210,527 |
| 2023 |  | 36,607,502 |  | 22,840,000 |  | 7,152,888 |  | 3,590,000 |  | 1,040,161 |  | 985,000 |  | 204,550 |  | 625,000 |  | 169,903 |
| 2024-2028 |  | 114,219,053 |  | 71,300,000 |  | 24,761,338 |  | 7,255,000 |  | 3,518,264 |  | 4,365,000 |  | 362,075 |  | 2,050,000 |  | 607,376 |
| 2029-2033 |  | 59,439,382 |  | 31,452,000 |  | 14,153,524 |  | 9,970,000 |  | 1,504,776 |  | - |  | - |  | 2,115,000 |  | 244,082 |
| 2034-2038 |  | 35,268,074 |  | 28,281,000 |  | 6,987,074 |  | - |  | - |  | - |  | - |  | - |  | - |
| 2039-2040 |  | 11,344,125 |  | 10,785,000 |  | 559,125 |  | - |  | - |  | - |  | - |  | - |  | - |
|  | \$ | 516,944,622 | \$ | 336,894,000 | \$ | 99,670,576 | \$ | 31,435,000 | \$ | 11,866,212 | \$ | 15,930,000 | \$ | 2,090,032 | \$ | 16,550,000 | \$ | 2,508,802 |

## NOTES PAYABLE

Bond Anticipation Notes - The City issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year, but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes may be paid no later than the close of the tenth fiscal year next following the date of the original notes.

The Division also prescribes that notes cannot be renewed past the third anniversary date of the original note unless an amount equal to at least the first legally required installment is paid prior to each anniversary date.

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

The following is a schedule of bond anticipation note activity for the year ended December 31, 2018.


The following is a schedule of bond anticipation note activity for the year ended December 31, 2017.

| Ordinance <br> Number | Original Issue: |  | Interest Rate \% | Date of Maturity | Balance Dec. 31, 2016 |  | Notes Issued |  |  | Notes <br> Refunded |  | Budget Appropriation |  | Balance Dec. 31, 2017 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Date | Amount |  |  |  |  |  |  |  |  |  |  |  |  |  |
| PJP Landfill Acquisition |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 09-097 | 01/20/10 | \$ 8,700,000 | 2.250\% | 01/19/18 | \$ | \$ - | \$ |  | - | \$ | 8,142,948 | \$ | - | \$ | 8,142,948 |
| 09-097 | 01/20/10 | 8,700,000 | 1.500\% | 01/20/17 |  | 8,253,948 |  |  | - |  | $(8,142,948)$ |  | 111,000 |  | - |
| Newark Avenue Streetscape |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 09-127 | 01/20/10 | 2,476,000 | 2.250\% | 01/19/18 |  | - |  |  | - |  | 1,823,052 |  | - |  | 1,823,052 |
| 09-127 | 01/20/10 | 2,476,000 | 1.500\% | 01/20/17 |  | 1,954,052 |  |  | - |  | $(1,823,052)$ |  | 131,000 |  | - |
| Sixth Street Embankment |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 10-085 | 08/31/10 | 7,500,000 | 1.875\% | 06/22/18 |  | - |  |  | - |  | 6,955,000 |  | - |  | 6,955,000 |
| 10-085 | 08/31/10 | 7,500,000 | 1.500\% | 06/23/17 |  | 7,085,000 |  |  | - |  | $(6,955,000)$ |  | 130,000 |  | - |
| W. Campus Redevelopment |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 16.106 | 12/08/16 | 4,135,000 | 2.500\% | 12/07/18 |  | - |  |  | - |  | 4,135,000 |  | - |  | 4,135,000 |
| 16.106 | 12/08/16 | 4,135,000 | 1.150\% | 12/08/17 |  | 4,135,000 |  |  | - |  | $(4,135,000)$ |  | - |  | - |
| Hurricane Sandy Recovery |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 13.031 | 12/12/13 | 8,717,417 | 2.500\% | 12/07/18 |  | - |  |  | - |  | 3,845,000 |  | - |  | 3,845,000 |
| 13.031 | 12/12/13 | 8,717,417 | 1.150\% | 12/08/17 |  | 5,470,194 |  |  | - |  | $(3,845,000)$ |  | 1,625,194 |  | - |
|  |  |  |  |  | \$ | 26,898,194 | \$ |  | - | \$ | - | \$ | 1,997,194 | \$ | 24,901,000 |

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

Landfill and Streetscape - On January 20, 2010, the City issued Bond Anticipation Notes in the amount of $\$ 11,176,000$ to fund two separate authorizations: the acquisition of the PJP Landfill for $\$ 8,700,000$, as authorized by Ordinance No. 09-097, and the Newark Ave Streetscape for $\$ 2,476,000$, as authorized by Ordinance No. 09-127.

Sixth Street Embankment - On August 31, 2010, the City issued Bond Anticipation Notes in the amount of $\$ 7,500,000$ to fund costs to obtain the property known as the Sixth Street in accordance with a legal settlement of January, 2010, as authorized by Ordinance No. 10-085.

Hurricane Sandy Recovery - On December 12, 2013, the City issued Bond Anticipation Notes in the amount of $\$ 10,000,000$ to fund costs associated with efforts to recover, repair or replace streets, roads and other public property lost or damaged in Hurricane Sandy, as authorized by Ordinance No. 13.031.

West Campus Redevelopment - On December 8, 2016, the City issued Bond Anticipation Notes in the amount of $\$ 4,135,000$ to fund costs associated with redevelopment of the West Campus Redevelopment Area, such as road construction, storm sewer improvements, sidewalks, benches, bins, landscaping, electric line excavation, traffic signal installation, road paving, the widening of Route 440 and the construction of sewers, water lines, storm sewers, catch basins, manholes and a pedestrian plaza and walkway, as authorized by Ordinance No. 16.106. Additional Bond Anticipation Notes were issued in connection with this project on December 6, 2018 in the amount of $\$ 8,010,000$.

Various 2018 Capital Improvements - On June 20, 2018, the City issued Bond Anticipation Notes in the amount of $\$ 45,031,115$ to fund costs of various improvements and acquisitions of the City, as authorized by Ordinance No. 18.038.

Bayfront I Redevelopment - On December 6, 2018, the City issued Bond Anticipation Notes in the amount of $\$ 15,000,000$ to fund costs associated with the redevelopment of the Bayfront I Redevelopment Area, including the purchase of certain properties, the Phase I design and construction of the Bayfront I Redevelopment Area, and the demolition of certain structures located upon the development lots, as authorized by Ordinance No. 18.113.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

Special Emergency Notes - Statutes allow the City to adopt ordinances authorizing special emergency appropriations for the carrying out of certain specific purposes, including the revaluation of real property and contractually required severance liabilities resulting from the layoff or retirement of employees. Statutes further provide for the borrowing of money and the issuance of Special Emergency Notes to finance such special emergency appropriations, which may be renewed from time to time, but at least $1 / 5$ of all such notes, and the renewals thereof, shall mature and be paid in each year, so that all notes and renewals shall have matured and have been paid not later than the last day of the fifth year following the date of the emergency resolution.

The following is a schedule of special emergency note activity for the year ended December 31, 2018.

| Ordinance <br> Number | Original Issue: |  |  | Interest <br> Rate \% | Date of <br> Maturity | Balance Dec. 31, 2017 |  | Notes <br> Issued |  | Notes <br> Refunded |  | Budget Appropriation |  | Balance Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Date |  | Amount |  |  |  |  |  |  |  |  |  |  |  |  |
| Contractual Severance Payments |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 13-118 | 12/12/13 | \$ | 9,500,000 | 2.35\% | 12/07/18 | \$ | 1,900,000 | \$ | - | \$ | - | \$ | 1,900,000 | \$ |  |
| 14-132 | 12/12/14 |  | 7,500,000 | 2.35\% | 12/07/18 |  | 3,000,000 |  | - |  | $(1,500,000)$ |  | 1,500,000 |  | - |
| 14-132 | 12/12/14 |  | 7,500,000 | 3.00\% | 12/06/19 |  | - |  | - |  | 1,500,000 |  | - |  | 1,500,000 |
| 15.149 | 12/11/15 |  | 8,000,000 | 2.35\% | 12/07/18 |  | 4,800,000 |  | - |  | $(3,200,000)$ |  | 1,600,000 |  | - |
| 15.149 | 12/11/15 |  | 8,000,000 | 3.00\% | 12/06/19 |  | - |  | - |  | 3,200,000 |  | - |  | 3,200,000 |
| 18-114 | 12/06/18 |  | 14,500,000 | 3.00\% | 12/06/19 |  | - |  | 14,500,000 |  | - |  | - |  | 14,500,000 |
| Revaluation of Properties |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 16.031 | 12/08/16 |  | 5,000,000 | 2.50\% | 12/07/18 |  | 4,000,000 |  | - |  | $(3,000,000)$ |  | 1,000,000 |  | - |
| 16.031 | 12/08/16 |  | 5,000,000 | 3.25\% | 12/06/19 |  | - |  | - |  | 3,000,000 |  |  |  | 3,000,000 |
| Master Plan |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 18-028 | 06/20/18 |  | 940,500 | 3.00\% | 06/20/19 |  | - |  | 940,500 |  | - |  | - |  | 940,500 |
|  |  |  |  |  |  | \$ | 13,700,000 | \$ | 15,440,500 | \$ | - | \$ | 6,000,000 | \$ | 23,140,500 |

The following is a schedule of special emergency note activity for the year ended December 31, 2017.

| Ordinance Number | Original Issue: |  | Interest <br> Rate \% | Date of <br> Maturity | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2016 \\ \hline \end{gathered}$ | Notes <br> Refunded |  | Budget Appropriation | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2017 \end{gathered}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Date | Amount |  |  |  |  |  |  |  |  |
| Contractual Severance Payments |  |  |  |  |  |  |  |  |  |  |
| 13-118 | 12/12/13 | \$ 9,500,000 | 2.35\% | 12/07/18 | \$ | \$ | 1,900,000 | \$ | \$ | 1,900,000 |
| 13-118 | 12/12/13 | 9,500,000 | 1.25\% | 12/08/17 | 3,800,000 |  | $(1,900,000)$ | 1,900,000 |  | - |
| 14-132 | 12/12/14 | 7,500,000 | 2.35\% | 12/07/18 | - |  | 3,000,000 | - |  | 3,000,000 |
| 14-132 | 12/12/14 | 7,500,000 | 1.25\% | 12/08/17 | 4,500,000 |  | $(3,000,000)$ | 1,500,000 |  | - |
| 15.149 | 12/11/15 | 8,000,000 | 2.35\% | 12/07/18 | - |  | 4,800,000 | - |  | 4,800,000 |
| 15.149 | 12/11/15 | 8,000,000 | 1.25\% | 12/08/17 | 6,400,000 |  | $(4,800,000)$ | 1,600,000 |  | - |
| Revaluation of Properties |  |  |  |  |  |  |  |  |  |  |
| 16.031 | 12/08/16 | 5,000,000 | 2.50\% | 12/07/18 | - |  | 4,000,000 | - |  | 4,000,000 |
| 16.031 | 12/08/16 | 5,000,000 | 1.15\% | 12/08/17 | 5,000,000 |  | $(4,000,000)$ | 1,000,000 |  | - |
| Hurricane Sandy Recovery |  |  |  |  |  |  |  |  |  |  |
| 12-841 | 12/28/12 | 5,965,000 | 1.15\% | 12/08/17 | 897,496 |  | - | 897,496 |  | - |
|  |  |  |  |  | \$ 20,597,496 | \$ | - | \$ 6,897,496 | \$ | 13,700,000 |

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

Contractual Severance Liabilities - The City has passed various special emergency appropriations for the purposes of funding contractually required severance liabilities resulting from the retirement of City employees as allowed by N.J.S.A. 40A:4-53h.

Revaluation of Properties - The City passed Ordinance No. 11-043 to provide for the preparation and execution of a complete program of revaluation of real property for the use of the local assessor. This special emergency appropriation is authorized by N.J.S.A. 40A:4-53b.

Master Plan - The City passed Resolution No. 18-028 to provide for the funding of costs associated with the preparation of a master plan(s) to conform to planning laws of the State of New Jersey. This special emergency appropriation is authorized as an extraordinary expense by N.J.S.A. 40A:4-53d.

Sandy (Natural Disaster) - The City passed Resolution No. 12-842 to provide for the funding of various costs associated with damages sustained from Superstorm Sandy. This special emergency appropriation is authorized as an extraordinary expense by N.J.S.A. 40A:4-54. These notes were retired in 2017.

## BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2018 and 2017, the City has authorized but not issued bonds and notes of $\$ 176,326,887$ and $\$ 29,336,887$, respectively, in the General Capital Fund. The following activity relates to bonds and notes authorized but not issued that occurred during the years ended December 31, 2018:

Balance: December 31, 2017

## Add: <br> Authorizations <br> Notes Matured <br> Subtotal

Less:
Bonds Issued
Notes Issued
Charged to Ordinance
Direct Service Reserve
Premium on Sale
Budget Appropriations
Balance: December 31, 2018


215,031,115
$24,901,000$
$269,269,002$

| $9,125,000$ |
| ---: |
| $81,033,098$ |
| 124,000 |
| 334,561 |
| 328,290 |
| $1,997,166$ |
| $\$ \quad 176,326,887$ |



# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

The following activity relates to bonds and notes authorized but not issued that occurred during the years ended December 31, 2017:

|  | Total |  | General / Local |  | School |  | Water |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Balance: December 31, 2016 | \$ | 29,708,545 | \$ | 26,659,629 | \$ | 1,587,258 | \$ | 1,461,658 |
| Add: |  |  |  |  |  |  |  |  |
| Authorizations |  | 2,600,000 |  | 2,600,000 |  | - |  | - |
| Notes Matured |  | 26,898,194 |  | 26,898,194 |  | - |  | - |
| Subtotal |  | 59,206,739 |  | 56,157,823 |  | 1,587,258 |  | 1,461,658 |
| Less: |  |  |  |  |  |  |  |  |
| Notes Issued |  | 24,901,000 |  | 24,901,000 |  | - |  | - |
| Cash Receipts |  | 1,461,658 |  | - |  | - |  | 1,461,658 |
| Cancelled |  | 1,510,000 |  | 1,510,000 |  | - |  | - |
| Fund Balance |  | 28 |  | 28 |  | - |  | - |
| Budget Appropriations |  | 1,997,166 |  | 1,997,166 |  | - |  | - |
| Balance: December 31, 2017 | \$ | 29,336,887 | \$ | 27,749,629 | \$ | 1,587,258 | \$ | - |

## 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. At December 31, 2018: Net Debt of \$575,933,267 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, $\$ 29,344,551,903=1.96 \%$.

|  | Gross Debt | Deductions | Net Debt |
| :---: | :---: | :---: | :---: |
| Local School District Debt | \$ 17,517,258 | \$ 17,517,258 | \$ |
| General Debt | 818,714,189 | 242,780,922 | 575,933,267 |
|  | \$ 836,231,447 | \$ 260,298,180 | \$ 575,933,267 |

At December 31, 2017: Net Debt of $\$ 417,807,408$ divided by Equalized Valuation Basis per N.J.S.A. $40 \mathrm{~A}: 2-2$ as amended, $\$ 25,242,322,640=1.66 \%$.

|  | Gross Debt | Deductions | Net Debt |
| :---: | :---: | :---: | :---: |
| Local School District Debt | \$ 22,417,258 | \$ 22,417,258 | \$ |
| General Debt | 625,889,349 | 208,081,941 | 417,807,408 |
|  | \$ 648,306,607 | \$ 230,499,199 | \$ 417,807,408 |

Equalized valuation basis is the average of the equalized valuations of real estate, including improvements, and the assessed valuation of class II Railroad Property of the County for the last 3 preceding years.

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE D. MUNICIPAL DEBT (continued)

BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED
At December 31,


## CITY-GUARANTEE OF OTHER PUBLIC BODY DEBT

The City has adopted various ordinances over the years guaranteeing the payment of principal and interest on debt issues of the Jersey City Municipal Utilities Authority (MUA), for the purpose of providing additional security therefor. The amount of debt guaranteed by the City on behalf of the MUA as of December 31, 2018 and 2017 is as follows:

|  | 2018 |  | 2017 |
| :--- | ---: | ---: | ---: | ---: |
| Water Fund: |  |  |  |
| Water Revenue Bonds, Series 2003 | $\$ 3,460,000$ | $\$$ | $36,285,000$ |
| Water Revenue Bonds, Series 2011 | $6,925,000$ |  | $7,545,000$ |
| Water NJEIT Bonds, Series 2007 | $5,749,863$ |  | $6,384,274$ |
| Water NJEIT Bonds, Series 2008 | 83,000 |  | 98,000 |
| Water NJEIT Bonds, Series 2010 | $6,160,385$ |  | $6,694,966$ |
| Water NJEIT Bonds Series 2013 | $10,161,365$ |  | $10,834,957$ |
| Water NJEIT Bonds, Series 2015A-1 | $1,061,318$ |  | $1,170,353$ |
| Water NJEIT Bonds, Series 2016A-1 | $5,118,737$ |  | $5,394,545$ |
| Sewer Fund: |  |  |  |
| Sewer Revenue Bonds, Series 2007A | $6,715,000$ |  | $13,130,000$ |
| Sewer Revenue Refunding Bonds, Series 2011 | $21,495,000$ |  | $22,275,000$ |
| Sewer NJEIT Bonds, Series 1999 | 263,363 |  | 517,037 |
| Sewer NJEIT Bonds, Series 2001 | $2,471,846$ |  | $3,351,853$ |
| Sewer NJEIT Bonds, Series 2007 | $5,089,697$ |  | $5,702,609$ |
| Sewer NJEIT Bonds, Series 2010 ARRA | $1,443,844$ |  | $1,561,102$ |
| Sewer NJEIT Bonds, Series 2010 Supp A | 461,663 |  | 567,236 |
| Sewer NJEIT Bonds, Series 2010 Supp B | $2,134,050$ |  | $2,302,755$ |
| Sewer NJEIT Bonds, Series 2012 | 769,104 |  | 860,162 |
| Sewer NJEIT Bonds, Series 2013 | $3,525,000$ |  | $3,760,713$ |
| Sewer NJEIT Bonds, Series 2014 | $5,851,458$ |  | $6,200,780$ |
| Sewer NJEIT Bonds, Series 2015A-1 | $3,937,686$ |  | $4,162,540$ |
| Sewer NJEIT Bonds, Series 2015A-2 | $10,840,111$ |  | $11,423,059$ |
| Sewer NJEIT Bonds, Series 2018 | $5,147,268$ |  | - |
| Sewer NJEIT Construction Loan | $32,800,164$ |  | - |
| Notes Payable - Land Purchase | $5,550,000$ |  | - |
|  | $177,214,922$ |  | $150,221,941$ |

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE E. FUND BALANCES APPROPRIATED

Fund balance of the City consists of cash surplus and non-cash surplus. The City can anticipate fund balance to support its budget of the succeeding year, however, the use of non-cash surplus is subject to the prior written consent of the Division. Fund balances at December 31, 2018 and 2017 which were appropriated and included as anticipated revenue in the current fund budget of the succeeding year were as follows:

|  | Fund Balance Dec. 31, 2017 |  | Utilized in 2018 Budget |  | Fund Balance Dec. 31, 2018 |  | Utilized in 2019 Budget |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Current Fund | \$ | 56,339,410 | \$ | 26,580,248 | \$ | 72,237,535 | \$ | 42,427,840 |
| Capital Fund |  | 1,428,110 |  | - |  | 2,210,003 |  |  |

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION

Substantially all City employees participate in the Consolidated Police and Fireman's Pension Fund (CPFPF), Public Employees Retirement System (PERS), Police and Fireman's Retirement System of New Jersey (PFRS) or the Defined Contribution Retirement Program (DCRP), all of which are multiple employer plans sponsored and administered by the State of New Jersey, with the exception of the CPFPF, which is a single employer plan. The CPFPF, PERS and PFRS are cost sharing contributory defined benefit public employee retirement systems. The DCRP is a defined contribution plan.

In addition, certain employees participate in the Employees' Retirement System of the City of Jersey City (JCERS) and the City's Deferred Compensation Plan.

## STATE-MANAGED PENSION PLANS - CPFPF

The Consolidated Police and Fireman's Pension Fund (CPFPF) is a single employer contributory defined benefit plan which was established on January 1, 1952, under the provisions of N.J.S.A. 43:16 to provide retirement, death and disability benefits to county and municipal police and firemen who were appointed prior to July 1,1944 . The fund is a closed system with no active member and therefore no base payroll. The City currently only makes contributions for its retirees who are enrolled in this pension fund. During the years ended December 31, 2017, 2016 and 2015, the City contributed \$-0-, $\$-0-$ and $\$ 46,592$, respectively.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

# NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued) 

## STATE-MANAGED PENSION PLANS - PERS

## Plan Description and Eligibility

The PERS was established in January, 1955 under provisions of N.J.S.A. 43:15A and provides retirement, death, disability and post-retirement 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 for pension benefits. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2007, 2008, 2010 and 2011. These changes resulted in various "tiers" which distinguish period of eligibility for enrollment. The delineation of these tiers is as follows:

- Tier 1: Employees enrolled before July 1, 2007.
- Tier 2: Employees eligible for enrollment after June 30, 2007 but before November 2, 2008.
- Tier 3: Employees eligible for enrollment after November 1, 2008 but before May 22, 2010.
- Tier 4: Employees eligible for enrollment after May 21, 2010 but before June 28, 2011.
- Tier 5: Employees eligible for enrollment after June 27, 2011.

Tier 1 and 2 employees must earn a base salary of $\$ 1,500$ or more to enroll in the plan. Pensionable salaries are limited to the IRS maximum salary compensation limits for Tier 1 employees and social security maximum wage for Tier 2 employees. Tier 2 employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 3 employees must earn a base salary that is annually adjusted. For the fiscal year ended December 31, 2018 and 2017 this base salary amount was $\$ 8,300$, each year. Employees earning between $\$ 5,000$ and the Tier 3 minimum base salary are eligible for participation in DCRP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 4 and 5 employees do not have a minimum salary requirement to enroll, but must work a minimum of 32 hours per week. Employees not meeting the minimum hour requirement but that make over $\$ 5,000$ are eligible to enroll in DRCP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

## Plan Benefits

Service retirement benefits of $1 / 55$ th 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 $1 / 60$ th 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 or more years of service credit before age 65 . Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 year 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.

Each of the 5 Tiers have eligibility requirements and benefit calculations which vary for deferred retirements, early retirements, veteran retirements, ordinary disability retirements and accidental disability retirements. There is no minimum service requirement to receive these pension benefits. State-paid insurance coverage may be obtained after 25 years of service for employees in Tiers 1 through 4 and 30 years of service for Tier 5 employees.

## Contributions and Liability

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and their employers. Such contributions may be amended by State legislation. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits. The employee contributions include funding for basic retirement allowances and contributory death benefits. Contributions made by the City and its employees for the previous three years are as follows:

| Year Ended December 31, | City Contribution |  |  | Base Wages Subject to Contributions | Employee Contributions |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Amount <br> Paid or <br> Charged | As a <br> Percentage of Base Wages |  | As a Percentage of Base Wages |  | Amount ontributed |
| 2018 | \$ | 4,261,728 | 15.1\% | \$ 28,197,665 | 7.50\% (1) | \$ | 2,092,167 |
| 2017 |  | 4,048,980 | 15.0\% | 26,957,096 | 7.34\% (1) |  | 1,959,697 |
| 2016 |  | 3,796,490 | 15.9\% | 23,906,845 | 7.20\% (1) |  | 1,705,719 |

(1) The rate noted took effect on July 1.

DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

At June 30, 2018 and 2017, the City's net pension liability for PERS, including the City's proportionate share, was as follows:

| Year Ended <br> June 30, | Proportionate Share |  | Net Pension Liability |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Rate | Change |  |  |
| 2018 | 0.40176\% | 0.01351\% | \$ | 79,103,670 |
| 2017 | 0.38824\% | 0.00004\% |  | 90,376,243 |

## Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability of the as of June 30, 2018 and 2017, calculated using the discount rate as disclosed in the table and paragraphs that follow as well as what the collective net pension liability would be if it was calculated using a discount rate that is $1 \%$ lower or $1 \%$ higher than the current rate:

|  | 2018 |  |  | 2017 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| At: | Rate |  | Amount | Rate |  | Amount |
| 1\% Decrease | 4.66\% | \$ | 99,463,751 | 4.00\% | \$ | 112,117,863 |
| Current Discount Rate | 5.66\% |  | 79,103,670 | 5.00\% |  | 90,376,243 |
| 1\% Increase | 6.66\% |  | 62,022,864 | 6.00\% |  | 72,262,779 |

## Actuarial Assumptions

The total pension liability for the June 30, 2018 and June 30, 2017 measurement dates were determined by actuarial valuations as of July 1, 2017 and 2016, respectively, which were rolled forward to June 30, 2018 and 2017, respectively. These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

| Measurement <br> Date of | Inflation <br> Rate | Age-Based Salary Increases |  | Investment <br> Rate of Return |
| :---: | :---: | :---: | :---: | :---: |
|  |  | Through $2026$ | Thereafter |  |
| June 30, 2018 | 2.25\% | 1.65-4.15\% | 2.65-5.15\% | 7.00\% |
| June 30, 2017 | 2.25\% | 1.65-4.15\% | 2.65-5.15\% | 7.00\% |

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Mortality - For both the June 30, 2018 and 2017 Measurement Dates, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants (set back two years for males and seven years for females). In addition, the tables provided 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 one 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 a 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 Disabled Mortality Table (set back three years for males and set forward one year for females).

The actuarial assumptions used in both the July 1, 2017 and 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements will be.

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, 2018 and 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS target asset allocations as of June 30, 2018 and 2017 are summarized in the following table:

| June 30, 2018 |  |  | June 30, 2017 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Long-Term <br> Expected |  |  | Long-Term <br> Expected |
| Asset Class | Target Allocation | Real Rate of Return | Asset Class | Target Allocation | Real Rate of Return |
| Risk Mitigation Strategies | 5.00\% | 5.51\% | Absolute Return / Risk Mitigation | 5.00\% | 5.51\% |
| Cash Equivalents | 5.50\% | 1.00\% | Cash \& Equivalents | 5.50\% | 1.00\% |
| U.S. Treasuries | 3.00\% | 1.87\% | U.S. Treasuries | 3.00\% | 1.87\% |
| Investment Grade Credit | 10.00\% | 3.78\% | Investment Grade Credit | 10.00\% | 3.78\% |
| High Yield | 2.50\% | 6.82\% | Public High Yield | 2.50\% | 6.82\% |
| Global Diversified Credit | 5.00\% | 7.10\% | Global Diversified Credit | 5.00\% | 7.10\% |
| Credit Oriented Hedge Funds | 1.00\% | 6.60\% | Credit Oriented Hedge Funds | 1.00\% | 6.60\% |
| Debt Related Private Equity | 2.00\% | 10.63\% | Debt Related Private Equity | 2.00\% | 10.63\% |
| Debt Related Real Estate | 1.00\% | 6.61\% | Debt Related Real Estate | 1.00\% | 6.61\% |
| Private Real Asset | 2.50\% | 11.83\% | Private Real Asset | 2.50\% | 11.83\% |
| Equity Related Real Estate | 6.25\% | 9.23\% | Equity Related Real Estate | 6.25\% | 9.23\% |
| U.S. Equity | 30.00\% | 8.19\% | U.S. Equity | 30.00\% | 8.19\% |
| Non-U.S. Developed Markets Equity | 11.50\% | 9.00\% | Non-U.S. Developed Markets Equi | 11.50\% | 9.00\% |
| Emerging Market Equity | 6.50\% | 11.64\% | Emerging Market Equities | 6.50\% | 11.64\% |
| Buyouts / Venture Capital | 8.25\% | 13.08\% | Buyouts / Venture Capital | 8.25\% | 13.08\% |

Discount Rate - The discount rate used to measure the total pension liability was $5.66 \%$ and $5.00 \%$ as of June 30, 2018 and 2017, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of $7.00 \%$ as of June 30, 2018 and 2017, and a municipal bond rate of $3.87 \%$ and $3.58 \%$ as of June 30, 2018 and 2017, 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 for each of the June 30, 2018 and June 30, 2017 measurement dates. 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 2046 and 2040 as of June 30, 2018 and 2017, respectively. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and 2040 as of June 30, 2018 and 2017, respectively, and the municipal bond rate was applied to projected benefit payments after those dates in determining the total pension liability.

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

## Deferred Outflows and Inflows of Resources

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources for the years ended June 30, 2018 and 2017:

|  | June 30, 2018 |  |  |  |  |  | June 30, 2017 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Deferred <br> Outflows <br> of Resources |  | Deferred <br> Inflows <br> of Resources |  | Net Deferred Outflow / (Inflow) |  | Deferred <br> Outflows <br> of Resources |  | Deferred <br> Inflows of Resources |  | Net Deferred Outflow / (Inflow) |  |
| Changes of Assumptions | \$ | 13,034,975 | \$ | $(25,293,148)$ | \$ | $(12,258,173)$ | \$ | 18,207,698 | \$ | $(18,140,945)$ | \$ | 66,753 |
| Difference Between Expected and Actual Experience |  | 1,508,518 |  | $(407,884)$ |  | 1,100,634 |  | 2,128,049 |  | - |  | 2,128,049 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments |  | - |  | $(741,996)$ |  | $(741,996)$ |  | 615,401 |  | - |  | 615,401 |
| Changes in Proportion |  | 21,365,295 |  | $(18,195,331)$ |  | 3,169,964 |  | 24,435,346 |  | (23,713,963) |  | 721,383 |
|  | \$ | 35,908,788 |  | $(44,638,359)$ |  | $\xrightarrow{(8,729,571)}$ | \$ | 45,386,494 |  | $(41,854,908)$ | \$ | 3,531,586 |

## Deferred Outflows and Inflows of Resources

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 <br> June 30, |  |  |
| :---: | :---: | ---: |
| 2019 |  | $\$$ |
| 2020 |  | 943,397 <br> 69,466 <br> 2021 |
|  |  | $(4,220,591)$ <br> 2022 <br> 2023 |
|  |  | $(1,253,332)$ <br>  |

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

# NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued) 

## STATE-MANAGED PENSION PLANS - PFRS

## Plan Description and Eligibility

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. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2010 and 2011. These changes resulted in various "tiers" which distinguish period of eligibility for enrollment. The delineation of these tiers is noted as follows:

- Tier 1: Employees enrolled before May 22, 2010.
- Tier 2: Employees enrolled after May 21, 2010 but before June 29, 2011.
- Tier 3: Employees enrolled after June 28, 2011.

There is no minimum salary requirement to enroll, regardless of tier. Pensionable salaries are limited to the social security maximum wage for Tier 2 and 3 employees and federal pensionable maximum for Tier 1 employees. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount.

## Plan Benefits

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

## Contributions and Liability

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and their employers. Such contributions may be amended by State legislation. Employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits. The employee contributions include funding for basic retirement allowances and contributory death benefits.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Contributions made by the City and its employees for the previous three years are as follows:

| Year Ended December 31, | City Contribution |  |  | Base Wages Subject to Contributions | Employee Contributions |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Amount Paid or Charged | As a Percentage of Base Wages |  | As a Percentage of Base Wages |  | Amount ontributed |
| 2018 | \$ | 42,235,796 | 29.9\% | \$ 141,248,298 | 10.00\% | \$ | 14,125,982 |
| 2017 |  | 38,869,751 | 0.0\% | 144,810,473 | 10.00\% |  | 14,481,047 |
| 2016 |  | 38,097,772 | 26.1\% | 145,992,133 | 10.00\% |  | 14,599,213 |

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001.

The amounts contributed on behalf of the City under this legislation are considered to be a special funding situation. As such, the State is treated as a non-employer contributing entity. Since the City does not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability to report in the financial statements of the City related to this legislation. However, the notes to the financial statements of the City must disclose the portion of the State's total proportionate share of the collective net pension liability that is associated with the City.

At June 30, 2018 and 2017, the City's net pension liability for PFRS, including the special funding situation described above and changes in the City's proportionate share, was as follows:

| Year Ended <br> June 30, | Unit | City (employer) |  |  |  | State of N.J. <br> (nonemployer) <br> On-Behalf of City |  | Total |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Proportionate Share |  | Net Pension Liability |  |  |  |  |  |
|  |  | Rate | Change |  |  |  |  |  |  |
| 2018 | Police | 2.63922\% | 0.01492\% | \$ | 357,129,354 | \$ | 48,510,117 | \$ | 405,639,471 |
| 2018 | Fire | 1.82328\% | -0.07957\% |  | 246,720,157 |  | 33,512,853 |  | 280,233,010 |
| 2018 | Total | * | * |  | 603,849,511 | \$ | 82,022,970 | \$ | 685,872,481 |
| 2017 | Police | 2.62429\% | 0.05679\% | \$ | 405,139,869 | \$ | 45,379,078 | \$ | 450,518,947 |
| 2017 | Fire | 1.90286\% | -0.02017\% |  | 293,764,059 |  | 32,904,049 |  | 326,668,108 |
| 2017 | Total | * | * |  | 698,903,928 | \$ | 78,283,127 | \$ | 777,187,055 |

DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

## Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability of the as of June 30, 2018 and 2017, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is $1 \%$ lower or $1 \%$ higher than the current rate:
At:
1\% Decrease
Current Discount Rate
1\% Increase

| 2018 |  |  | 2017 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Rate |  | Amount | Rate |  | Amount |
| 5.51\% | \$ | 808,177,636 | 5.14\% | \$ | 920,863,482 |
| 6.51\% |  | 603,849,511 | 6.14\% |  | 698,903,928 |
| 7.51\% |  | 435,316,027 | 7.14\% |  | 516,538,916 |

## Actuarial Assumptions

The total pension liability for the June 30, 2018 and June 30, 2017 measurement dates were determined by actuarial valuations as of July 1, 2017 and 2016, respectively, which were rolled forward to June 30, 2018 and 2017, respectively. These actuarial valuations used the following actuarial assumptions:

| Measurement <br> Date of | Inflation <br> Rate | Age-Based Salary Increases |  | Investment <br> Rate of Return |
| :---: | :---: | :---: | :---: | :---: |
|  |  | Through 2026 | Thereafter |  |
| June 30, 2018 | 2.25\% | 2.10-8.98\% | 3.10-9.98\% | 7.00\% |
| June 30, 2017 | 2.25\% | 2.10-8.98\% | 3.10-9.98\% | 7.00\% |

Mortality - For the June 30, 2018 and 2017 Measurement Dates, preretirement mortality rates were based on the RP-2000 Preretirement Mortality Tables projected 13 years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Postretirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Health Mortality Tables projected one year using Projection Scale AA and then three years for June 30, 2017 and two years for June 30, 2016 using the plan actuary's modified 2014 projection scales and further projected on a generational basis using the plan actuary's modified 2014 projection scales.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Post-retirement mortality rates for female service retirements and beneficiaries were based on the RP2000 Combined Healthy Mortality Tables projected 13 years using Projection Scale BB and then three years for June 30, 2017 and two years for June 30, 2016 using the plan actuary's modified 2014 projection scales and further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed. The actuarial assumptions used in the July 1, 2017 and 2016 valuations 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 ( $7.00 \%$ at June 30, 2018 and 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS target asset allocations as of June 30, 2018 and 2017 are summarized in the following table:

| June 30, 2018 |  |  | June 30, 2017 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Asset Class | Target Allocation | Long-Term <br> Expected Real Rate of Return | Asset Class | Target Allocation | Long-Term <br> Expected Real Rate of Return |
| Risk Mitigation Strategies | 5.00\% | 5.51\% | Absolute Return / Risk Mitigation | 5.00\% | 5.51\% |
| Cash Equivalents | 5.50\% | 1.00\% | Cash \& Equivalents | 5.50\% | 1.00\% |
| U.S. Treasuries | 3.00\% | 1.87\% | U.S. Treasuries | 3.00\% | 1.87\% |
| Investment Grade Credit | 10.00\% | 3.78\% | Investment Grade Credit | 10.00\% | 3.78\% |
| High Yield | 2.50\% | 6.82\% | Public High Yield | 2.50\% | 6.82\% |
| Global Diversified Credit | 5.00\% | 7.10\% | Global Diversified Credit | 5.00\% | 7.10\% |
| Credit Oriented Hedge Funds | 1.00\% | 6.60\% | Credit Oriented Hedge Funds | 1.00\% | 6.60\% |
| Debt Related Private Equity | 2.00\% | 10.63\% | Debt Related Private Equity | 2.00\% | 10.63\% |
| Debt Related Real Estate | 1.00\% | 6.61\% | Debt Related Real Estate | 1.00\% | 6.61\% |
| Private Real Asset | 2.50\% | 11.83\% | Private Real Asset | 2.50\% | 11.83\% |
| Equity Related Real Estate | 6.25\% | 9.23\% | Equity Related Real Estate | 6.25\% | 9.23\% |
| U.S. Equity | 30.00\% | 8.19\% | U.S. Equity | 30.00\% | 8.19\% |
| Non-U.S. Developed Markets Equity | 11.50\% | 9.00\% | Non-U.S. Developed Markets Equi | 11.50\% | 9.00\% |
| Emerging Market Equity | 6.50\% | 11.64\% | Emerging Market Equities | 6.50\% | 11.64\% |
| Buyouts / Venture Capital | 8.25\% | 13.08\% | Buyouts / Venture Capital | 8.25\% | 13.08\% |

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

## STATE-MANAGED PENSION PLANS - PFRS (continued)

Discount Rate - The discount rate used to measure the total pension liability was $6.51 \%$ and $6.14 \%$ as of June 30, 2018 and 2017, respectively. This single blend discount rate was based on the long-term expected rate of return on pension plan investments of $7.00 \%$ as of June 30, 2018 and 2017, respectively, and a municipal bond rate of $3.87 \%$ and $3.58 \%$ as of June 30,2018 and 2017, 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 most recent fiscal year. 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 2062 and 2057 as of June 30, 2018 and 2017, respectively. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and 2057 as of June 30, 2018 and 2017, respectively, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

## Deferred Outflows and Inflows of Resources

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the years ended June 30, 2018 and 2017:

|  | June 30, 2018 |  |  |  |  |  | June 30, 2017 |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | DeferredOutflowsof Resources |  |  |  | Net Deferred Outflow / (Inflow) |  | Deferred Outflows of Resources |  | $\begin{gathered} \text { Deferred } \\ \text { Inflows } \\ \text { of Resources } \end{gathered}$ | $\begin{gathered} \hline \text { Net Deferred } \\ \text { Outflow / } \\ \text { (Inflow) } \\ \hline \end{gathered}$ |  |
| Changes of Assumptions | \$ | 51,832,356 | \$ | $(154,756,205)$ |  | (102,923,849) | \$ | 86,182,640 | \$ (114,460,028) | \$ | $(28,277,388)$ |
| Difference Between Expected and Actual Experience |  | 6,143,381 |  | (2,498,871) |  | 3,644,510 |  | 4,534,077 | $(4,101,985)$ |  | 432,092 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments |  | - |  | $(3,303,604)$ |  | $(3,303,604)$ |  | 13,336,725 | - |  | 13,336,725 |
| Changes in Proportion |  | 18,252,758 |  | (14,763,627) |  | 3,489,131 |  | 23,664,481 | $(7,045,944)$ |  | 16,618,537 |
|  |  | 76,228,495 |  | $(175,322,307)$ |  | $\underline{(99,093,812)}$ | \$ | 127,717,923 | \$ (125,607,957) | \$ | $\xrightarrow{2,109,966}$ |

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

## STATE-MANAGED PENSION PLANS - PFRS (continued)

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 <br> June 30, |  |  |
| :---: | :---: | :---: |
| 2019 |  | $7,113,643$ <br> 2020 <br> 2021 |
|  |  | $(14,167,192)$ |
| 2022 |  | $(37,946,196)$ |
| 2023 |  | $(11,272,718)$ |
|  | $\$(99,093,812)$ |  |

## STATE-MANAGED PENSION PLANS - GENERAL

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of several State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The State or local government employers do not appropriate funds to SACT.

The State also administers the Pension Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all Statesponsored pension systems except SACT. The cost of living increases for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for that system.

According to state statutes, all obligations of PERS and PFRS will be assumed by the State of New Jersey should the PERS and PFRS be terminated.

## PERS and PFRS Fiduciary Net Position

The State of New Jersey issues publicly available financial reports that include the financial statements, required supplementary information and detailed information about the fiduciary net position of the PERS and PFRS. These financial statements were prepared in accordance with accounting principles generally accepted in the United States. 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 or accessed at www.state.nj.us/treasury/pensions.

DECEMBER 31, 2018 AND 2017

# NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued) 

STATE-MANAGED PENSION PLANS - PENSION DEFERRAL

Legislation, known as Chapter 19 of the Public Laws of 2009 (P.L. 2009, c. 19), was enacted and effective on March 17, 2009 allowing for an adjustment in the contributions that local employers, such as the City, must make to the PERS and PFRS during the year ended June 30, 2009. Under this legislation, local governments were given the option to defer exactly $50 \%$ of their required pension contribution as certified by the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits or pay the full amount of the required contribution for the year ended June 30, 2009.

The City elected the $50 \%$ deferral, totaling $\$ 14,826,590$, consisting of $\$ 14,129,001$ for PFRS and $\$ 697,589$ for PERS. Under the terms of the pension deferral, the City is obligated to repay the entire deferral in 15 amortized annual installments starting April 1, 2012 and ending April 1, 2026. These payments will be added to the regular pension bills. In 2016, the City dissolved the Jersey City Incinerator Authority, and therefore assumed its share of pension deferral obligations. The amount of the deferral paid during the years ended December 31, 2018 and 2017, as well as the short term liability of the deferral, are as follows:

|  | Combined Interest and Principal |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Paid During Year Ended Dec. 31, |  |  |  | $\begin{gathered} \hline \text { Due April 1, } \\ 2019 \\ \hline \end{gathered}$ |  |
|  | 2017 |  | 2018 |  |  |  |
| PERS | \$ | 148,612 | \$ | 109,627 | \$ | 110,240 |
| PFRS |  | 2,147,947 |  | 2,169,712 |  | 2,179,455 |
| Total | \$ | 2,296,559 | \$ | 2,279,339 | \$ | 2,289,695 |

## DEFINED CONTRIBUTION RETIREMENT PROGRAM

The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Individuals eligible for membership in the DCRP include (a) state or local officials elected or appointed to new office on or after July 1, 2007, (b) employees enrolled in PERS on or after July 1, 2007 or PFRS after May 21, 2010 who earn salary in excess of established maximum compensation limit and (c) employees otherwise eligible for PERS on or after November 2, 2008 or PFRS after May 21, 2010 that earn below the minimum PERS or PFRS salary but more than $\$ 5,000$ annually.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Vesting occurs upon commencement of the third year of membership. Should the vesting period not be reached, contributions will be refunded to the appropriate contributing parties. Employer matching contributions and earnings are only available after the age of 55. Distributions render the member retired and ineligible for future participation in any State-administered plans. Otherwise, distributions are available at any time as lump sum, fixed term or life annuity.

Members are covered by employer-paid life insurance in the amount of $11 / 2$ times the annual base salary on which DCRP contributions were based. Members are also eligible for employer-paid long-term disability coverage after one year of participation. Eligibility occurs after six consecutive months of total disability. Members would receive a regular monthly income benefit up to $60 \%$ of the base salary on which DCRP contributions were based during the 12 months preceding the onset of the disability, offset by any other periodic benefit the member may be receiving. Benefits will be paid until the age of 70 so long as the member remains disabled and has not begun receiving retirement annuity payments. The following table represents the City and employee contributions during the previous three years:

| Year Ended Dec. 31, | Employee Contributions |  |  | City Contributions |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Estimated <br> Amount | As a <br> Percentage of Base Payroll |  | ount | As a <br> Percentage of Base Payroll |
| 2018 | \$ | 98,784 | 5.50\% | \$ | 53,882 | 3.00\% |
| 2017 |  | 77,840 | 5.50\% |  | 42,458 | 3.00\% |
| 2016 |  | 71,977 | 5.50\% |  | 39,260 | 3.00\% |

## EMPLOYEES' RETIREMENT SYSTEM OF JERSEY CITY

The Employees' Retirement System of Jersey City (JCERS) became effective February 22, 1965, under N.J.S.A. 43:13-22.50, et seq. Legislation was approved amending the JCERS on May 9, 1990, effective June 1, 1990 and August 19, 1996 to revise the retirement and survivorship benefits payable to retirees and beneficiaries. Legislation in 2003 (Chapter 167, P.L. 2003) increased retirement allowances to $100 \%$ of CPI increases, replacing the previous $60 \%$. Finally, Chapter 247, P.L. 2005 decreased the early retirement factor from $2 / 12$ of $1 \%$ to $1 / 12$ of $1 \%$ per month for retirees prior to the age of 60 . The following plan description reflects these amendments. Under Chapter 282, P.L. 2013, legislation amends Section 43:13-22.73 to decrease retirants' Cost of Living Adjustments from 100\% to 50\% of the percentum of change in the Department of Labor's Consumer Price Index, which is assumed to increase at $3 \%$ per year.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Plan Members - The number of plan members at January 1, 2018 was as follows:

| Retired Members and Eligibles Survivors | 364 |
| :--- | ---: |
| Inactive Members Entitled to But Not Yet Receiving Benefits | 22 |
| Active Members | 780 |

Plan Description - The Plan is a single employer defined benefit pension plan covering certain employees of the City. Employees who were members of the former pension system (other than police, fire and Board of Education employees) hired after February 22, 1965, and under age 40 at the date of employment must become members of the Plan. In addition, temporary employees hired after October 7, 1984, with one year's continuous service, and under age 40 at the date of employment, must also become members of the Plan. Employees of the City who are not eligible to become members of the Plan are covered under the Public Employees' Retirement System which is managed by the State of New Jersey.

The activities of the JCERS are administered by a Pension Commission, which consists of the Mayor, Chief Financial Officer, two elected employee representatives, and one appointed citizen member. UBS and Trust Company of the West are designated custodians of the Plan's investments.

The JCERS has an actuarial valuation performed bi-annually as required by GASB. The most recent actuarial position of the JCERS was conducted as of December 31, 2018. Such valuations provide a basis for determining the contributions payable by the City.

The JCERS issues publicly available financial reports that include the financial statements and required supplementary information of the system. The financial report may be obtained by writing to the City Clerk, City of Jersey City, 280 Grove Street, Jersey City, NJ 07302.

Funding Policy - The JCERS is supported by joint contributions of its members and of the City.
Each member, on the effective date of the system, is required to contribute $6 \%$ to $8.5 \%$ of gross payroll. The contribution percentage varies with the member's age at the time of appointment. Each active member, who became a member after the effective date of the Plan, is required to contribute from $6.2 \%$ to $10.15 \%$ of their salary. The contribution percentage varies with the member's age on the date of entry to the Plan.

Although it has not expressed any intention to do so, the City has the right to discontinue its contributions to the JCERS at any time and to terminate the JCERS subject to legislation.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Pension Benefits - For the purpose of this section "final salary" for benefit purposes is to be defined as the average annual salary during the member's final 3 years of service or for any 3 fiscal years of membership providing the largest possible benefit to the member or beneficiary. Final Salary for employees hired after January 17, 2014 is changed to be the average annual compensation for any five fiscal years of membership providing the largest benefit.

Pension benefits partially vest after 10 years of credited service. If a member has completed 10 years of credited service, and is separated from service either voluntarily or involuntarily, prior to age 60 (65 for employees hired after January 17, 2014), the member may elect to receive a lump-sum distribution of their own contributions, or to receive a deferred pension commencing at age 60 ( 65 for employees hired after January 17, 2014). The deferred pension is equal to $50 \%$ of the member's final salary multiplied by the ratio of years of credited service to years of credited service which would have been attained had the member continued to age 60 ( 65 for employees hired after January 17, 2014). The minimum annual pension is $\$ 3,600$.

On August 19, 1996, the Plan was amended. Participants are eligible to receive normal retirement benefits upon completion of 20 years ( 25 years for employees hired after January 17, 2014) of service and attainment of age 60 (age 65 for employees hired after January 17, 2014). Benefits under the Plan are calculated on the basis of $55 \%$ of final salary, plus $1 \%$ of the final salary for each year in excess of 20 (25 years for employees hired after January 17, 2014) years.

Participants are eligible for retirement benefits upon attaining age 60 ( 65 for employees hired after January 17, 2014) with less than 20 ( 25 years for employees hired after January 17, 2014) years of service. Benefits under the Plan are calculated on the basis of $2 \%$ of the retirant's final salary for each year of creditable service.

For members electing early retirement, prior to age 60 ( 65 for employees hired after January 17, 2014), with 25 ( 30 years for employees hired after January 17, 2014) years of credited service, benefits under the Plan equal $55 \%$ of final salary reduced by $1 / 12$ of $1 \%$ for each month that the member is less than age $60(3 / 12$ of $1 \%$ for each month that the member is less than age 65 for employees hired after January 17, 2014).

Disability and Death Benefits - Any member who has 5 or more years of creditable service and has become permanently disabled may retire on a disability pension computed on the basis of $50 \%$ of their final salary plus $1 \%$ for each year of creditable service in excess of 20 years. Any member who becomes permanently disabled as a result of the performance of their regular duties during employment may retire on a disability pension. The pension is equal to two-thirds of final salary.

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

In the event of the member's death, there is a survivorship benefit to the member's surviving spouse of $50 \%$ of the member's final salary provided the member was employed by the City for a period of five years. In the case of no surviving spouse, other dependents receive a benefit to a lesser extent. Death of a retirant will result in the surviving spouse, minor children or dependent parents, receiving a survivorship benefit equal to $50 \%$ of the retirant's pension at retirement, not less than $\$ 3,600$.

Net Pension Liability - The components of the net pension liability as of December 31, 2018 and 2017 are as follows:


Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability, calculated using the discount rate of $8.10 \%$, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower ( $7.10 \%$ ) or 1-percentage-point higher ( $9.10 \%$ ) than the current rate:

|  | Current |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | 1\% Decrease <br> to $7.10 \%$ | $\begin{gathered} \text { Discount Rate } \\ 8.10 \% \\ \hline \end{gathered}$ |  | $1 \%$ Increase to $9.10 \%$ |
| Net Pension Liability | \$ 151,602,716 | \$ 123,603,318 |  | 100,129,116 |

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Actuarial Assumptions - The total pension liability as of December 31, 2016 were determined by use of update procedures to roll forward the plan's total pension liability as of December 31, 2015 to December 31, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

| Actuarial cost method: | Entry Age Normal, Level Percentage of Pay |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| Inflation: | 3.00\% per annum |  |  |  |
| Salary increases: | Salaries are assumed to increase as follows: |  |  |  |
|  | Age | Annual Rate of Salary Increase | Age | Annual Rate of Salary Increase |
|  | 20 | 4.91\% | 50 | 3.57\% |
|  | 25 | 5.00 | 55 | 3.09 |
|  | 30 | 4.86 | 60 | 2.74 |
|  | 35 | 4.50 | 62 | 2.57 |
|  | 40 | 4.23 | 65 | 2.30 |
|  | 45 | 3.85 | 69 | 1.86 |
| Investment rate of return: | $8.10 \%$, net of pension plan investment expenses. This is based on an average inflation rate of $3.00 \%$ and a real rate of return of $4.95 \%$. The Commission (Pension), during its December 19, 2018 meeting adopted a change in the long-term rate of investment return assumptions from $8.25 \%$ per annum to $7.95 \%$ per annum, effective with the fiscal year beginning January 1, 2019. The $7.95 \%$ rate is net of both investment and administrative expenses. The $8.10 \%$ noted above is net of investment expenses only. |  |  |  |

Mortality rates among healthy annuitants were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) with a one year static projection based on mortality improvement scale AA and further projected from the base year of 2013 using a generational approach based on the Conduent Modified 2015 projection scale. Mortality rates among disabled annuitants were based he RP- 2000 Disabled Mortality Tables (set back 3 years for males and set forward 1 year for females) and further projected from the base year of 2013 using a generational approach based on the Conduent Modified 2015projection scale.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

The long-term expected rate of return on pension plan investments was determined using a buildingblock method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table (note that the rates shown below include the inflation component).

|  | Long-Term Expected Rate of Return <br> at December 31, |  |  |
| :--- | :---: | :---: | :---: |
| Asset Class | 2018 | 2017 |  |
| Domestic Equity |  | $2.15 \%$ | $8.30 \%$ |
| International Equity |  | $7.00 \%$ | $8.45 \%$ |
| Domestic Fixed Income | $3.75 \%$ | $3.05 \%$ |  |
| High Yield | $5.35 \%$ | $*$ |  |
| Real Estate | $6.25 \%$ | $6.90 \%$ |  |
| Private Equity | $8.50 \%$ | $*$ |  |
| Hedge Funds | $5.50 \%$ | $*$ |  |
| Cash | $2.50 \%$ | $2.25 \%$ |  |

Discount Rate - The discount rates used to measure the total pension liability were $8.25 \%$. The projection of cash flows used to determine the discount rate assumed that Jersey City contributions will continue to follow the current funding policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. In the event for benefit payments that are not covered by the pension plan's fiduciary net position, a municipal bond rate of $3.64 \%$ and $3.71 \%$ as of December 31, 2018 and 2017, respectively, are to be used to discount the benefit payments not covered by the pension plan's fiduciary net position. The rates are based on the S\&P Municipal Bond 20 Year High Grade Rate Index. However, since the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The actuary has further stated that consideration should be given to reducing the investment return assumption as the Actuary states that it conflicts with their professional judgment regarding what constitutes a reasonable assumption.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

## DEFERRED COMPENSATION PLAN (unaudited)

The City has established a deferred compensation program for its employees under Section 457 of the Internal Revenue Code. The deferred compensation program is a Public Employees' Deferred Compensation Plan, covering employees and elected officials who perform services for the City. The Plan is underwritten by Prudential Insurance Company.

The Plan is a tax-deferred supplemental retirement program that allows City employees to contribute a portion of their salaries, before federal taxes, to a retirement account. Contributions, or deferrals, are made through payroll deductions. Individuals are $100 \%$ vested. Distributions are not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the individual contributors and are not subject to the claims of the City's general creditors. Assets of the plans are invested in various mutual funds at the discretion of the participants.

## NOTE G. POST-EMPLOYMENT BENEFITS

## Plan Description

The City provides eligible retirees with medical, prescription drug, and life insurance benefits (the plan). Retirees who do not meet eligibility requirements for $100 \%$ City paid coverage but meet the eligibility requirements for $100 \%$ employee paid coverage can continue coverage by paying premiums established by the City.

To be eligible for retiree benefits, employees must retire and have completed 25 years of employment and met all other retirement criteria of the Public employees Retirement System (PERS). Spouses may continue coverage after the death of the retiree. Police and Fireman are allowed credit for service in the New Jersey Police and Firemen's Retirement System. Disability eligibility is 4 years of service for Police and Firemen and 5 years for all others.

Retirees 65 and older have the same benefits as those younger than 65 , with the exception that the plan is secondary to Medicare. This is a direct access plan which, in-network, covers hospital, surgical and diagnostic and physician services at $100 \%$. Physician visits are subject to a $\$ 10$ copay. Out of Network, the plan covers hospital, surgical, diagnostic and physician services at $70 \%$ of allowed charges subject to a deductible of $\$ 100 / \$ 250$ for single/family, $70 \%$ coinsurance with an out of pocket maximum of $\$ 2,000 / \$ 5,000$ for single/family.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE G. POST-EMPLOYMENT BENEFITS (continued)

Coverage for prescription drugs varies from group to group. Typically, costs are covered at $100 \%$ subject to co-pays of $\$ 5 / \$ 25 / \$ 35$ for generic/preferred brand/non formulary brand. (Mail delivery is available with generally the same the copays specified above). High cost drugs are subject to copays of $\$ 50 / \$ 100 / \$ 150$ if the cost of the drug exceeds $\$ 1,000 / \$ 2,000 / \$ 3,000$. Medicare eligible retirees are covered under an EGWP plan with copays of $\$ 8 / \$ 17 / \$ 34$ for generic/preferred brand/non formulary brand.

Dental and Vision benefits are available to eligible retirees and their dependents, however, retirees are required to pay $100 \%$ of the cost of these plans.

Retirees of the Jersey City Police Officers Benevolent Association, Jersey City Police Superior Officers Association, Uniformed Fire Fighters Association of Jersey City and Jersey City Uniformed Fire Officers Associations receive life insurance or death benefits ranging from $\$ 1,500$ to $\$ 2,500$ dependent on retirement date. Employees other than Police and Firemen have no postemployment death benefits paid by Jersey City.

Eligible dependents of retirees are provided medical and prescription drug benefits for their lifetime.

In March 2010, the Patient Protection and Affordable Care Act (PPACA) was signed into law. The high cost excise tax ("Cadillac tax") provisions of the Act are applicable. Additionally, on June 28, 2011 P.L. 2011 c. 78 (Chapter 78) was enacted. Chapter 78 contained many changes to the retirement and healthcare plans offered to employees and retirees of New Jersey State and Local government..

## Funding Policy

Current retirees, dependents and survivors are not required to contribute toward the cost of the postretirement medical and prescription drug coverage. All costs are paid $100 \%$ by the City. Any employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retiree contributions are based on a percentage of the postretirement healthcare cost. The contribution percentages, which are phased-in over a four-year period, vary based on healthcare coverage tier and amount of PERS or PFRS pension amounts. Retired Police and Firefighters are not required to contribute toward the cost of post retirement life insurance benefits.

# CITY OF JERSEY CITY 

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

## NOTE G. POST-EMPLOYMENT BENEFITS (continued)

The City's contribution and net OPEB liability, as well as the relation of each to covered payroll, is as follows:

| Year Ended <br> December 31, | City Contribution |  |  | Covered Payroll |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | As a <br> Percentage of Covered Payroll |  |  |
| 2018 | \$ | 39,007,848 | 30.9\% | \$ | 126,236,617 |
| 2017 |  | 31,283,654 | 23.4\% |  | 133,924,493 |

The census data used in the actuarial valuation is summarized as follows:

|  | 2018 | Average |  | 2017 <br> Total | Average |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | Age | Service |  | Age | Service |
| Active Employees | 3,070 | 44.3 | 10.7 | 2,379 | 47.4 | 12.0 |
| Retirees | 2,575 |  |  | 2,241 |  |  |
| Retiree Spouses | 1,329 |  |  | 1,261 |  |  |
|  | 3,904 | 69.8 |  | 3,502 | 72.2 |  |

## Actuarial Valuation Results

Under GASB criteria, the City would recognize the cost of other post-employment benefits in the year when the employee services are received, report the accumulated liability from prior years, and provide information useful in assessing potential demands on the City's future cash flows. However, since the City is using the modified accrual basis of accounting as prescribed by the Division, the City is not required to show any accrued liability on the face of its financial statements, only to the notes to those financial statements.

Data used in the valuation is based on a file, provided by Jersey City of all active employees as well as all retirees who were participants in the Plan as of December 31, 2018. The plan provisions were obtained from documents provided by Jersey City. The Measurement Date, for each fiscal year is as of the end of the prior year. Thus, the Total OPEB Liability for fiscal years ending December 31, 2018 and December 31, 2017 is measured at December 31, 2017 and December 31, 2016, respectively.

The values are determined using the Individual Entry Age Normal Cost method of valuation with the normal cost determined as a percentage of pay. Standard roll forward and backward techniques were used to adjust valuation dates to measurement dates.

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE G. POST-EMPLOYMENT BENEFITS (continued)

The change in the Total OPEB liability is as follows:

|  | 2018 |  | 2017 |  |
| :---: | :---: | :---: | :---: | :---: |
| Service Cost | \$ | 10,655,111 | \$ | 12,006,029 |
| Interest cost |  | 25,823,367 |  | 24,601,082 |
| Experience Gains |  | 279,112,440 |  |  |
| Changes in assumptions or other inputs |  | 66,516,495 |  | $(25,910,211)$ |
| Contributions made |  | $(39,007,848)$ |  | $(31,283,655)$ |
| (Decrease) / Increase in OPEB liability |  | 343,099,565 |  | $(20,586,755)$ |
| Total OPEB liability - Beginning of year |  | 693,420,490 |  | 714,007,245 |
| Total OPEB liability - End of year | \$ | 1,036,520,055 | \$ | 693,420,490 |
| Inactives | \$ | 715,505,365 | \$ | 459,582,611 |
| Actives |  | 321,014,690 |  | 233,837,879 |
|  | \$ | 1,036,520,055 | \$ | 693,420,490 |
| Net OPEB liability - end of year | \$ | 1,036,520,055 | \$ | 693,420,490 |
| Covered payroll | \$ | 126,236,617 | \$ | 133,924,493 |
| Net OPEB liability as a |  |  |  |  |
| Percentage of Covered Payroll |  | 821.09\% |  | 517.77\% |
| End of Year Discount Rate |  | 3.31\% |  | 3.81\% |

OPEB Expense is calculated as follows:

Service Cost

|  | 2018 | 2017 |  |
| :---: | :---: | :---: | :---: |
| \$ | 10,655,111 | \$ | 12,006,029 |
|  | 25,823,367 |  | 24,601,082 |

Current Period Recognition of deferred (inflows)/outflows of resources
Change in Assumptions
6,825,746 (6,477,553)
Difference in Acutal and Expected
OPEB Expense

|  | $6,825,746$ <br> $55,822,488$ |  | $(6,477,553)$ |  |
| :--- | ---: | :--- | ---: | ---: |

DECEMBER 31, 2018 AND 2017

## NOTE G. POST-EMPLOYMENT BENEFITS (continued)

## Actuarial Assumptions and Methods

Actuarial assumptions used to value the City's post-employment benefits are as follows:

Discount Rate: $\quad$ Because the plan has no trust assets, GASB 75 requires that the discount rate be based on 20 - year, high-quality municipal bonds, as published by Fidelity Investments at December 31, 2017 and 2016 at $3.31 \%$ and $3.81 \%$, respectively.

Inflation Rate: Inflation rate of $2.50 \%$ is based upon long-term trends and uses a rate that is in the range provided in the annual Trustees Report for the Social Security System.

Salary Increases: Salary increase assumption of $3.00 \%$ is based upon the State of New Jersey State Health Benefits Program.

Health Care Cos Based upon industry data. 7.00\% for 2016-2019 grading down to 3.5\% (by Trend: $\quad 0.5 \%$ increments) in 2026.

Age-Based Based standard rate manual factors. Per capita costs (non Medicare eligible) Utilization: are adjusted to reflect expected cost changers related to age. Age factors are shown below.

| Projection of Claim Costs by Age |  |  |  |  |  |  |  |  |  |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| Age | $<30$ | $30-34$ | $35-39$ | $40-44$ | $45-49$ | $50-54$ | $55-59$ | $60-64$ | $65-70$ | $71-74$ | $75+$ |
| Pre Medicare |  |  |  |  |  |  |  |  |  |  |  |
| Eligibility Factors | 0.60 | 0.75 | 0.95 | 1.10 | 1.30 | 1.50 | 1.75 | 2.15 | 2.55 | 3.00 | 3.00 |
| Medicare Eligible |  |  |  |  |  |  |  |  | 0.85 | 1.00 | 1.15 |

Premium Rates for Provided by Jersey City. the Group:

Rates of Mortality: This RP 2014 table incorporates a mortality projection using a static projection technique. RP 2014 White Collar and Blue Collar (weighted $50 \%$ each) Tables projected to 2024 with scale MP18.

Rates of Turnover: Based on those used by State of New Jersey State Health Benefits Program. All active participants have at least 10 years of service. Ultimate termination rates vary by age as follows: Age $30-6.1 \%$; Age $35-4 \%$; Age $40-2.9 \%$; Age 45 $-2.7 \%$; Age $50-2.0 \%$; Age $55-1.6 \%$; Age $60-1.5 \%$.

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE G. POST-EMPLOYMENT BENEFITS (continued)

Rates of Retirement: Retirements are assumed to occur in accordance with the following rates: Sample ages of $55,60,65 \& 69$ with rates of $11.7 \%, 7.8 \%, 16.5 \%$ \& $11.5 \%$, respectively.

Rates of Disability: No disabilities were assumed.
Spouse Assumption: Actual spouse data was used when available. Spouse dates of birth were provided for all retired employees. For actives, $65 \%$ are assumed to be married with males assumed to be 3 years older than females. Marital status is assumed not to change prior to or after retirement.

Retiree
$100 \%$ of eligible retirees are assumed to elect to participate in the plan.
Participation: Percent of retirees who continue their coverage was developed after discussions with Jersey City.

ACA Excise Tax: No adjustment is made for this potential tax. One reason is Congress keeps postponing its effective date. If the tax becomes effective, we are assuming the Employer will pass the tax along to the participants.

Per Capita Claims The annual per capita cost for the 2019 for the retiree and spouse at age 64 Cost and Premiums: and 65 is $\$ 29,561$ and $\$ 3,588$, respectively.

Administrative The medical costs above include an allowance of $11.5 \%$ for administration. Expenses:

## Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the City's net OPEB liability as of December 31, 2018 and 2017, respectively, as well what the City's net OPEB liability would be if it were calculated using a discount rate $1 \%$ lower and $1 \%$ higher than the current discount rate of:

```
At:
    1% Decrease
    Current Discount Rate
    1% Increase
```

| 2018 |  |
| :---: | ---: |
| Rate |  |
| $2.31 \%$ | $\$ 1,199,053,329$ |
| $3.31 \%$ | $1,036,520,055$ |
| $4.31 \%$ | $905,035,279$ |


| 2017 |  |
| :---: | :---: |
| Rate |  |
| $2.81 \%$ | $\$$ |
| $3.81 \%$ | $797,864,330$ |
| $4.81 \%$ | $693,420,490$ |
| $607,676,452$ |  |

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE G. POST-EMPLOYMENT BENEFITS (continued)

## Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the City's net OPEB liability as of December 31, 2018 and 2017, respectively, as well what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate $1 \%$ lower and $1 \%$ higher than the current healthcare cost trend rate:

At:
1\% Decrease
Current Healthcare Cost Trend Rate
1\% Increase

| 2018 |  |  | 2017 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Rate |  |  | Rate |  |  |
| 2.31\% | \$ | 917,230,170 | 2.81\% | \$ | 615,691,612 |
| 3.31\% |  | 1,036,520,055 | 3.81\% |  | 693,420,490 |
| 4.31\% |  | 1,177,312,843 | 4.81\% |  | 784,892,235 |

## Deferred Outflows and Deferred Inflows of Resources

The OPEB deferred outflows and deferred inflows of resources at December 31, 2018 and 2017 were as follows:

|  | December 31, 2018 |  |  | December 31, 2017 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Deferred <br> Outflows of Resources | $\begin{gathered} \text { Deferred } \\ \text { Inflows } \\ \text { of Resources } \end{gathered}$ | Net Deferred Outflow / (Inflow) | Deferred <br> Outflows of Resources | $\begin{gathered} \text { Deferred } \\ \text { Inflows } \\ \text { of Resources } \end{gathered}$ | Net Deferred Outflow / (Inflow) |
| Changes of Assumptions | \$ 53,213,196 | \$ (12,955,106) | \$ 40,258,090 | \$ - | \$ (19,432,659) | \$ (19,432,659) |
| Difference Between Expected and Actual Experience | 223,289,952 | - | 223,289,952 | - | - | - |
|  | \$ 276,503,148 | \$ (12,955,106) | \$ 263,548,042 | \$ - | \$ (19,432,659) | \$ (19,432,659) |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

| Year Ended <br> December 31, |  |  |
| :---: | ---: | ---: | ---: |
| 2019 |  | $62,648,234$ |
| 2020 |  | $62,648,234$ |
| 2021 |  | $69,125,787$ |
| 2022 |  | $69,125,787$ |
| 2023 |  | - |
|  |  | $\$ 263,548,042$ |
|  |  |  |

## DECEMBER 31, 2018 AND 2017

## NOTE G. POST-EMPLOYMENT BENEFITS (continued)

## Participation in State Health Benefits Plan

Plan Description - The City has 8 retired employees which are members of the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan with a special funding situation 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 reimbursement to retirees and their covered dependents. The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

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 or by visiting their website at www.state.nj.us/treasury/pensions.

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis.

Retiree Contributions - Future retirees who do not fall under the grandfathering provisions of Chapter 78 of the 2011 Pension and Health Benefit Reforms will be required to contribute to the costs of their retiree health care. Participant contributions are based on salary level and pension benefit amounts and are phased in as a percentage based on salary or pension earnings. Grandfathered participants include those with greater than 20 years of service as of June 28,2011 who retire with 25 years of service with the City, or who reached age 62 as of that date with 15 years of service will receive benefits at no cost to the participant.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE G. POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Obligation - The City's share of the net OPEB liability of the City at June 30, 2018 was $\$ 1,210,247$. The Plan's fiduciary net position as a percentage of the total OPEB liability was $1.97 \%$.

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30,2017 which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

|  | 2018 |
| :--- | :---: |
| Inflation Rate | $2.50 \%$ |
| Salary increases: |  |
| Through 2026 | $1.65 \%$ to $8.98 \%$ |
| Thereafter | $2.65 \%$ to $9.98 \%$ |

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan- the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.
$100 \%$ of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially $5.8 \%$ and decreases to a $5.0 \%$ long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is $4.5 \%$. For prescription drug benefits, the initial trend rate is $8.0 \%$ decreasing to a $5.0 \%$ long-term trend rate after seven years. The Medicare Advantage trend rate is $4.5 \%$ and will continue in all future years.

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE G. POST-EMPLOYMENT BENEFITS (continued)

Discount Rate - The discount rate for June 30, 2018 was $3.87 \%$. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of $\mathrm{AA} / \mathrm{Aa}$ or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

## Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the City's share of the SHBP net OPEB liability as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

|  | 2018 |
| :--- | :---: |
| At: |  |
| 1\% Decrease $(2.87 \%)$ | $1,419,300$ |
| Current Discount Rate $(3.87 \%)$ | $1,210,247$ |
| $1 \%$ Increase $(4.87 \%)$ | $1,042,280$ |

## Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the City's net OPEB liability as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|  | 2018 |
| :--- | :---: |
| At: |  |
| 1\% Decrease $(2.87 \%)$ | $1,009,085$ |
| Current Discount Rate $(3.87 \%)$ | $1,210,247$ |
| $1 \%$ Increase $(4.87 \%)$ | $1,469,329$ |

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE G. POST-EMPLOYMENT BENEFITS (continued)

Deferred Outflows and Deferred Inflows of Resources - The OPEB expense and deferred outflows and deferred inflows of resources at June 30, 2018 and 2017 were as follows:

|  | June 30, 2018 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Deferred Outflows of Resources |  | Deferred Inflows of Resources |  | Net Deferred Outflow / (Inflow) |  |
| Changes of Assumptions | \$ | - | \$ | $(306,995)$ | \$ | $(306,995)$ |
| Difference Between Expected and Actual Experience |  | - |  | $(245,723)$ |  | $(245,723)$ |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments |  | 640 |  | - |  | 640 |
| Changes in Proportion |  | 19,892 |  | $(130,684)$ |  | $(110,792)$ |
|  | \$ | 20,532 | \$ | $(683,402)$ | \$ | $(662,870)$ |

The amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended <br> June 30, |  |  |
| :---: | :---: | ---: |
| 2019 | $\$$ | $(105,020)$ <br> $(105,020)$ <br> 2020 |
| 2021 |  | $(105,020)$ <br> 2022 |
| 2023 |  | $(77,020)$ <br> $(165,468)$ |
| Thereafter | $\$$ | $(662,870)$ |

## OPEB Expense

The components of allocable OPEB expense, which exclude OPEB expense related to specific liabilities of individual employers, for the year ending June 30, 2018 are as follows:

|  | 2018 |  |
| :--- | :---: | :---: |
| Proportionate Share of |  |  |
| Allocable Plan OPEB Expense | $\$ 7,102$ |  |
| Net Amortizations of Deferred |  | $(18,850)$ |
| Amounts from Changes in Proportion |  | $\$ \quad 28,252$ |

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE G. POST-EMPLOYMENT BENEFITS (continued)

## Special Funding Situation

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

Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Since the City does not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. The State's share of the net OPEB liability associated with the City is $\$ 1,311,991$, which represents 6 plan members, constituting $0.02114 \%$ of the State's total proportionate share of the net OPEB liability.

## NOTE H. COMPENSATED ABSENCES

Under the existing contracts and policies of the City, certain employees are allowed to accumulate certain levels of vacation and sick pay over the duration of their employment. As of December 31, 2018 and 2017, the total accumulated absence liability was $\$ 106,125,314$ and $\$ 108,439,233$, respectively. As of December 31, 2018 and 2017, the City had no reserves available to fund such obligations.

During the year ended December 31, 2018, the City appropriated by special emergency resolution $\$ 14,500,000$ for compensated absences, of which $\$ 13,040,689$ was expended. During the year ended December 31, 2017, the City appropriated in its budget and expended $\$ 10,061,022$ for compensated absences.

As described more fully in Note D, total Special Emergency Notes issued for contractual severance payments and outstanding as of December 31, 2018 and 2017 were $\$ 19,200,000$ and $\$ 9,700,000$, respectively.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE I. RISK MANAGEMENT

## Disaster Recovery

The City has entered into contracts with various vendors in an effort to protect its financial processes and data in the event unforeseen disaster should occur. Included in these contracts are offsite storage of financial data tapes and payroll data offsite backup. The latter also provides the City the ability to run such process offsite if needed.

## Insurance Coverage

The City established a self-insurance program in 1982 in accordance with New Jersey Statute Chapter 40:10-6. The Chapter enables the governing body of any local unit to create a fund to provide insurance coverage for its exposure to a wide variety of property casualty risks, including property damage caused to any of the unit's property, motor vehicles, equipment or apparatus; liability resulting from the use or operation of such motor vehicles, equipment or apparatus; liability for the unit's negligence, including that of its officers, employees and servants and workers' compensation obligations.

The City self insures against tort claims (including claims arising from the use of motor vehicles), claims arising from police activities, unemployment compensation and workers' compensation lawsuits.

The City has also obtained the following coverage:

- Public officials' liability insurance with limits of $\$ 1,000,000$ for employee theft, $\$ 1,500,000$ for premises theft, $\$ 500,000$ for computer fraud and $\$ 500,000$ for forgery.
- Directors and Officers liability policy with limits of $\$ 2,000,000$.
- General liability excess coverage of $\$ 2,500,000$ per occurrence, $\$ 10,000,000$ aggregate, per occurrence limit of $\$ 2,000,000$ for workers' compensation claims.
- Building coverage ranging from $\$ 33,600$ to $\$ 25,154,150$, depending on the location insured.
- Business personal property coverage ranging from $\$ 12,000$ to $\$ 27,654,150$, depending on the location insured.
- Total property coverage of $\$ 287,201,195$.
- Commercial watercraft insurance providing hull coverage for $\$ 1,671,422$ and protection and indemnity coverage in the amount of $\$ 1,000,000$ per incident.
- Recreation Department liability policy with limits of $\$ 1,000,000$.
- Flood insurance for various buildings totaling \$630,000.
- Site pollution incident legal liability select (spills) coverage in the amount of $\$ 25,000,000$.


# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE J. CLEARING ACCOUNTS

The City maintains a clearing account in the Current Fund General Ledger so that cash received for revenues may be deposited promptly and distributed to proper accounts at a later date. The City also maintains a claims account, or a cash clearing bank account, from which bills are paid for the Current, Trust and Capital Funds.

## NOTE K. PREPAID DEBT SERVICE - QUALIFIED BONDS

The City reverted its fiscal year from one ending June 30, annually, to one ending December 31, annually. This resulted in a six month transition year as follows:

12 months ended June 30, 2010 $\qquad$ Final "June 30" Year End
July 1, 2010 through December 31, 2010.......... Six Month Transition Year January 1, 2011 through December 31, 2011..... First "December 31" Year End

The Division requires municipalities reverting to a calendar year to anticipate a full year of State Aid during the six month Transition Year. Whereas the City receives State Aid in two forms; (1) direct cash receipts from the State, and (2) debt payments made by the State on behalf of the City (Qualified Bonds), the City realized State Aid during the Transition Year as follows:

Six Month Transition Year Ended December 31, 2010

| State Aid Anticipated |  |  | \$ | 66,933,632 |
| :---: | :---: | :---: | :---: | :---: |
| Less: |  |  |  |  |
| State Aid Received in Cash | \$ | 28,599,305 |  |  |
| Qualifed Bond Program Payments |  | 21,329,093 |  |  |
| Subtotal: Aid Received |  |  |  | 49,928,398 |
| Prepaid Debt Service (To Realize State |  |  | \$ | 17,005,234 |

As a result, the City recognized State Aid revenues in the amount of $\$ 17,005,234$ for debt service payments of the succeeding year, resulting in prepaid debt service at year end. The following schedule summarizes the State Aid received, qualified bond payments applied and the prepaid amounts as of December 31, 2018 and 2017.

|  | 2018 |  | 2017 |  |
| :---: | :---: | :---: | :---: | :---: |
| Balance, Beginning of Year | \$ | 11,725,890 | \$ | 12,562,462 |
| State Aid |  | 66,358,892 |  | 67,050,310 |
|  |  | 78,084,782 |  | 79,612,772 |
| Less: Received in Cash |  | 26,027,010 |  | 21,867,610 |
| Qualified Bond Payments |  | 40,617,125 |  | 46,019,272 |
| Balance, End of Year | \$ | 11,440,647 | \$ | 11,725,890 |

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE L. FIXED ASSETS

In accordance with accounting practices prescribed by the Division, and as further detailed in Note A, no depreciation has been provided for and fixed assets acquired through grants in aid or contributed capital have not been accounted for separately. The City had the following investment balance and activity in general fixed assets as of and for the year ended December 31, 2018:

|  | $\begin{gathered} \text { Balance, } \\ \text { Dec. } 31,2017 \\ \hline \end{gathered}$ | Activity During Current Year |  |  |  | Balance, Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Additions | Dispositions |  |  |  |
| Land | \$ 127,760,200 | \$ | - | \$ | - | \$ | 127,760,200 |
| Improvements | 231,648,416 |  | 1,049,286 |  | - |  | 232,697,702 |
| Machinery and Equipment | 54,923,714 |  | 13,095,396 |  |  |  | 68,019,110 |
|  | \$ 414,332,330 | \$ | 14,144,682 | \$ | - |  | 428,477,012 |

The City had the following investment balance and activity in general fixed assets as of and for the year ended December 31, 2017:

|  | $\begin{gathered} \text { Balance, } \\ \text { Dec. } 31,2016 \\ \hline \end{gathered}$ |  | Activity During Current Year |  |  |  | $\begin{gathered} \text { Balance, } \\ \text { Dec. } 31,2017 \\ \hline \end{gathered}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Additions |  | Dispositions |  |  |  |
| Land | \$ | 138,916,522 | \$ |  | \$ | 11,156,322 |  | 127,760,200 |
| Improvements |  | 130,980,911 |  | 100,667,505 |  | - |  | 231,648,416 |
| Machinery and Equipment |  | 79,395,979 |  | - |  | 24,472,265 |  | 54,923,714 |
|  |  | 349,293,412 | \$ | 100,667,505 | \$ | 35,628,587 |  | 414,332,330 |

## NOTE M. PREPAYMENTS OF PILOT REVENUES

The City has entered into certain financial agreements under the Long Term Tax Exemption Law, which allows developers to pay Annual Service Charges in Lieu of Taxes (PILOTs) upon completion of such construction projects. The City further structured many PILOT agreements prior to 2009 whereas (a) entities would prepay to the City, upon execution of the agreement and well in advance of project completion, the first year's estimated Annual Service Charge and (b) the City would be required to refund or credit this prepayment to the entity once the project is completed, typically over a period of four years.

The City realized these prepayments as revenues in the period received. In each of the first four years after project completion, the City reduces the amount of revenues from the calculated Annual Service Charges by crediting 25\% of the prepaid amount each year. As of December 31, 2018 and 2017, the balance of City revenues collected in prior years which will be applied as refunds and credits on Annual Services Charges was estimated to be $\$ 10,500,000$ and $\$ 10,725,000$, respectively.

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE N. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2018, the following deferred charges are shown on the balance sheets of the various funds. The appropriations in the 2018 and 2019 budgets are not less than that required by statute.

|  | Balance, Dec. 31, 2017 |  | Add: <br> Results of Current Year |  | Less: <br> 2018 Budget <br> Appropriation |  | Balance, Dec. 31, 2018 |  | 2019 Budget <br> Appropriation |  | Balance to Succeeding Budgets |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Current Fund: |  |  |  |  |  |  |  |  |  |  |  |  |
| Special Emergency Authorizations (40A:4-53.b) <br> Revaluation of Properties-2016 | \$ | 4,000,000 | \$ | - | \$ | 1,000,000 | \$ | 3,000,000 | \$ | 1,000,000 | \$ | 2,000,000 |
| Special Emergency Authorizations (40A:4-53.h) |  |  |  |  |  |  |  |  |  |  |  |  |
| Contractual Severance Payments-2013 |  | 1,900,000 |  | - |  | 1,900,000 |  | - |  |  |  | - |
| Contractual Severance Payments-2014 |  | 3,000,000 |  | - |  | 1,500,000 |  | 1,500,000 |  | 1,500,000 |  | - |
| Contractual Severance Payments-2015 |  | 4,800,000 |  | - |  | 1,600,000 |  | 3,200,000 |  | 1,600,000 |  | 1,600,000 |
| Contractual Severance Payments-2018 |  | - |  | 14,500,000 |  | - |  | 14,500,000 |  | 2,900,000 |  | 11,600,000 |
| Special Emergency Authorizations (40A:4-53.d) |  |  |  |  |  |  |  |  |  |  |  |  |
| Master Plan-2018 |  | - |  | 940,500 |  | - |  | 940,500 |  | 188,100 |  | 752,400 |
| Overexpenditure of Budget Appropriation |  |  |  |  |  |  |  |  |  |  |  |  |
| Recreation Salaries-2018 |  | - |  | 25,129 |  | - |  | 25,129 |  | 25,129 |  | - |
| Trust Fund: |  |  |  |  |  |  |  |  |  |  |  |  |
| Overexpenditure of Private Duty Reserve |  | 153,900 |  | - |  | 153,900 |  | - |  | - |  | - |
|  | \$ | 13,853,900 | \$ | 15,465,629 | \$ | 6,153,900 | \$ | 23,165,629 | \$ | 7,213,229 | \$ | 15,952,400 |

At December 31, 2017, the following deferred charges are shown on the balance sheets of the various funds. The appropriations in the 2017 and 2018 budgets are not less than that required by statute.

|  | Balance, Dec. 31, 2016 |  | Add: <br> Results of Current Year |  | Less: <br> 2017 Budget <br> Appropriation |  | Balance, Dec. 31, 2017 |  | 2018 Budget <br> Appropriation |  | Balance to Succeeding Budgets |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Current Fund: |  |  |  |  |  |  |  |  |  |  |  |  |
| Special Emergency Authorizations (40A:4-53.b) |  |  |  |  |  |  |  |  |  |  |  |  |
| Revaluation of Properties-2016 | \$ | 5,000,000 | \$ | - | \$ | 1,000,000 | \$ | 4,000,000 | \$ | 1,000,000 | \$ | 3,000,000 |
| Special Emergency Authorizations (40A:4-53.h) |  |  |  |  |  |  |  |  |  |  |  |  |
| Contractual Severance Payments-2013 |  | 3,800,000 |  | - |  | 1,900,000 |  | 1,900,000 |  | 1,900,000 |  | - |
| Contractual Severance Payments-2014 |  | 4,500,000 |  | - |  | 1,500,000 |  | 3,000,000 |  | 1,500,000 |  | 1,500,000 |
| Contractual Severance Payments-2015 |  | 6,400,000 |  | - |  | 1,600,000 |  | 4,800,000 |  | 1,600,000 |  | 3,200,000 |
| Special Emergency Authorizations (40A:4-54) |  |  |  |  |  |  |  |  |  |  |  |  |
| Superstorm Sandy |  | 932,496 |  | - |  | 932,496 |  | - |  | - |  | - |
| Expenditure without an Appropriation |  |  |  |  |  |  |  |  |  |  |  |  |
| Contractual Severance Payments-2016 |  | 6,738,978 |  | - |  | 6,738,978 |  | - |  | - |  | - |
| Trust Fund: |  |  |  |  |  |  |  |  |  |  |  |  |
| Overexpenditure of Private Duty Reserve |  | - |  | 153,900 |  | - |  | 153,900 |  | 153,900 |  | - |
|  | \$ | 27,371,474 | \$ | 153,900 | \$ | 13,671,474 | \$ | 13,853,900 | \$ | 6,153,900 | \$ | 7,700,000 |

Further descriptions of the above deferred charges follow.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE N. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS (continued)

Contractual Severance Liabilities - A significant number of employees either retired or otherwise had their employment with the City terminated. The City passed special emergency appropriations to provide for payment of the resulting severance liabilities in 2018, 2015, 2014 and 2013 in the amounts of $\$ 14,500,000, \$ 8,000,000, \$ 7,500,000$ and $\$ 9,5000,000$, respectively. The current balance to be raised is noted in the preceding table. The special emergency appropriations were financed with special emergency notes, discussed further in Note D.

Superstorm Sandy - During the year ended December 31, 2012, the City suffered extensive damages from the effects of Superstorm Sandy and subsequent flooding. The City passed Resolution No. 12842 which consisted of two emergencies related to this storm. The first is a $\$ 580,000$ emergency appropriation and the second is a $\$ 15,420,000$ special emergency appropriation. On March 28, 2013, the City adopted Ordinance No. 13-031 which re-appropriated $\$ 10,000,000$ of this emergency as a capital ordinance for items as allowable under State statutes. This emergency was fully funded as of December 31, 2017.

Revaluation of Properties - During the year ended December 31, 2016, the City passed a Special Emergency Appropriation in the amount of $\$ 5,000,000$ for the preparation and execution of a complete program of revaluation of real property for the use of the local assessor. The current balance to be raised is noted in the preceding table.

Master Plan - During the year ended December 31, 2018, the City passed a Special Emergency Appropriation in the amount of $\$ 940,500$ for the preparation of a master plan to conform to the planning laws of the State of New Jersey. The current balance to be raised is noted in the preceding table.

Expenditure without Appropriation - During the year ended December 31, 2016, the City expended $\$ 6,738,978$ for contractual severance liabilities for which there was no legal appropriation. In accordance with N.J.S.A. 40A:4-57, such expenditure without appropriation is required to be raised in full in the budget of the succeeding year. This deferred charge was raised in full in the budget of 2017.

Overexpenditure of Budget Appropriation - During the year ended December 31, 2018, the City expended $\$ 25$, 129 in excess of the funds appropriated for recreation salaries. This deferred charge was established in 2018 and is raised in full in the budget of 2019.

Overexpenditure of Trust Fund Reserve - During the year ended December 31, 2016, the City expended $\$ 153,900$ in excess of funds collected for Private Duty fees. This deferred charge was established in 2017 and is raised in full in the budget of 2018.

## DECEMBER 31, 2018 AND 2017

## NOTE O. RELATED PARTY TRANSACTIONS

## JERSEY CITY MUNICIPAL UTILITIES AUTHORITY

On February 1, 1998, the City transferred its water operating functions to the Jersey City Municipal Utilities Authority (JCMUA). Pursuant to the franchise and service agreement, the City and the JCMUA agreed that the JCMUA will, in addition to paying the City an up-front franchise fee and annual franchise concession fees, (a) assume the responsibility for and the payment of the principal and interest on the City's water bonds; (b) pay the City for the oversight of the operations of the water system and (c) provide water and sewer service to the City free of charge for all governmental public facilities as identified by the City.

As noted above, the JCMUA is responsible to reimburse the City for payments of principal and interest on water bonds. The amount of Water Serial Bonds payable, and therefore the corresponding amount receivable from the JCMUA to the City's Capital Fund, at December 31, 2018 and 2017 was $\$ 16,550,000$ and $\$ 21,150,000$, respectively.

During the year ended December 31, 2017, the City overpaid $\$ 1,604,940$ to the JCMUA for sewer and water fees collected as a result of its annual accelerated tax sale. The JCMUA refunded this amount to the City in 2018, therefore the amount receivable from the JCMUA as of December 31, 2018 and 2017 is $\$ 1,604,940$ and $\$-0$-, respectively.

|  |  | Balance <br> c. 31, 2017 | Increased |  | Payments Received |  | Balance Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Current Fund: <br> Overpayment of Tax Sale Fees | \$ | 1,604,940 | \$ | - | \$ | 1,604,940 | \$ | - |
| Capital Fund: |  |  |  |  |  |  |  |  |
| Water Bond Principal |  | 21,150,000 |  | - |  | 4,600,000 |  | 16,550,000 |
|  | \$ | 24,659,940 | \$ | - | \$ | 6,204,940 | \$ | 16,550,000 |

A summary of the amounts due from the JCMUA at December 31, 2017 is as follows:
$\left.\begin{array}{lllllllll} & \begin{array}{c}\text { Balance } \\ \text { Dec. } 31,2016\end{array} & & & \begin{array}{c}\text { Increased }\end{array} & & \begin{array}{c}\text { Payments } \\ \text { Received }\end{array} & & \end{array} \begin{array}{c}\text { Balance } \\ \text { Dec. 31, } 2017\end{array}\right)$

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE O. RELATED PARTY TRANSACTIONS (continued)

During the year ended December 31, 2018 and 2017, the City also received the following payments from the JCMUA:

- Franchise Concession Payments of $\$ 21,000,00$, each year.
- Water Debt Service Payments of $\$ 5,250,244$ (for principal of $\$ 4,600,000$ and interest of $\$ 650,244$ ) and $\$ 5,189,955$ (for principal of $\$ 4,440,000$ and interest of $\$ 749,955$ ), respectively.

In addition, the City provides a guaranty on bonds and notes issued by the JCMUA. The amount of the outstanding bonds and notes under this guaranty at December 31, 2018 and 2017 is $\$ 177,214,922$ and $\$ 150,221,941$, respectively.

## JERSEY CITY BOARD OF EDUCATION

As described in Note D, although the Jersey City Board of Education (JCBOE) is a Type II School District effective November 4, 2008, prior to that date the Board of Education operated as a Type I School District, therefore, bonds and notes authorized by the Board of Education prior to November 4, 2008 are general obligations of the City, are reported on the balance sheet of the City's General Capital Fund and are accordingly included in the summary of municipal debt. The City budgets the principal and interest payments of the Board of Education's obligations as they become due. These obligations are funded by the City through an amount to be raised by taxation called "addition to local district school tax", less any regular school debt service aid received from the State of New Jersey.

For the years ended December 31, 2018 and 2017, the City's budget included the following debt service requirements of the Board of Education and corresponding anticipated revenues:

|  | Dec. 31, 2018 |  | Dec. 31, 2017 |  |
| :---: | :---: | :---: | :---: | :---: |
| Debt Service Requirements of the Board of Education: Maturing Serial Bonds - School Qualified | \$ | 4,900,000 | \$ | 00 |
| Interst on Bonds - School Qualified |  | 661,764 |  | 780,819 |
|  |  | 5,561,764 |  | 7,105,819 |
| Less: Applicable Revenues Anticipated |  |  |  |  |
| Building Aid Allowance for School Aid* |  | 2,498,360 |  | 3,189,788 |
| Balance for Support of Board of Education: |  |  |  |  |
| Addition to Local District School Tax | \$ | 3,063,404 | \$ | 3,916,031 |

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE P. INTERFUND BALANCES

The City has various transactions by and between its individual funds. Certain accounts of the Trust and Capital Funds earn interest which is required to be recorded as revenue in the Current Fund budget. Other transactions include budget appropriations in the Current Fund which are required to be turned over to the Federal and State Grant, Trust and Capital Funds. All these transfers are routine and are consistent with the activities of the funds making the transfers. Transfers by and between the City's funds during the years ended December 31, 2018 and 2017 consisted of the following:

|  | December 31, 2018 |  |  |  | December 31, 2017 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Transfers In |  | Transfers Out |  | Transfers In |  | Transfers Out |  |
| Current Fund | \$ | 476,572,298 | \$ | 487,311,617 | \$ | 437,602,709 | \$ | 449,142,132 |
| Federal \& State Grants Fund |  | 64,044,581 |  | 47,269,576 |  | 28,787,813 |  | 28,489,066 |
| General Capital Fund |  | 97,942,416 |  | 95,388,182 |  | 65,749,520 |  | 65,611,465 |
| Animal Control Fund |  | 3,828 |  | 896 |  | 324 |  | 241 |
| Trust Fund - Other Funds |  | 13,637,394 |  | 12,601,964 |  | 27,996,403 |  | 27,765,614 |
| CDBG Trust Fund |  | 14,067,522 |  | 14,888,299 |  | - |  | - |
| Open Space Trust Fund |  | - |  | 687,217 |  | 623,000 |  | 1,246,000 |
| Payroll Clearing Fund |  | 327,698,171 |  | 335,818,459 |  | 335,736,542 |  | 324,241,793 |
|  | \$ | 993,966,210 | \$ | 993,966,210 | \$ | 896,496,311 | \$ | 896,496,311 |

Current Fund interfunds receivable are fully reserved and recognized as credits to operations in the year the interfunds are received in cash. Interfunds receivable in the Trust Funds and General Capital Fund are not reserved. The City expects to fully repay all balances in the subsequent year.

As of December 31, 2018 and 2017, the City had the following interfunds on its balance sheets:

| 2018 |  | 2017 |  | Due From Fund | Due To Fund | Purpose |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| \$ | 62,420 | \$ | 103,817 | Grants | Trust - Other | Off Duty Police from Prior Year |
|  | - |  | 500,009 | General Capital | Trust - Other | Charged Incorrect Fund for Equip. |
|  | 645,066 |  | 151,486 | Trust - Other | Current | Various Trust Sub-Accounts |
|  | 623,000 |  | 623,000 | Trust - Other | Open Space | Levy Transferred to Incorrect Fund |
|  | 687,217 |  | - | Current | Open Space | 2018 Levy Not Transferred |
|  | 112,837 |  | 63,481 | CDBG Trust | Payroll Clearing | Federal Grant Payrolls |
|  | - |  | 96 | Animal Control | Current | Miscellaneous |
|  | 3,028 |  | - | Current | Animal Control | Statutory Excess |
|  | 240 |  | - | CDBG Trust | Trust - Other | Miscellaneous |
|  | 962,203 |  | - | CDBG Trust | General Capital | Advance for Loan Payment |
|  | 1,831,892 |  | - | Current | CDBG Trust | Advances |
|  | 3,398,517 |  | 11,469,449 | Payroll Clearing | Current | Erroneous Payroll Transfers |
|  | 9,086 |  | 9,086 | Grants | Payroll Clearing | Grant Share of Payroll Costs |
|  | 3,687,109 |  | 329,337 | Current | General Capital | Budget Appropriation and Interest |

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE Q. REVENUE ACCOUNTS RECEIVABLE

Revenue accounts receivable include various receivables due from entities for revenues anticipated in support of the City's budget. These receivables are fully reserved.

The following table illustrates the activity of the revenue accounts receivable balances for the year ended December 31, 2018:

|  | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2017 \\ \hline \end{gathered}$ |  | Current Year <br> Accruals |  | Collections |  | Balance <br> Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Municipal Court Fines and Costs | \$ | 1,245,541 | \$ | 17,037,024 | \$ | 16,859,453 | \$ | 1,423,112 |
| Parking Enforcement Fees |  | 114,794 |  | 2,023,145 |  | 2,137,939 |  | - |
| Total of Revenue Accounts Not Accruing Receivables |  | - |  | 216,526,168 |  | 216,526,168 |  | - |
| Total Revenue Accounts Receivable | \$ | 1,360,335 | \$ | 235,586,337 | \$ | 235,523,560 | \$ | 1,423,112 |

The following table illustrates the activity of the revenue accounts receivable balances for the year ended December 31, 2017:

|  | Balance <br> Dec. 31, 2016 |  | Current Year Accruals |  | Collections |  | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2017 \\ \hline \end{gathered}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Municipal Court Fines and Costs | \$ | 1,115,339 | \$ | 16,459,799 | \$ | 16,329,597 | \$ | 1,245,541 |
| Parking Enforcement Fees |  |  |  | 1,763,676 |  | 1,648,882 |  | 114,794 |
| Total of Revenue Accounts Not Accruing Receivables |  | - |  | 221,999,939 |  | 221,999,939 |  | - |
| Total Revenue Accounts Receivable | \$ | 1,115,339 | \$ | 240,223,414 | \$ | 239,978,418 | \$ | 1,360,335 |

## NOTE R. ECONOMIC DEPENDENCY

## State Aid

The City is a recipient of State Aid. During the years ended December 31, 2018 and 2017, State Aid accounted for $10 \%$ and $11 \%$, respectively, of the City's realized revenues. Significant changes in State Aid policy, if they were to occur, in conjunction with legislation capping increases to the tax levy, could have a material impact on the City's operations, if any such policy modifications were to occur.

## NOTES TO FINANCIAL STATEMENTS

## DECEMBER 31, 2018 AND 2017

## NOTE R. ECONOMIC DEPENDENCY (continued)

## Major Taxpayers

The City does not have significant economic dependence on any one taxpayer. However, the ten largest taxpayers of the City as listed in the table on the following page comprise $8.1 \%$ and $8.7 \%$, respectively, of the City's total tax levies for the years ended December 31, 2018 and 2017.

2018 Top 10 Taxpayers


2017 Top 10 Taxpayers

| Name | Type | Assessed Value |  |
| :---: | :---: | :---: | :---: |
| 1. Mack Cali Plaza II \& III. | .Office. | \$ | 102,942,500 |
| 2. 101 Hudson Realty, LLC | ..Office. |  | 90,855,800 |
|  | Mixed - Retail, |  |  |
| 3. Newport Centre (Rego Park) | ...Office, Hotel... |  | 70,111,500 |
| 4. Newport Centre, LLC | Shopping..... |  | 58,088,000 |
| 5. MEPT Newport Tower | ..Office. |  | 45,000,000 |
| 6. John Hancock Life Insurance | ..Office. |  | 43,215,400 |
| 7. Wells REIT II - Int'l Financial Tower. | ..Office. |  | 35,625,000 |
| 8. Grove Pointe Urban Renewal | ...Development.. |  | 34,512,100 |
| 9. RREEF America REIT II | ..Warehousing.. |  | 30,406,200 |
| 10. Tower East, U.R. | ..Development. . |  | 30,194,000 |
|  |  | \$ | 540,950,500 |
|  | Net Valuation Taxable | \$ | 6,229,997,658 |
| Top 10 Taxpayers as a Perce | ntage of Assessments |  | 8.7\% |

# CITY OF JERSEY CITY <br> NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE R. ECONOMIC DEPENDENCY (continued)

## Major Payers in Lieu of Taxes

Below are listed the ten largest PILOT agreements in terms of realized revenues for the years ended December 31, 2017 and 2016. These PILOT agreements comprise $28 \%$ and $27.7 \%$, respectively, of the PILOT revenues collected and $6.4 \%$ and $6.3 \%$, respectively, of total Current Fund revenues.

| 2017 Top 10 PILOTs |  |
| :---: | :---: |
| Name | Payment |
| K. Hovnanian at 77 Hudson St., Urban Renewal Co., LLC | \$ 5,461,594 |
| Cali Harbor Plaza V | 5,004,793 |
| Vector UR Assoc. I (Harborspire I) | 4,649,159 |
| GSJC 30 Hudson Street | 4,420,115 |
| James Monroe | 3,769,187 |
| Libert Towers Urban Renewal |  |
| Essex Waterfront | 3,711,896 |
| Liberty Harbor North, Urban Renewal (Metro Homes) - Gulls Cove $\qquad$ | 3,227,499 |
| 90 Hudson Urban Renewal | 3,180,776 |
| Newport Office Center IV . | 3,168,588 |
| Portofino Towers | 3,162,570 |
|  | \$ 39,756,177 |
| Total PILOT Revenues | \$ 141,808,933 |
| Top 10 PILOT Revenues as a Percentage of: |  |
| PILOT Revenues | 28.0\% |
| Total Revenues | 6.4\% |

2018 Top 10 PILOTs

| Name |  | Payment |
| :---: | :---: | :---: |
| K. Hovnanian at 77 Hudson St., |  |  |
|  | \$ | ,785,473 |
| GSJC 30 Hudson Street |  | 4,668,875 |
| Vector UR Assoc. I (Harborspire I) .... |  | 4,390,257 |
| Liberty Harbor North, Urban Renewal (Metro Homes) - Gulls Cove $\qquad$ |  | 4,015,991 |
| James Monroe |  | 3,476,553 |
| Newport Office Center V |  | 3,287,819 |
| Libert Towers Urban Renewal |  |  |
| Essex Waterfront |  | 3,084,214 |
| Newport Office Center IV |  | 3,007,491 |
| Newport Office Center VII |  | 2,787,761 |
| Portofino Towers |  | 2,786,267 |
|  | \$ | 36,290,701 |
| Total PILOT Revenues | \$ | 133,574,847 |
| Top 10 PILOT Revenues as a Percentage of: |  |  |
| PILOT Revenues |  | 27.2\% |
| Total Revenues |  | 5.8\% |

## NOTE S. LEASE COMMITMENTS

The City has various operating and capital lease commitments at December 31, 2018 and 2017 for office space, employee parking, police vehicles and fire apparatus.

Descriptions of the capital leases follow:

Police Vehicles - In 2016, the City entered into two leases for the acquisition of a total of 29 police interceptor vehicles and 3 SUVs. The first lease is for 24 police interceptor with total annual payments of $\$ 241,920$ from December 15, 2016 through December 15, 2020. The second lease is for five police interceptor vehicles and three SUVs with total annual payments of \$83,700 from December 15, 2016 through December 15, 2020. Both leases contained a bargain purchase option of $\$ 1$ for each vehicle.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE S. LEASE COMMITMENTS (continued)

Fire Apparatus - In 2014 the City acquired two fire apparatus for a total original cost of $\$ 1,761,871$. The terms of these leases are 7 and 8 years with total annual payments of $\$ 232,769$ through 2021 and a payment of $\$ 132,488$ in 2022.

MLK HUB - A \$1 bargain purchase option for the "MLK HUB" located at the intersection of Kearney Avenue and Martin Luther King Drive as authorized by Ordinance No. 15.020 adopted on March 11, 2015. The basic term of this lease agreement is 25 year bondable triple net lease with base rent payments commencing on the date of substantial completion of the building, but not later than February 1, 2017. Annual rent will range from a minimum of $\$ 963,000$ in the first five years of the lease to a minimum payment of $\$ 1,944,708$ in year 25 . Total minimum payments under the lease would be $\$ 35,889,174$.

An additional $\$ 1$ bargain purchase option was entered into for additional office at the "MLK HUB" and a parking deck with commercial space, both located at the intersection of Kearney Avenue and Martin Luther King Drive as authorized by Ordinance No. 18.040 adopted on May 10, 2018. The basic term of this lease agreement is 25 year installment purchase agreement pursuant to NJSA 40A:12-5(b) commencing on the date of substantial completion of the building, but not later than April 1, 2020. Rent terms will change annually and range from a minimum of $\$ 2,395,212$ in year one to $\$ 4,303,176$ in year 25 . Total minimum payments under the lease would be $\$ 81,485,460$.

The minimum future operating and capital lease payments are as follows:

| Year Ended December 31, | Total |  | Operating |  | Capital |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2019 | \$ | 2,188,205 | \$ | 574,565 | \$ | 1,613,640 |
| 2020 |  | 3,606,220 |  | 213,226 |  | 3,392,994 |
| 2021 |  | 3,943,891 |  | 216,424 |  | 3,727,467 |
| 2022 |  | 4,139,286 |  | 219,671 |  | 3,919,615 |
| 2023 |  | 4,120,690 |  | 222,966 |  | 3,897,724 |
| 2024-2028 |  | 21,946,096 |  | 1,088,186 |  | 20,857,910 |
| 2029-2033 |  | 24,298,338 |  | 1,140,766 |  | 23,157,572 |
| 2034-2038 |  | 26,666,009 |  | 488,886 |  | 26,177,123 |
| 2039-2043 |  | 25,727,129 |  | - |  | 25,727,129 |
| 2044-2045 |  | 5,352,948 |  | - |  | 5,352,948 |
|  | \$ | 121,988,812 | \$ | 4,164,690 | \$ | 117,824,122 |

## DECEMBER 31, 2018 AND 2017

## NOTE T. AGGREGATION OF ENCUMBRANCES

Other significant commitments include encumbrances outstanding for the Current, Trust and General Capital Funds. Below are the aggregated outstanding encumbrances as of December 31, 2018.

|  | Current Fund |  | Federal and State Grants Fund |  | Trust Funds |  | General Capital Fund |  | Total <br> Encumbrances |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Budget Year 2018 | \$ | 19,805,803 | \$ | - | \$ | - | \$ | - | \$ | 19,805,803 |
| Other Reserves |  | - |  |  |  | - |  | 45,102 |  | 45,102 |
| Animal Control Fund |  | - |  | - |  | 584 |  | - |  | 584 |
| Other Trust Fund |  | - |  |  |  | 8,102,160 |  |  |  | 8,102,160 |
| Grant Reserves |  | - |  | 7,125,568 |  | 13,919,652 |  | - |  | 21,045,220 |
| Improvement Authorizations |  | - |  | - |  | - |  | 25,523,454 |  | 25,523,454 |
|  | \$ | 19,805,803 | \$ | 7,125,568 | \$ | 22,022,396 | \$ | 25,568,556 | \$ | 74,522,323 |

Below are the aggregated outstanding encumbrances as of December 31, 2017.

|  | Current Fund |  | Federal and State Grants Fund |  | Trust Funds |  | General <br> Capital Fund |  | Total <br> Encumbrances |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Budget Year 2017 | \$ | 26,654,920 | \$ | - | \$ | - | \$ | - | \$ | 26,654,920 |
| Other Reserves |  | 1,412,144 |  | - |  | - |  | 71,589 |  | 1,483,733 |
| H. Sandy Expenditures |  | 730 |  | - |  | - |  | - |  | 730 |
| Animal Control Fund |  | - |  | - |  | 3,344 |  | - |  | 3,344 |
| Other Trust Fund |  | - |  | - |  | 17,456,304 |  | - |  | 17,456,304 |
| Grant Reserves |  | - |  | 7,041,726 |  | - |  | - |  | 7,041,726 |
| Improvement Authorizations |  | - |  | - |  | - |  | 14,394,670 |  | 14,394,670 |
|  | \$ | 28,067,794 | \$ | 7,041,726 | \$ | 17,459,648 | \$ | 14,466,259 | \$ | $\underline{67,035,427}$ |

All encumbrances noted above are included on the balance sheets of the City.

## NOTE U. TAX ABATEMENTS

The City negotiates property tax abatement agreements on an individual basis. The City has long term tax abatement agreements with 178 entities and 768 five-year exemptions as of December 31, 2018:

| Purpose of Agreements | Taxing <br> Government | $\begin{gathered} \text { Taxes if Billed } \\ \text { at Full } 2018 \\ \text { Tax Rate } \\ \hline \end{gathered}$ | Received for <br> Payments in Lieu of Taxes \& Land Tax | Payments to Other Governments |  | Taxes Abated |  |  | Aggregate <br> Reduction of <br> Government <br> Revenue |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  | Amount | (\%) |  |  |
| Construction of Commercial and Residential Redevelopment Projects, Low and Moderate Income Housing Projects and Relocation Projects | School | \$ 47,466,589 | \$ | \$ | - | \$ | 47,466,589 | 100\% | \$ | - |
|  | County | 55,445,304 | - |  |  |  | 51,148,721 | 92\% |  | - |
|  | City | 98,313,990 | 141,592,481 |  |  |  | $(38,981,908)$ | -40\% |  | - |
|  | Total | \$ 201,225,883 | \$ 141,592,481 | \$ | - | \$ | 59,633,402 | $30 \%$ | \$ | - |
|  | Budget Revenues Non-Budget Revenues |  | \$ 133,574,847 |  |  |  |  |  |  |  |
|  |  |  | 8,017,634 |  |  |  |  |  |  |  |
|  |  |  | \$ 141,592,481 |  |  |  |  |  |  |  |

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE U. TAX ABATEMENTS (continued)

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

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

The Law allows annual service charges to be calculated as a percentage of either gross revenue from each unit of the project or from total project cost, if the project is not undertaken in units. In the case of low and moderate income housing projects, the annual service charge shall not exceed $15 \%$ of annual gross revenue or $2 \%$ of total project cost. For all other projects, the annual service charge shall not be less than $10 \%$ of annual gross revenue or $2 \%$ of total project cost. The City's abatements are across in multiple categories. There are a total of five stages in the abatement period. The final four phases require the Urban Renewal Entity to remit the greater of the agreed upon annual service charge or $20 \%$, $40 \%, 60 \%$ and $80 \%$, respectively, of the amount of taxes otherwise due on the value of the land and improvements.

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

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

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

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE V. CONTINGENCIES

Non-Recourse Debt

On November 13, 2013, the City adopted Ordinances 13.122 through 13.124 approving the execution of financial agreements with Journal Square I Urban Renewal, LLC, Journal Square II Urban Renewal, LLC and Journal Square III Urban Renewal, LLC related to the authorization and issuance by the Jersey City Redevelopment Agency of not to exceed $\$ 10,000,000$ for each agreement ( $\$ 30,000,000$ total) of Redevelopment Area Bonds.

On February 8, 2017, Ordinance 16.194 was adopted approving the execution of a financial agreement with Paulus Hook Urban Renewal, LLC related to the authorization and issuance by the Jersey City Redevelopment Agency of not to exceed $\$ 1,000,000$ of Redevelopment Area Bonds

Under N.J.S.A. 40A:12A-67, these bonds are issued as non-recourse obligations to the full faith and credit of the City and are not considered to be direct and general obligations of the City. The City is not obligated to levy and collect tax sufficient in an amount to pay the principal and interest on the bonds when they become due and payable. Further, these bonds are not considered gross debt of the City on any debt statement filed in accordance with the Local Bond Law, N.J.S.A. 40A:2-1 et sq.

## Arbitrage Rebate

The City is subject Section 148 of Internal Revenue Code, which was enacted to minimize the arbitrage benefits from investing gross proceeds of tax-exempt bonds in higher yielding investments and to remove the arbitrage incentives to issue more bonds, to issue bonds earlier, or to leave bonds outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes for which the bonds were issued. During the year ended December 31, 2018 and 2017, the City was not obligated to remit any funds for arbitrage rebate, yield reduction and interest payments.

## Tax Appeals

The City is a defendant in various tax appeals, the extent of which is not unusual for a municipality of its size. In the past, the City has utilized both the Reserve for Tax Appeals account, which is funded through budget appropriations, and has issued refunding notes to pay for the appeals. During the years ended December 31, 2018 and 2017 the City appropriated a total of $\$ 2,400,000$, each year, respectively, to fund tax appeal interest and overpayments. During the years ended December 31, 2018 and 2017, the City further funded tax appeal payments through a charge to operations of \$-0- and $\$ 6,729,583$, respectively.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE V. CONTINGENCIES (continued)

## Grant Programs

The City participates 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 expenditures of funds for eligible purposes. The state and federal grants received and expended in the years ended December 31, 2018 and 2017 were subject to the Uniform Guidance and NJ OMB Circular 15-08, which mandate that grant revenues and expenditures be audited in conjunction with the City's annual audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives.

In a report dated March 30, 2016, the City was notified by the Office of Inspector General (OIG) that, among other concerns, the City should reimburse $\$ 11,532,769$ million in program income to the City's CDBG bank account, for program income the OIG claims the City generated on the disposition of real property. The City continues to appeal these findings. It is the opinion of outside Counsel that the City should be able to defend its CDBG expenditures and develop the documentation needed to avoid repayment of funds. However, there has been no resolution of this matter as of the date of this report.

## Litigation

The City of Jersey City, its officers and employees are defendants in a number of lawsuits including, but not limited to, lawsuits arising out of alleged torts, alleged breaches of contract and alleged violations of civil rights, none of which is unusual for a municipality of its size. The City is also engaged in activities, such as police protection and public works construction, which could result in future litigation with a possible significant monetary exposure to the City.

Based upon the information available to date, it does not appear that any individual lawsuit or the cumulative effect of these lawsuits will impair the City's ability to pay any judgments or settlements in an orderly manner, since the likelihood is that the amount of any judgments and eventual settlements will be much less than the amount claimed, and payments can be spread over two or more fiscal years. Because many lawsuits are still in the discovery stage, the Corporation Counsel is unable to determine the probability of a successful defense to them at this time.

The City self-insures against tort claims, which include general liability, automobile liability, employment practices, public officials and police professional and workers compensation lawsuits. The City also carries excess insurance for all lines of coverage which provides $\$ 2$ million coverage with a self-insured retention in the amount of $\$ 1$ million for each covered event. The cases listed below have a potential monetary exposure in excess of $\$ 500,000$.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE V. CONTINGENCIES (continued)

212 Marin Blvd. et. al. v City of Jersey City (Sixth Street Embankment) - This case involves various complex lawsuits involving the original plaintiffs, counter suits and notices of intent to file by outside parties. It was originally brought by several commonly owned/controlled LLC ("the LLCs") entities owning property know as the Sixth Street Embankment, alleging that the City has interfered with their development rights and violated constitutional rights. These matters have been pending in Superior Court for several years despite numerous attempts to achieve a settlement. The main case is now before the Surface Transportation Board (STB) in Washington DC, where the City has so far been successful. The state court cases have been "stayed" pending resolution of the matter in Washington. The LLCs have filed a State lawsuit contesting the City's authority to invoke the OFA remedy. On January 13, 2016, the City was authorized to file an Offer of Financial Assistance (OFA) (a federal eminent domain remedy) to acquire this property. During 2016, a third party sought to file an OFA in competition with the City but on behalf of a developer. A series of motions, sanctions and appeals related to the involvement of this third party may continue to delay the issuance of any "OFA" schedule by the STB. Further, on July 14, 2017, the New Jersey State Historic Preservation Office found the entire branch eligible for listing on the State and National registers and entirely protected by Section 106. The STB, under Section 106, is required to assess whether the license required for the abandonment of the railroad branches within the Sixth Street Embankment will have an adverse impact on (potential) historic assets. The local historic landmarking of the Embankment has been upheld against the LLCs challenge. The LLCs are also appealing the denial of demolition permits by the Zoning Board of Adjustment. Such appeal has been stayed. The City's claim to set aside Conrail deeds to the LLCs, as well as the LLCs related damage claims alleging deprivation of property rights and alleged tortious interference and similar tort claims, have been stayed pending the outcome of federal litigation. The property has an appraised value in excess of $\$ 6,000,000$. The developer's last demands may have been in the range of $\$ 30$ million to $\$ 100$ million. The City continues to vigorously pursue its efforts to keep a transportation corridor on the Harsimus Brank intact for both rail and trail purposes, and for compatible park and historic preservation purposes, both through STB litigation and now in settlement negotiations. Counsel has noted these matters have been pending for several years despite numerous attempts to achieve a settlement and that the City continues to defend against all claims.

Bruno v City of Jersey City - Wrongful death and personal injury case. Third person invaded apartment of plaintiff, killed infant and injured occupant. Plaintiff alleges JCPD failed to enforce restraining order or act on outstanding warrant. The trial started on August 7, 2017. At the conclusion of the plaintiff's case, the City was granted a directed verdict all claims. On October 17, 2017, plaintiffs filed a notice of appeal. If plaintiffs are successful on appeal and re-trial granted, exposure could surpass $\$ 1,000,000$.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE V. CONTINGENCIES (continued)

MEPT v City of Jersey City - In 2009, the City entered into financial agreements with plaintiffs concerning tax abatements for property in the city. Under the terms of the financial agreements, plaintiffs paid $\$ 710,769$ to affordable housing trust fund contribution and also made a prepayment of $\$ 2$ million to the city. Approximately 6 years after the financial agreements were signed, plaintiffs sold the property and commenced this declaratory judgment action seeking to recover the monies which they previously paid. On October 4, 2016, the court entered an order in favor of plaintiffs and awarded them the sum of $\$ 2,710,769$. Shortly thereafter, the City moved for reconsideration of the court's order and this motion was denied. The City filed a notice of appeal. The appellate division partially reversed the trial court, and lowered the amount owed to approximately $\$ 2,000,000$. The City has filed a petition for certification to the Supreme Court. The appeal is still pending.

Montone v City of Jersey City - This federal lawsuit involves allegations by a retired police sergeant that the defendants did not promote her because of her political affiliation and gender. This matter has been litigated in state and federal court. After discovery, summary judgment was granted to the Jersey City defendants on both the state and federal causes of action; however, the plaintiff appealed the matter to the Third Circuit Court of Appeals. The Third Circuit reversed the district courts holding and remanded the matter to the lower court. On April 16, 2017, this matter was tried. The jury awarded plaintiff approximately $\$ 280,000$ in lost wage damages. The City contends that the court made numerous evidentiary errors and intends on filing an appeal.

Astriab v City of Jersey City - This lawsuit is the companion case to the V.M. matter noted in the previous paragraph. In this case, eight other sergeants allege that because V.M. was wrongfully not promoted to Lieutenant, they could not be promoted since they were behind her on the promotion list. With regard to damages, they claim they are entitled to the difference in pay and benefits between what they would have received if they had been promoted and what they actually have received, including pay, benefits and pension contributions/value. These claimed damages continue to accrue as the case proceeds. This matter has the same procedural history as V.M. case. After the trial in this matter, the jury awarded the plaintiff's approximately $\$ 2,000,000$ in damages. The City contends that the court made numerous evidentiary errors and intends on filing an appeal.

Oliver/D'Onofrio v City of Jersey City - While crossing the street on October 23, 2015, decedent was hit by a vehicle driven by one of the co-defendants. The victim was transported to Jersey City Medical Center and died approximately 3 days later. Plaintiff alleges that the street lights were not working at the time of the accident and caused the driver to hit the decedent. The City intends on filing a motion for summary judgment at the conclusion of the discovery period. Because this is a wrongful death matter, the city's exposure may exceed $\$ 700,000$.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE V. CONTINGENCIES (continued)

O'Donnell v City of Jersey City - On February 22, 2016, two decedents, while driving, were struck by another vehicle. A witness allegedly saw a police officer seen conferring with the driver of the vehicle which struck the defendants moments before the accident. Plaintiff alleges the police officer breached his duty by not stopping the driver from continuing on the road, and this resulted in the fatal accident. Counsel suggests exposure in the case could well exceed $\$ 700,000$.

Mays v. City of Jersey City - Plaintiff, the City's Deputy Tax Assessor, has brought a claim in federal court for race discrimination and retaliation. She also alleges a whistleblower claim under CEPA. Discovery is ongoing. Written discovery is complete, plaintiff has been deposed, and plaintiff's counsel has deposed approximately ten defense witnesses. If plaintiff is able to prove her claims at trial, she could obtain an award between $\$ 200,000$ and $\$ 300,000$ for her severe emotional distress, as well as an attorneys' fees award between $\$ 250,000$ and $\$ 300,000$.

O'Neill v. City of Jersey City - This is claim, which is not currently in litigation, that involves three (3) Jersey City Police Officers that were acquitted of criminal charges that related to conduct that allegedly occurred while performing duties as a police officer. These officers were suspended without pay between being indicted and their acquittals, which was a period of approximately $21 / 2$ years. Pursuant to two (2) New Jersey statutes, these officers are seeking: (a) back pay and benefits as well as other emoluments of their employment during the time of the suspension without pay and (b) legal fees incurred as a result of hiring criminal defense attorneys to defend against the charges. The combined value of all claims of these 3 officers could exceed $\$ 700,000$.

Chesler et al v. City of Jersey City - This case involves employment-related causes of action (discrimination, retaliation, violation of civil rights, etc.) brought by two (2) supervisory-level Jersey City police officers against the City and several individual defendants. The 2 Plaintiffs in this case are among the 3 officers in the above mentioned criminal case. During the period while the criminal charges were pending, the civil case was administratively terminated by the federal court. However, we expect that the Plaintiffs will soon reactivate the case in light the termination of the criminal case and perhaps add additional defendants and causes of action. Although the City intends to vigorously defend the case, the value of these claims could exceed $\$ 700,000$ due to the procedural history of this case, including the acquittals in the criminal case.

Estate of Gonzalez v. City of Jersey City - On August 8, 2014, two City officers were dispatched to assist a driver whose vehicle was disabled. After the disabled vehicle was towed, the owner was later struck by a vehicle and killed. Plantiff alleges the owner of the disabled vehicle was intoxicated when City officers assisted him, and their failure to drive the decedent to a safe area resulted in his death. Counsel notes that because this is a wrongful death action, the City's exposure could well exceed $\$ 700,000$.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE V. CONTINGENCIES (continued)

Estate of King v. City of Jersey City - In this matter, a Jersey City police officer fatally shot decedent after he tried to disarm the officer. Plaintiffs contend that the officer unnecessarily used excessive force in violation of the decedent's constitutional rights. The City disputes the allegations and will continue to defend the matter. The City contends that the officer used reasonable force. If plaintiff succeeds, exposure could surpass $\$ 700,000$.

Feliz-Rodriguez v. City of Jersey City - On June 4, 2017, members of the Jersey City Police Department ("JCPD") were involved in a motor vehicle pursuit. During the pursuit, the vehicle being pursued crashed into plaintiff's vehicle causing both vehicles to engulf in flames. Plaintiff sustained severe burns to his body. In addition, plaintiff claims that as he exited his vehicle, he was attacked by members of the JCPD. Plaintiff has brought suit against the City and numerous police officers for an assortment of negligence and civil rights claims. This matter is in the infancy stages of litigation. Four officers have been indicted by a grand jury. Counsel notes that because of the alleged injuries, the City's exposure may exceed $\$ 700,000$.

Rockaway Valley Regional Sewerage Authority. In compliance with a court decree, the City entered into an agreement, dated July 30, 1971, with the Rockaway Valley Regional Sewerage Authority ("RVRSA"), whereby the City agreed to share in the operating costs of the RVRSA which provides sewerage treatment services in the vicinity of the City's watershed properties. In 2013, 2014 and 2015, the JCMUA contributed $\$ 2,730,857$. In 2016 and 2017, the JCMUA contributed $\$ 3,429,757$ and $\$ 2,858,130$, respectively. In 2018 RVRSA assessed JCMUA $\$ 4,883,399.00$ for operating and maintenance and capital expenditures. Under the same agreement, the City is also required to pay a share of the capital and operating cost of construction of an advanced treatment sewerage facility, which the RVRSA has designed. Under the current plans, the cost of construction is estimated to be $\$ 60,000,000$, less any federal funds, the amount of which is presently uncertain. Based upon the design capacity, the City will be responsible for $371 / 2 \%$ of the excess cost of financing construction over available federal funds. The amount of the City's contribution for the new facility is a portion of the City's share of the operating costs outlined in the immediately preceding paragraph. The RVRSA has permanently financed substantially all of the non-grant share of project costs with the sale of long-term tax-exempt bonds. The case went to trial and the Court entered a partial judgment on October 31, 2018 which dismissed most of JCMUA and the City's claims and also directed additional discovery and requires a second trial on the issue of whether certain RVRSA project cost fit within certain definitions the Court has imposed on the parties. Discovery is ongoing and the second trial is anticipated to begin in late 2019 or early 2020. According to RVRSA, the amount of its assessed capital costs for the years 2010-2018 that JCMUA will owe RVRSA if JCMUA and the City do not prevail in the Litigation is approximately $\$ 5.1$ million.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE V. CONTINGENCIES (continued)

NJDEP and the Administrator of the Spill Compensation Fund v. Honeywell International, Inc., and. PPG Industries, Inc. v. City of Jersey City. et al. - This matter arises out of legacy chromium site contamination in Jersey City, located near the intersection of the Hudson Bergen Light Rail tracks and Garfield Avenue. In 1990, PPG signed an administrative consent order with the New Jersey Department of Environmental Protection, which included accepting responsibility for the cleanup of the Garfield Avenue chromite ore processing residue site. PPG had agreed to cover all "site remediation" costs; it did not, however, agree to cover what it considers to be restoration or incremental costs to redevelop the contaminated properties. PPG and the City disagree what costs are remedial and what costs are incremental, and disagree as to the amounts of those costs. Further, the parties have disagreements over certain methods of remediation. This matter is currently pending before the Superior Court of New Jersey, Hudson County. The matter has progressed through some amount of dispositive motion practice, but dispositive motions have been held in abeyance or withdrawn pending ongoing, extensive settlement negotiations. No trial date has been scheduled. Counsel notes this case will be contested vigorously, however, at this time, the parties are engaged in extensive settlement negotiations involving complex environmental and redevelopment - land use issues.

Cal Harbor S. Pier v. City of Jersey City - This New Jersey Superior Court matter arises out of a contract dispute concerning a loan from the City to the plaintiffs. In particular, in or about August 2000, the City entered into a loan agreement with HUD wherein HUD agreed to loan approximately $\$ 8$ million plus interest to the City. Thereafter, the City entered into separate agreements with the plaintiffs wherein the City loaned the money it received from HUD to the plaintiffs with interest. In 2011, the City refinanced its loan with HUD thereby reducing the interest rate. The interest rate on the loan from the City to the plaintiffs remained the same as per their original agreement in 2000. In 2016, the plaintiffs fully paid the loan and thereafter learned that the City had refinanced its loan with HUD in 2011. Plaintiffs assert a breach of the 2000 loan agreement and allege they overpaid approximately $\$ 1.4$ million in interest on the loan and seek reimbursement of same. Plaintiffs claim that the interest rate on the loan between the City and the plaintiffs should have been reduced in 2011 to the same interest rate the City received when it refinanced its loan with HUD. According to Counsel, while this matter was only recently filed, a review of the contracts and limited materials obtained from HEDC do not contain any express statements which demonstrate that the interest rate on plaintiff's loan should have been reduced in 2011. Furthermore, City Counsel recently conferred with bond counsel who opined that they did not believe plaintiffs' claims had merit. Prior to commencing this suit, plaintiffs filed demands for documents under OPRA and the complaint includes a claim under OPRA for counsel fees. The potential exposure of liability to the City is approximately $\$ 1.4$ million in damages plus counsel fees.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE V. CONTINGENCIES (continued)

500 Summit v. City of Jersey City - This federal court case arises out of a dispute concerning a real estate development project located at 500 Summit Avenue. The primary allegations asserted by the plaintiff is that their General Development Application be deemed complete and acceptable because they claim that the Planning Board failed to properly respond to this application within the 45 day period prescribed under state law. As such, plaintiff has asserted claims for wrongful withholding of a construction permit, tortious interference with business opportunity and civil rights violations. While plaintiffs included a demand for monetary and punitive relief as well as counsel fees, no specific amount has been identified.

One Journal Square v. City of Jersey City - This federal action arises over a dispute regarding the development of certain real property in the City of Jersey City. In 2014, MEPT transferred the subject property. Thereafter, plaintiffs' contend, for the next three to four years, plaintiffs and the defendants worked together in furtherance of the redevelopment of the property as demonstrated by approvals from the Planning Board and JCRA along with the entry into a redevelopment agreement. Plaintiffs allege that they spent approximately $\$ 55$ million in acquisition and development costs. Plaintiffs contend that the City breached the redevelopment agreement by, among other things, denying plaintiffs' application for a tax abatement and declaring the plaintiffs to be in default of the redevelopment agreement. Plaintiffs contend that the actions of the City and the Mayor are politically motivated. In the complaint, plaintiffs allege numerous claims including breach of contract, breach of the covenant of good faith and fair dealing, promissory estoppel and civil rights violations. Plaintiffs claim that they have suffered damages in the amount of $\$ 300$ million for a total of $\$ 355$ million. Plaintiffs seek counsel fees and punitive damages.

328 Montgomery v. City of Jersey City - This federal court matter arises out of a dispute concerning the development of certain real property located at 328 Montgomery Street. The plaintiff contends that the City, the Planning Board and several individual defendants engaged in intentional, arbitrary and capricious conduct to prohibit the plaintiff from obtaining approval from the Planning Board and the Historical Preservation Commission in order to prevent plaintiff from developing and otherwise operating the property. As such, plaintiff has asserted various claims including violations of due process. The relief sought is approval from the Planning Board along with a temporary certificate of occupancy so that plaintiff and its tenant can utilize the property. Although they have made general demands for financial relief, they have not specified the amount and simply suggest that the defendants may be liable for financial damages incurred by their tenant who cannot operate their business. The City is currently preparing a motion to dismiss.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE V. CONTINGENCIES (continued)

Estate of Grant v. City of Jersey City, et. al.-In this wrongful death case, plaintiffs allege that the City of Jersey City failed to supervise the Jersey City Double Dutch Honeybees, which plaintiff alleges is a program operated by the City of Jersey City. They further alleged failure caused the death of minor Jeremiah Grant while Grant was crossing the intersection of Columbus and Grove Street, and the death was witnessed by his sister plaintiff. The value of these claims could exceed $\$ 700,000$.

Gene Jeffrey v. Armani Huertas, et al., HUD-L-4287-17 and John Saleh v. Jeffrey v. City of Jersey City, HUD-L-4936-18-Plaintiff, Gene Jeffrey, was operating a motor vehicle on Route 440 at approximately Avenue. Police Officer, Armani Huertas, was operating a police vehicle and was responding to an emergency call, with lights and sirens activated, and crossed Route 440 without stopping at the intersection. Plaintiff suffered injuries to his neck, back and shoulder, requiring a shoulder arthroscopy, six epidural injections and lumbar discectomy. Plaintiff has approximately $\$ 400,000$ in unpaid medical bills. If the City is unsuccessful at trial, the total value of plaintiff's claims could exceed the threshold.

Jersey City v. NY/NJ Port Authority- The lawsuit contends that: (1) the PORT wrongfully failed to either pay taxes on or to enter into payment in lieu of tax agreements("PILOT") on certain properties; (2) where the PORT had entered into PILOT agreements, the terms of those agreements must be reformed;(3) certain PORT properties have lost their tax exempt status because they are leased to third parties. The Parties have reached a settlement agreement, pursuant to the terms the City will receive approximately $\$ 53,000,000.00$ over the course of the next 25 years. Also, pursuant to the agreement the PORT will be responsible for building a new PATH substation. In addition, the PORT has agreed to conduct a feasibility study to determine whether a new PATH station can be built in the Marion section, at no cost to the City.

Montone/Astriab et al v. City of Jersey City et al- Judgment in favor of the Plaintiff(s) against the City of Jersey City, Jeremiah Healy and Robert Troy was entered in the total amount of \$2,168,442.00 and the Civil Case was terminated, per the Order signed on August 21, 2019. In terms of negative tax consequences as a result of the verdict, Plaintiffs received a total lump sum jury award to offset the tax in the amount of $\$ 146,882.00$. The verdict was not allocated among the defendants, however Jeremiah Healy and Robert Troy are seeking to vacate the judgments against them. No opposition has been filed yet.

# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

## DECEMBER 31, 2018 AND 2017

## NOTE W. SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 23, 2020, the date which the financial statements were available to be issued. The following material subsequent events have been noted:

Bond Anticipation Notes: \$83,400,000 - On January 14, 2019, the City issued \$83,400,000 of Bond Anticipation Notes, Series 2019A at an interest rate of $3.25 \%$ and due on January 14, 2020. The City will apply the proceeds from the sale of the Notes to finance a portion of certain costs relating to a redevelopment project of the Jersey City Redevelopment Agency known as the Bayfront Redevelopment Project, including the purchase of real property, the demolition of certain structures located thereon and the construction of certain infrastructure improvements, as well as to pay a portion of the costs of issuing the Notes.

Bond Anticipation Notes: \$101,520,000 - On January 13, 2020, the City issued \$101,520,000 of Bond Anticipation Notes, Series 2020A at an interest rate of $3.00 \%$ and due on January 13, 2021. The City will apply the proceeds from the sale of the Notes to pay the maturing principal of and interest on the City's $\$ 83,400,000$ Bond Anticipation Notes, Series 2019A (further described above), as well as to finance additional costs of the Bayfront Redevelopment Project.

Bond Anticipation Notes: $\mathbf{\$ 5 2 , 4 7 8 , 5 1 5}$ - On June 18, 2019, the City issued \$52,478,515, of Bond Anticipation Notes maturing June 18, 2020, consisting of:

- \$6,695,000 Series 2019B (Federally Taxable) Bond Anticipation Notes with an interest rate of $2.625 \%$. The City will apply the proceeds from the sale of the Notes to pay a portion of the maturing principal of the City's $\$ 6,825,000$ Bond Anticipation Notes, Series 2018B which were issued on June 20, 2018 and mature on June 20, 2019, and used to refinance certain capital improvements, notably the Sixth Street Embankment authorized by Ordinance No. 10-085, and pay a portion of the costs of issuing the Notes. The remaining $\$ 130,000$ of maturing principal of the Series 2018B Notes will be paid from budgeted appropriations.
- $\$ 45,031,115$ Series 2019C Bond Anticipation Notes with an interest rate of $2.0 \%$. These notes were issued to finance capital improvements as authorized by Ordinance No. 18-038 adopted on May 9, 2018.
- $\$ 752,400$ Series 2019D Special Emergency Notes with an interest rate of $2.0 \%$. The City will apply the proceeds of these notes to finance the costs of a Master Plan as authorized by Special Emergency Authorization adopted on April 25, 2018 by Ordinance No. 18-028.


# CITY OF JERSEY CITY NOTES TO FINANCIAL STATEMENTS 

DECEMBER 31, 2018 AND 2017

## NOTE W. SUBSEQUENT EVENTS (continued)

Bond Anticipation Notes: $\mathbf{\$ 4 4 , 1 7 1 , 6 4 1}$ - On December 5, 2019, the City issued $\$ 44,171,641$ of Notes maturing December 4, 2020, consisting of:

- $\$ 13,200,000$ Series 2019E (Federally Taxable) Special Emergency Notes with an interest rate of $1.85 \%$. These notes were issued to providing funding for special emergency ordinances numbered 15.149 and 18.114 , both of which appropriated funding for contractually required severance payments.
- $\$ 2,000,000$ Series 2019F Special Emergency Notes with an interest rate of $2.0 \%$. These notes were issued to provide funding for Ordinance No. 16.031 which appropriated funding for the revaluation of properties within the City.
- $\$ 13,971,641$ Series 2019G Bond Anticipation Notes with an interest rate of $2.0 \%$. These notes were issued to providing funding for ordinance numbers 13.031, Hurricane Sandy Recovery, and 16.106, West Campus Redevelopment.
- $\$ 15,000,000$ Series $2019 H$ Bond Anticipation Notes with an interest rate of $2.0 \%$. These notes were issued to provide funding for Ordinance No. 18.113 which appropriated funding for the Bayfront I Redevelopment.

Bond Anticipation Notes: \$101,520,000 - On January 13, 2020, the City issued \$101,520,000 of Bond Anticipation Notes, Series 2020A at an interest rate of $3.00 \%$ and due on January 13, 2021. The City will apply the proceeds from the sale of the Notes to pay the maturing principal of and interest on the City's $\$ 83,400,000$ Bond Anticipation Notes, Series 2019A (further described above), as well as to finance additional costs of the Bayfront Redevelopment Project.

## CITY OF JERSEY CITY REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION: CURRENT FUND SCHEDULES

## CITY OF JERSEY CITY

## CURRENT FUND AND FEDERAL AND STATE GRANT FUND FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF CASH - TREASURER



# CITY OF JERSEY CITY <br> CURRENT FUND FOR THE YEAR ENDED DECEMBER 31, 2018 

## SCHEDULE OF PETTY CASH

|  | Ref. |  | \$ | 200 |
| :---: | :---: | :---: | :---: | :---: |
| Balance: December 31, 2017 |  |  |  |  |
| Increased by Disbursements to Custodians: |  |  |  |  |
| Recreation | \$ | 200 |  |  |
| City Clerk |  | 300 |  |  |
| Accounts and Control |  | 200 |  |  |
| Business Administration |  | 200 |  |  |
| Law Department |  | 1,000 |  |  |
| Mayor's office |  | 1,000 |  |  |
| HEDC |  | 200 |  |  |
| City Planning |  | 200 |  |  |
| City Council |  | 200 |  |  |
| Public Works |  | 200 |  |  |
| Engineering |  | 200 |  |  |
| Municipal Court |  | 200 |  |  |
| Health and Human Services |  | 200 |  |  |
| Fire and Emergency Services |  | 200 |  |  |
| Tax Assessor |  | - |  |  |
| Parking Enforcement | A-4 | 200 |  |  |
|  |  |  |  | 4,700 |
|  |  |  |  | 4,900 |
| Decreased by: |  |  |  |  |
| Returns from Custodians | A-4 |  |  | 4,700 |
| Balance: December 31, 2018 | A |  | \$ | 200 |
|  | Tax Assessor |  | \$ | 200 |

# CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018 

## SCHEDULE OF CHANGE FUND

Balance: December 31, 2017

Increased by:
Adjustment to Tax Office Change Fund
Balance: December 31, 2018 and 2017

Ref.
A $\$$

A-1

A
\$ 1,730
Analysis of Change Fund Balance
Police - ABC \$ 50
Police - Record Room 50
Police - BCI 50
Municipal Court 1,039
Tax

541

| $\$ 1,730$ |
| :--- | :--- |

## Exhibit A-7

$$
\begin{gathered}
\text { CITY OF JERSEY CITY } \\
\text { CURRENT FUND } \\
\text { FOR THE YEAR ENDED DECEMBER 31, } 2018
\end{gathered}
$$

xagt xvl dlygdoyd do sisitvnv anv giavaigoge saxvl do ginazhos





Ref.
Analysis of 2018 Property Tax Levy:
Tax Yield:

## CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF DUE FROM STATE OF NEW JERSEY FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

| Ref. |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| State Share of Deductions: |  |  |  |  |  |
| Set Forth in Tax Duplicate: |  |  |  |  |  |
| Senior Citizens |  | \$ | 185,000 |  |  |
| Veterans |  |  | 231,500 |  |  |
| Allowed by Tax Collector: |  |  |  |  |  |
| Current Year Senior Citizens |  |  | 874 |  |  |
| Deductions Allowed by State Audit |  |  |  |  |  |
|  |  |  |  | \$ | 417,374 |
| Disallowed by Tax Collector: |  |  |  |  |  |
| Senior Citizens |  |  |  |  | 40,000 |
| State Share of Deductions | A-7 |  |  |  | 377,374 |
| Less: |  |  |  |  |  |
| Disallowed by State Audit | A-1 |  | 500 |  |  |
| Received in Cash from State of New Jersey | A-4 |  | 385,624 |  |  |
|  |  |  |  |  | 386,124 |
| Net Decrease |  |  |  |  | $(8,750)$ |
| Balance: December 31, 2017 | A |  |  | \$ | 20,300 |
| Balance: December 31, 2018 | A |  |  | \$ | 11,550 |
| Analysis of State Share of Senior Citizens and Veterans Deductions |  |  |  |  |  |
| Current Year Senior Citizens Deductions |  |  |  |  |  |
| Per Tax Billings |  | \$ | 185,000 |  |  |
| Allowed by Tax Collector |  |  | 874 |  |  |
| Current Year Veterans Deductions |  |  |  |  |  |
| Per Tax Billings |  |  | 231,500 |  |  |
| Disallowed by Tax Collector |  |  | $(40,000)$ |  |  |
| State Share of 2018 Sr. Citizens and Veterans Deductions | A-2a, |  |  | \$ | 377,374 |

## CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Balance: December 31, 2017

Increased by:
Transfer from Taxes
Interest and Costs on Tax Sale

Decreased by:
Cash Receipts
Balance: December 31, 2018
$\begin{aligned} & \text { Ref. } \\ & \mathrm{A}\end{aligned} \$ 37,154$
A-7 \$ 8,274

312,449 $\begin{array}{r}320,723 \\ \hline 357,877\end{array}$

A-2a, A-4

A
$\xlongequal{\$ \quad 45,428}$

Exhibit A-10

## SCHEDULE OF PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION

Ref.
A
$\xlongequal{\$ \quad 1,455,500}$

## FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

|  | Balance: <br> Dec. 31, 2017 |  | Accrued |  | Cash <br> Receipts |  | Other |  | Balance: Dec. 31, 2018 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| LOCAL REVENUES |  |  |  |  |  |  |  |  |  |
| Licenses: |  |  |  |  |  |  |  |  |  |
| Alcoholic Beverages | \$ | - | \$ | 758,899 | \$ | 758,899 | \$ | - | \$ |
| Other Licenses: |  |  |  |  |  |  |  |  |  |
| Marriage Licenses |  | - |  | 5,666 |  | 5,666 |  | - |  |
| Cable TV Franchise Fees |  | - |  | 2,507,532 |  | 2,507,532 |  | - |  |
| Hackensack Meadowlands Adjustment |  | - |  | 1,391,342 |  | 1,391,342 |  | - |  |
| Advertising Ordinance Fees |  | - |  | 441,441 |  | 441,441 |  | - |  |
| Search Fees |  | - |  | 214 |  | 214 |  | - |  |
| Lot Cleaning Charges |  | - |  | 5,938 |  | - |  | 5,938 |  |
| Tax Collector's Fees |  | - |  | 19,539 |  | 19,539 |  | - |  |
| Hotel Occupancy Tax |  | - |  | 10,121,572 |  | 10,121,572 |  | - |  |
| Landlord Registration |  |  |  | 210,431 |  | 210,431 |  | - |  |
| Fees and Permits: |  |  |  |  |  |  |  |  |  |
| Interest and Costs on Taxes |  | - |  | 1,047,512 |  | 1,047,512 |  | - |  |
| Interest on Investments and Deposits |  | - |  | 1,874,574 |  | 1,366,525 |  | 508,049 |  |
| Sewer and Street Opening Permits |  | - |  | 369,902 |  | 369,902 |  | - |  |
| Swimming Pool Fees |  | - |  | 144,151 |  | 144,151 |  | - |  |
| Skating Rink Fees |  | - |  | 152,006 |  | 152,006 |  | - |  |
| Laundry Licenses |  | - |  | 73,100 |  | 73,100 |  | - |  |
| Vending Machine Licenses |  | - |  | 56,956 |  | 56,956 |  | - |  |
| Food Establishment Licenses |  | - |  | 732,650 |  | 732,650 |  | - |  |
| Hotel/Motel Licenses |  | - |  | 101,040 |  | 101,040 |  | - |  |
| Dine and Dance Permits |  | - |  | 25,900 |  | 25,900 |  | - |  |
| Police Reports ID Bureau Fees |  | - |  | 198,336 |  | 198,336 |  | - |  |
| Taxicab/Omnibus Licenses |  | - |  | 91,185 |  | 91,185 |  | - |  |
| Elevator Inspection Fees |  | - |  | 768,731 |  | 768,731 |  | - |  |
| Site Plan Review Fees |  | - |  | 927,536 |  | 927,536 |  | - |  |
| Bingo and Raffle Licenses |  | - |  | 8,330 |  | 8,330 |  | - |  |
| Mechanical Amusement Devices |  | - |  | 6,950 |  | 6,950 |  | - |  |
| Parking Lot Licenses |  | - |  | 217,636 |  | 217,636 |  | - |  |
| Used Motor Vehicle Dealer Licenses |  | - |  | 66,000 |  | 66,000 |  | - |  |
| Parking Lot Tax |  | - |  | 8,648,220 |  | 8,648,220 |  | - |  |
| Parking Enforcement: |  |  |  |  |  |  |  |  |  |
| Lease Fees |  | - |  | 207,599 |  | 207,599 |  | - |  |
| Meter Fees |  | - |  | 1,512,352 |  | 1,512,352 |  | - |  |
| Miscellaneous Fees |  | 114,794 |  | 2,023,145 |  | 2,137,939 |  | - |  |
| Municipal Court Fines and Costs |  | 1,245,541 |  | 17,037,024 |  | 16,859,453 |  | - |  |
| Passaic Valley Sewerage Comm. Incentive |  | - |  | 178,392 |  | 178,392 |  | - |  |
| Interstate Waste |  | - |  | 614,139 |  | 614,139 |  | - |  |
| Dumpster Fee |  |  |  | 71,787 |  | 71,787 |  | - |  |
| Certified Copies of Marriage Licenses |  |  |  | 36,585 |  | 36,585 |  | - |  |
| Zoning Permits and Ordinance Copies |  |  |  | 378,711 |  | 378,711 |  | - |  |
| Death Certificates |  | - |  | 65,490 |  | 65,490 |  | - |  |
| Vacant Property Registration |  | - |  | 286,670 |  | 286,670 |  | - |  |
| DEDICATED UNIFORM CONSTRUCTION |  |  |  |  |  |  |  |  |  |
| CODE FEES OFFSET WITH APPROPRIATIONS |  | - |  |  |  |  |  |  |  |
| Uniform Construction Code Fees |  | - |  | 7,121,992 |  | 7,121,992 |  | - |  |

## CITY OF JERSEY CITY

CURRENT FUND

## FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

|  | Balance: Dec. 31, 2017 |  | Accrued | Cash <br> Receipts | Other |  | Balance: <br> Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| OTHER SPECIAL ITEMS |  |  |  |  |  |  |  |  |
| Payments in Lieu of Taxes | \$ | - | \$ 133,574,847 | \$ 133,574,847 | \$ | - | \$ | - |
| Sale of Municipal Property - Land Sales |  | - | 12,000,000 | - |  | 12,000,000 |  | - |
| United Water Reimbursement - Operations |  | - | 533,534 | 533,534 |  | - |  | - |
| MUA Franchise Concession Payment |  | - | 21,000,000 | 21,000,000 |  | - |  | - |
| MUA Water Debt Service Payment |  | - | 5,250,244 | 5,250,244 |  | - |  | - |
| Uniform Fire Safety Act |  | - | 250,000 | - |  | 250,000 |  | - |
| MLK Community Center |  | - | 105,000 | - |  | 105,000 |  | - |
| Reserve Parking Authority |  | - | 10,160 | - |  | 10,160 |  | - |
| Reserve for Payment of Debt |  | - | 1,200,000 | - |  | 1,200,000 |  | - |
| MUA Stormwater Catch Basins |  | - | 700,000 | 700,000 |  | - |  | - |
| Reserve for Abatement Buy-up |  | - | 1,635 | - |  | 1,635 |  | - |
| Reserve for JCIA |  | - | 453,742 | - |  | 453,742 |  | - |
| Total Revenue and Other Credits to Income | \$ |  | \$ 235,586,337 | \$ 220,989,036 | \$ | 14,534,524 | \$ | 1,423,112 |
| Ref. |  |  | A-2a |  |  |  |  | A; A-1 |
|  |  |  |  |  |  |  |  |  |
| Cash Receipts |  |  |  | \$ 220,393,177 |  |  |  |  |
| Allocated from Undistributed Revenue |  |  |  | 595,859 |  |  |  |  |
|  |  |  |  | \$ 220,989,036 |  |  |  |  |
| Non-Cash Revenues: |  |  |  |  |  |  |  |  |
| Lot Cleaning Charges and Liens |  |  |  |  | \$ | 5,938 |  |  |
| Sales Contracts Realized from Reserves |  |  |  |  |  | 12,000,000 |  |  |
| Realized from Other Reserves |  |  |  |  |  | 570,537 |  |  |
| Uniform Fire Safety Act |  |  |  |  |  | 250,000 |  |  |
| Capital Fund Interest |  |  |  |  |  | 508,049 |  |  |
| Capital Fund Debt Reserves |  |  |  |  |  | 1,200,000 |  |  |
|  |  |  |  |  | \$ | 14,534,524 |  |  |

# CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018 

## SCHEDULE OF DUE FROM JCMUA

Balance: December 31, 2017
Decreased by:
Cash receipts
Balance: December 31, 2018
Ref.
A $\$ 1,604,940$ A-4

A $\qquad$

Exhibit A-13
SCHEDULE OF LOT CLEANING CHARGES AND LIENS RECEIVABLE

Balance: December 31, 2017
Increased by: Billings

Decreased by:
Cash Receipts
Cancellations

Balance: December 31, 2018

Ref.
A $\quad \$ \quad 2,937$

20,334
23,271
A-11; A-4 $\quad$ S 5,938
13,086
19,024

A
\$ 4,247

# CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018 

## SCHEDULE OF SALES CONTRACTS RECEIVABLE -

 PROPERTY ACQUIRED FOR TAXESBalance: December 31, 2017

Increased by:
New Contracts from Sale of City property
Decreased by:
Contracts Realized

Balance: December 31, 2018

Ref.
A

A-11; A-29

A

Exhibit A-15
\$ 285,550
$12,000,000$
$12,285,550$
$12,000,000$
\$ 285,550

## SCHEDULE OF DUE FROM STATE OF NEW JERSEY

 PREPAID DEBT SERVICE - QUALIFIED BONDSBalance: December 31, 2017

Increased by:
State Aid Anticipated
Decreased by:
Cash Receipts
Debt Service Paid In Lieu of Aid Receipts

Ref.
A \$ 11,725,890

A-2a

| A-4 | $\$ \quad 26,027,010$ |
| :--- | ---: | ---: |
| A-3 | $40,617,125$ |

A
\$ 11,440,647

## CITY OF JERSEY CITY

CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF DEFERRED CHARGES

|  | Balance: Dec. 31, 2017 |  | Increased by: |  |  |  | $\begin{gathered} \text { Decreased by: } \\ \text { Budget } \\ \text { Appropriation } \\ \hline \text { Notes Paid } \\ \hline \end{gathered}$ |  | Balance: <br> Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Emergency Authorizations |  | Over- <br> Expended |  |  |  |  |  |
| Revaluation of Properties NJSA 40A:4-53(b) $2016$ | \$ | 4,000,000 | \$ | - | \$ | - | \$ | 1,000,000 | \$ | 3,000,000 |
| Overexpenditure Recreation Salaries |  | - |  | - |  | 25,129 |  | - |  | 25,129 |
| Contractual Required Severance Liabilities |  |  |  |  |  |  |  |  |  |  |
| NJSA 40A:4-53(h) |  |  |  |  |  |  |  |  |  |  |
| 2013 |  | 1,900,000 |  | - |  | - |  | 1,900,000 |  | - |
| 2014 |  | 3,000,000 |  | - |  | - |  | 1,500,000 |  | 1,500,000 |
| 2015 |  | 4,800,000 |  | - |  | - |  | 1,600,000 |  | 3,200,000 |
| 2018 |  | - |  | 14,500,000 |  | - |  | - |  | 14,500,000 |
| Master Plan |  |  |  |  |  |  |  |  |  |  |
| NJSA 40A:4-53(d) |  |  |  |  |  |  |  |  |  |  |
| 2018 |  | - |  | 940,500 |  | - |  | - |  | 940,500 |
|  | \$ | 13,700,000 | \$ | 15,440,500 | \$ | 25,129 | \$ | 6,000,000 | \$ | 23,165,629 |
| Ref. |  | A |  | A-1; A-3 |  | A-3 |  | A-31 |  | A |




## Net Change in Interfunds

 Balance: December 31, 2017 Interfunds ReceivableInterfunds Payable
Balance: December 31, 2018 Interfunds Receivable

## CITY OF JERSEY CITY

CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

## SCHEDULE OF 2017 APPROPRIATION RESERVES



# CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2016 

## SCHEDULE OF 2017 APPROPRIATION RESERVES

|  | Balance: December 31, 2017 |  |  |  | Balance After Transfers |  | Paid or <br> Charged |  | Balance Lapsed |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Reserved |  | Encumbered |  |  |  |  |  |  |  |
| DEPARTMENT OF ADMINISTRATION (continued) |  |  |  |  |  |  |  |  |  |  |
| Purchasing and Central Services |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages | \$ | 75,151 | \$ | - | \$ | 75,151 | \$ | - | \$ | 75,151 |
| Other Expenses |  | 1,106 |  | 23,017 |  | 27,923 |  | 27,260 |  | 663 |
| Real Estate |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 17,789 |  | - |  | 17,789 |  | - |  | 17,789 |
| Other Expenses |  | 7,827 |  | 2,773 |  | 10,600 |  | 3,048 |  | 7,552 |
| Communications |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 12,295 |  | - |  | 12,295 |  | - |  | 12,295 |
| Other Expenses |  | 6,952 |  | 8,963 |  | 15,915 |  | 8,963 |  | 6,952 |
| Utility Management |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 25,392 |  | - |  | 25,392 |  | - |  | 25,392 |
| Risk Management |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 6,591 |  | - |  | 6,591 |  | - |  | 6,591 |
| Other Expenses |  | 534 |  | 197 |  | 731 |  | 197 |  | 534 |
| Information Technology |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 4,271 |  | - |  | 4,271 |  | - |  | 4,271 |
| Other Expenses |  | 330,317 |  | 173,107 |  | 503,424 |  | 172,739 |  | 330,685 |
| Municipal Court |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 7,619 |  | - |  | 7,619 |  | $(42,617)$ |  | 50,236 |
| Other Expenses |  | 43,183 |  | 31,494 |  | 74,677 |  | 33,260 |  | 41,417 |
| Public Defender |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 5,531 |  | - |  | 5,531 |  | - |  | 5,531 |
| Other Expenses |  | 121,252 |  | 45,898 |  | 167,150 |  | 52,948 |  | 114,202 |
| Collections |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 43,245 |  | - |  | 43,245 |  | - |  | 43,245 |
| Other Expenses |  | 56,140 |  | 14,611 |  | 70,751 |  | 55,728 |  | 15,023 |
| Architecture |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 97,198 |  | - |  | 97,198 |  | - |  | 97,198 |
| Other Expenses |  | 9,986 |  | 4,185 |  | 14,171 |  | 4,640 |  | 9,531 |
| Engineering |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 194,671 |  | - |  | 194,671 |  | - |  | 194,671 |
| Other Expenses |  | 357,971 |  | 226,650 |  | 554,281 |  | 230,506 |  | 323,775 |
| Accounts and Control |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 13,202 |  | - |  | 13,202 |  | - |  | 13,202 |
| Other Expenses |  | 2,410 |  | 344 |  | 2,754 |  | 344 |  | 2,410 |
| Treasury and Debt Management |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 11,061 |  | - |  | 11,061 |  | - |  | 11,061 |
| Other Expenses |  | 493 |  | 840 |  | 1,333 |  | 840 |  | 493 |
| OFFICE OF THE TAX ASSESSOR |  |  |  |  |  |  |  |  |  |  |
| Tax Assessor |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 55,707 |  | - |  | 55,707 |  | - |  | 55,707 |
| Other Expenses |  | 24,227 |  | 36,510 |  | 60,737 |  | 37,105 |  | 23,632 |

## CITY OF JERSEY CITY

## CURRENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

## SCHEDULE OF 2017 APPROPRIATION RESERVES



## CITY OF JERSEY CITY

## CURRENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

## SCHEDULE OF 2017 APPROPRIATION RESERVES



## CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2016

## SCHEDULE OF 2017 APPROPRIATION RESERVES

|  | Balance: December 31, 2017 |  |  |  | Balance After Transfers |  | Paid or Charged |  | Balance Lapsed |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Reserved |  | ncumbered |  |  |  |  |  |  |
| HOUSING, ECONOMIC DEVELOPMENT AND COMMERCE (continued) |  |  |  |  |  |  |  |  |  |  |
| City Planning |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages | \$ | 79,057 | \$ | - | \$ | 79,057 | \$ | - | \$ | 79,057 |
| Other Expenses |  | 3,704 |  | 2,793 |  | 6,497 |  | 3,267 |  | 3,230 |
| Housing Code Enforcement |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 50,375 |  | - |  | 50,375 |  | - |  | 50,375 |
| Other Expenses |  | 7,203 |  | 3,421 |  | 10,624 |  | 7,483 |  | 3,141 |
| Planning Board |  |  |  |  |  |  |  |  |  |  |
| Other Expenses |  | 2,028 |  | 14,825 |  | 16,853 |  | 14,825 |  | 2,028 |
| Board of Adjustment |  |  |  |  |  |  |  |  |  |  |
| Other Expenses |  | 1,692 |  | 10,246 |  | 11,938 |  | 10,326 |  | 1,612 |
| Historic District Commission |  |  |  |  |  |  |  |  |  |  |
| Other Expenses |  | 707 |  | - |  | 707 |  | - |  | 707 |
| Zoning Officer |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages |  | 3,222 |  | - |  | 3,222 |  | - |  | 3,222 |
| Other Expenses |  | 276 |  | 762 |  | 1,464 |  | 1,113 |  | 351 |
| INSURANCE |  |  |  |  |  |  |  |  |  |  |
| Insurance - All Departments |  | 991,912 |  | 1,020,446 |  | 2,012,358 |  | 1,019,174 |  | 993,184 |
| Employee Group Health Insurance |  | 2,699,558 |  | 15,823,801 |  | 18,454,486 |  | 12,521,334 |  | 5,933,152 |
| Health Benefit Waiver |  | 32,558 |  | - |  | 32,558 |  | - |  | 32,558 |
| UNCLASSIFIED |  |  |  |  |  |  |  |  |  |  |
| Municipal Publicity |  | 19,568 |  | 2,500 |  | 9,568 |  | 4,034 |  | 5,534 |
| Other Municipal Advertising |  | 25,000 |  | - |  | 21,200 |  | - |  | 21,200 |
| Celebration of Public Events |  | 611 |  | 8,749 |  | 9,360 |  | 9,313 |  | 47 |
| Professional Affiliations |  | 12,216 |  | - |  | 12,216 |  | - |  | 12,216 |
| Ethical Standards Board |  | 2,000 |  | 13,500 |  | 15,500 |  | 13,500 |  | 2,000 |
| Electricity |  | 979,000 |  | 386,119 |  | 1,365,119 |  | 400,704 |  | 964,415 |
| Street Lighting |  | 200,002 |  | 133,014 |  | 333,016 |  | 328,970 |  | 4,046 |
| Municipal Rent |  | 247,410 |  | 58,634 |  | 306,044 |  | 118,171 |  | 187,873 |
| Gasoline |  | 455,008 |  | 186,666 |  | 641,674 |  | 128,853 |  | 512,821 |
| Communications |  | 67,276 |  | 425,847 |  | 493,123 |  | 428,813 |  | 64,310 |
| Office Services |  | 471,996 |  | 480,713 |  | 952,709 |  | 358,252 |  | 594,457 |
| Salary Adjustment |  | 2,499,710 |  | - |  | 2,499,710 |  | - |  | 2,499,710 |
| (B) Contingent |  | 50,000 |  | - |  | 50,000 |  | - |  | 50,000 |

## CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2016

## SCHEDULE OF 2017 APPROPRIATION RESERVES

| Balance: December 31, 2017 |  |  |
| :---: | :---: | :---: |
| Reserved | Encumbered <br> Balance After <br> Transfers | Paid or <br> Charged |

(E) Deferred Charges and Statutory Expenditures within "CAPS"

(A) Operations - Excluded From "CAPS" GENERAL GOVERNMENT

| Maintenance of Free Public Library | 101,335 | - | 170,208 | 170,208 | - |
| :--- | ---: | :---: | ---: | ---: | ---: |
| Employee Group Health Insurance | - | - | - | - |  |
| Reserve for Tax Appeals | 385,317 | - | 385,317 | - | 385,317 |
| Tax Overpayments | 826,414 | - | 826,414 | - | 826,414 |

## PUBLIC AND PRIVATE APPROPRIATIONS

OFFSET BY REVENUES

| Matching Funds for Grants | 27,892 | - | 27,892 | - | 27,892 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| TOTAL GENERAL APPROPRIATIONS | \$ 19,058,629 | \$ 26,654,920 | \$ 45,713,549 | \$ 20,622,173 | \$ 25,091,376 |
|  | A | A-19 |  |  | A-1 |
|  | Cash Disbursem |  | A-4 | \$ 16,689,810 |  |
|  | Contracts Payab |  | A-20 | 3,932,363 |  |
|  |  |  |  | \$ 20,622,173 |  |

## CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF RESERVE FOR ENCUMBRANCES

|  | $\begin{gathered} \text { Balance, } \\ \text { December 31, } \\ 2017 \\ \hline \end{gathered}$ | Increased |  | Decreased |  | $\begin{gathered} \text { Balance, } \\ \text { December 31, } \\ 2018 \\ \hline \end{gathered}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Current Year Budget Appropriations | \$ - | \$ | 19,805,803 | \$ | - | \$ | 19,805,803 |
| Appropriation Reserves | 26,654,920 |  | - |  | 26,654,920 |  | - |
| Reserve for: |  |  |  |  |  |  |  |
| Sandy Expenditures | 730 |  | - |  | 730 |  |  |
| Parking Authority Lease | 9,761 |  | - |  | 9,761 |  |  |
| Revaluation | 1,402,383 |  | - |  | 1,402,383 |  |  |
|  | \$ 28,067,794 | \$ | 19,805,803 |  | 28,067,794 | \$ | 19,805,803 |
| Ref. | A |  |  |  |  |  | A |
|  | A-3 | \$ | 19,805,803 |  | - |  |  |
|  | A-18 |  | - |  | 26,654,920 |  |  |
|  | A-30 |  | - |  | 9,761 |  |  |
|  | A-32 |  | - |  | 730 |  |  |
|  | A-34 |  | - |  | 1,402,383 |  |  |
|  |  | \$ | 19,805,803 |  | 28,067,794 |  |  |

## CITY OF JERSEY CITY

CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF CONTRACTS PAYABLE

|  | Transfer from <br> Balance: <br> Dec. 31, 2017 | Appropriation <br> Reserves | Contracts <br> Cancelled | Paid or <br> Charged |
| :---: | :---: | :---: | :---: | :---: | | Balance: |
| :---: |

Budget Year Ended December 31:

| 2017 | \$ | - | \$ | 3,932,363 | \$ | 3,271,078 | \$ | - | \$ | 661,285 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2016 |  | 428,475 |  | - |  | 41,212 |  | 126,535 |  | 260,728 |
| 2015 |  | 273,302 |  | - |  | 30,810 |  | 11 |  | 242,481 |
|  | \$ | 701,777 | \$ | 3,932,363 | \$ | 3,343,100 | \$ | 126,546 | \$ | 1,164,494 |
|  |  | A |  | A-18 |  | A-1 |  | A-4 |  | A |

# CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018 

## SCHEDULE OF PREPAID TAXES

| Ref. |  |  |  |
| :---: | :---: | :---: | :---: |
| Balance: December 31, 2017 | A | \$ | 14,023,865 |
| Increased by: |  |  |  |
| Cash Receipts | A-4 |  | 5,122,504 |
|  |  |  | 19,146,369 |
| Decreased by: |  |  |  |
| Prior Year Collections Recognized as Revenue of: Current Year Taxes | A-2a; A-7 |  | 14,023,865 |
| Balance: December 31, 2018 | A | \$ | 5,122,504 |

Exhibit A-22

## SCHEDULE OF TAX OVERPAYMENTS

Balance: December 31, 2017

Increased by:
Cash Receipts
Void Checks

Decreased by:
Disbursed to Taxpayers
Applied to Taxes

Balance: December 31, 2018

## Ref.

A

| A-2a | $\$$ | $4,274,212$ |
| :---: | ---: | ---: |
| A-4 | 6,263 |  |

$\begin{array}{r}4,280,475 \\ \hline 6,456,518\end{array}$

818,660
1,329,159
$2,147,819$

A
\$ 2,176,043

| A-4 | 818,660 |
| :---: | ---: |
| A-2a | $1,329,159$ |


| $2,147,819$ |
| :--- |

\$ 4,308,699

CITY OF JERSEY CITY<br>CURRENT FUND<br>FOR THE YEAR ENDED DECEMBER 31, 2018<br>\section*{SCHEDULE OF PREPAID PILOT REVENUES}

Ref.
Balance: December 31, 2018 and 2017
A
$\xlongequal{\$ \quad 1,445,095}$

Exhibit A-24

## SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Balance: December 31, 2017
Increased by:
Levy - $50 \%$ of:
School Year July 1, 2017 to June 30, 2018 \$ 58,346,224
School Year July 1, 2018 to June 30, 2019

|  | $\begin{array}{r}\$ 58,346,224 \\ 62,183,679\end{array}$ |  |
| :--- | ---: | ---: |
| $\mathrm{~A}-2 \mathrm{a}, \mathrm{A}-7$ |  |  |
|  |  | $120,529,903$ |
| $120,529,903$ |  |  |


|  | $\begin{array}{r}\$ \quad 58,346,224 \\ 62,183,679 \\ \text { A-2a, A-7 } \\ \end{array}$ |  |
| :--- | ---: | ---: |
|  |  |  |
| $120,529,909$ |  |  |

Decreased by:
Cash Disbursements
A-4
Balance: December 31, 2018
2018 Liability for Local District Tax:
Tax Paid
Tax Payable at December 31, 2018
Ref.

Less: Tax Payable at December 31, 2017
Amount Charged to 2018 Operations

A-1

120,529,903
$\qquad$
\$ 120,529,903 120,529,903
\$
$120,529,903$
$\xlongequal{\$}$
$\$ 120,529,903$

## CITY OF JERSEY CITY

CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF COUNTY TAXES PAYABLE

Balance: December 31, 2017
Increased by:
County Tax Levy
County Open Space Levy
Added and Omitted County Taxes
Total Levy - County
Decreased by:
Disbursements to County
Balance: December 31, 2018

A $\$ 1,490,205$

| A-7 | $\$$ | $137,412,447$ |
| ---: | ---: | ---: |
| A-7 |  | $3,164,096$ |
| A-7 |  | $2,969,537$ |

A-1, A-2a $\quad 143,546,080$
A-4
142,066,748
A
$\xlongequal{\$ \quad 2,969,537}$

## Exhibit A-26

## SCHEDULE OF PILOT FEES DUE TO COUNTY

Balance: December 31, 2017
Increased by:
Cash Receipts
Decreased by:
Cash Disbursed to County
Balance: December 31, 2018

Ref.
A

A-4

A-4
A
\$ 903,246
$\begin{array}{r}3,393,337 \\ \hline 4,296,583\end{array}$
4,296,583

| $\$ \quad-$ |
| :--- |

## CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF DUE TO SPECIAL IMPROVEMENT DISTRICTS

|  | Balance: <br> Dec. 31, 2017 |  | Assessments$\qquad$ |  | Net Cash Disbursed |  | Balance:$\text { Dec. 31, } 2018$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Special Improvement District: |  |  |  |  |  |  |  |  |
| Central Avenue | \$ | 11,098 | \$ | 101,667 | \$ | 109,062 | \$ | 3,703 |
| Journal Square Restoration Corp. |  | 50,832 |  | 773,034 |  | 817,996 |  | 5,870 |
| Historic Downtown |  | 7,748 |  | 299,501 |  | 302,401 |  | 4,848 |
| McGinley Square Partnership |  | 7,701 |  | 72,336 |  | 71,242 |  | 8,795 |
| Jackson Hill Main St. |  | 17,558 |  | 244,105 |  | 251,015 |  | 10,648 |
| Exchange Place Alliance |  | 42,389 |  | 3,000,010 |  | 3,014,375 |  | 28,024 |
|  | \$ | 137,326 | \$ | 4,490,653 | \$ | 4,566,091 | \$ | 61,888 |
| Ref. |  | A |  | -1; A-2a |  | A-4 |  | A |

CITY OF JERSEY CITY<br>CURRENT FUND<br>FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF SURCHARGES DUE TO STATE OF NEW JERSEY

|  |  | Total |  | Burial <br> Permits |  | Marriage Licenses |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Balance: December 31, 2017 | $\frac{\text { Ref. }}{\mathrm{A}}$ | \$ | 9,465 | \$ | 635 | \$ | 8,830 |
| Increased by: |  |  |  |  |  |  |  |
| Cash Receipts | A-4 |  | 49,215 |  | 240 |  | 48,975 |
|  |  |  | 58,680 |  | 875 |  | 57,805 |
| Decreased by: |  |  |  |  |  |  |  |
| Payments to State of New Jersey | A-4 |  | 47,375 |  | 325 |  | 47,050 |
| Balance: December 31, 2018 | A | \$ | 11,305 | \$ | 550 | \$ | 10,755 |

SCHEDULE OF RESERVE FOR DEPOSITS ON SALE OF PROPERTY ACQUIRED FOR TAXES

Balance: December 31, 2017
Increased by:
Cash Receipts
Decreased by:
Contracts Realized

Balance: December 31, 2018

Ref.
A

A-4

A-14

A
\$ 20,303

| $12,000,000$ |
| :--- |
| $12,020,303$ |

12,000,000
$\$ \quad 20,303$

 CITY OF JERSEY CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
SCHEDULE OF OTHER RESERVES

|  | Balance: December 31, 2017 |  |  |  | Increased by: |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | Receipts |  | Special |  | Interfunds |  |
|  | Reserved |  | Encumbered |  |  |  |  | mergencies |  |  |
| Reserved per Terms of PILOT Agreement |  |  |  |  |  |  |  |  |  |  |
| Recreation Improvements | \$ | 85,000 | \$ | - | \$ | - | \$ | - | \$ | - |
| Open Space and Public Parks |  | 179,667 |  | - |  | 267,351 |  | - |  | - |
| Reserve for Retirement of Debt: |  |  |  |  |  |  |  |  |  |  |
| Sandy-Related Debt |  | 245,086 |  | - |  | 93,772 |  | - |  | (1) |
| Reserve for: |  |  |  |  |  |  |  |  |  |  |
| Parking Authority Lease |  | 398 |  | 9,761 |  | - |  | - |  | 1 |
| Improvement Authority Obligations |  |  |  |  |  |  |  |  |  |  |
| Upon Dissolution |  | 453,742 |  | - |  | - |  | - |  | - |
| Recreation |  | 200 |  | - |  | - |  | - |  | - |
| Taxi Cab License |  | 98,915 |  | - |  | - |  | - |  | - |
| Library Aid |  | - |  | - |  | 108,367 |  | - |  | - |
| Senior Nutrition |  | 209,902 |  | - |  | 188,581 |  | - |  | 92,683 |
| Abatement Buy-Up |  | 1,635 |  | - |  | - |  | - |  | - |
| MLK Community Center |  | 73,000 |  | - |  | 70,097 |  | - |  | - |
| Accumulated Absences |  | - |  | - |  | - |  | 14,500,000 |  | - |
| Master Plan |  | - |  | - |  | - |  | 940,500 |  | - |
| Watershed Property Appeal |  | 760 |  | - |  | - |  | - |  | - |
|  | \$ | 1,348,305 | \$ | 9,761 | \$ | 728,168 | \$ | 15,440,500 | \$ | 92,683 |
| Ref. |  | A |  | 19 |  | A-4 |  | A-3 |  | -17 |

Exhibit A-31

| CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Original |  |  | Date of Issue | Maturity Date | Interest <br> Rate | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2017 \\ \hline \end{gathered}$ |  | Notes <br> Issued |  | Decreased by: |  |  |  | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2018 \\ \hline \end{gathered}$ |  |
| Ordinance <br> Number | Date of Issue |  | Amount |  |  |  |  |  |  | Notes Refunded |  | aid by Budget ppropriation |  |  |
| Contractual Severance Payments |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Series 2017C (Federally Taxable) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 13-118 | 12/12/2013 | \$ | 9,500,000 | 12/07/2017 | 12/07/2018 | 2.350\% |  | 1,900,000 |  |  | \$ | - | \$ | - | \$ | 1,900,000 | \$ | - |
| 14-132 | 12/12/2014 |  | 7,500,000 | 12/07/2017 | 12/07/2018 | 2.350\% |  | 3,000,000 |  | - |  | 1,500,000 |  | 1,500,000 |  | - |
| 15.149 | 12/11/2015 |  | 8,000,000 | 12/07/2017 | 12/07/2018 | 2.350\% |  | 4,800,000 |  | - |  | 3,200,000 |  | 1,600,000 |  | - |
| Series 2018E (Federally Taxable) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 13-118 | 12/12/2013 |  | 9,500,000 | 12/06/2018 | 12/06/2019 | 3.000\% |  | - |  | - |  | - |  | - |  | - |
| 14-132 | 12/12/2014 |  | 7,500,000 | 12/06/2018 | 12/06/2019 | 3.000\% |  | - |  | 1,500,000 |  | - |  | - |  | 1,500,000 |
| 15.149 | 12/11/2015 |  | 8,000,000 | 12/06/2018 | 12/06/2019 | 3.000\% |  | - |  | 3,200,000 |  | - |  | - |  | 3,200,000 |
| 18-114 | 10/10/2018 |  | 14,500,000 | 12/06/2018 | 12/06/2019 | 3.000\% |  | - |  | 14,500,000 |  | - |  | - |  | 14,500,000 |
| Revaluation of Properties |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Series 2017D |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 16.031 | 12/08/2016 |  | 5,000,000 | 12/07/2017 | 12/07/2018 | 2.500\% |  | 4,000,000 |  | - |  | 3,000,000 |  | 1,000,000 |  | - |
| Series 2018 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 16.031 | 12/08/2016 |  | 5,000,000 | 12/06/2018 | 12/06/2019 | 3.250\% |  | - |  | 3,000,000 |  | - |  | - |  | 3,000,000 |
| Master Plan |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Series 2018D |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 18-028 | 04/25/2018 |  | 940,500 | 06/20/2018 | 06/20/2019 | 3.000\% |  | - |  | 940,500 |  | - |  | - |  | 940,500 |
|  |  |  |  |  |  |  |  | 13,700,000 | \$ | 23,140,500 | \$ | 7,700,000 | \$ | 6,000,000 |  | 23,140,500 |
|  |  |  |  |  |  | $\underline{\text { Ref. }}$ |  | A |  | A-4 |  | A-4 |  | A-16 |  | A |
|  |  |  |  |  |  |  |  | New Notes | \$ | 15,440,500 | \$ | , |  | Series 2018D | \$ | 940,500 |
|  |  |  |  |  |  |  |  | Refunded |  | 7,700,000 |  | 7,700,000 |  | Series 2018E |  | 19,200,000 |
|  |  |  |  |  |  |  |  |  | \$ | 23,140,500 | \$ | 7,700,000 |  | Series 2018F |  | 3,000,000 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 23,140,500 |

# CITY OF JERSEY CITY 

CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF RESERVE FOR SUPERSTORM SANDY EXPENDITURES

Balance: December 31, 2017

Increased by:
Prior Year Encumbrances

Decreased by:
Cash Disbursed

Balance: December 31, 2018

Ref.
A

A-19

A-4

Exhibit A-33

## SCHEDULE OF OTHER PAYABLES

Balance: December 31, 2018 and 2017
Ref.

| A | $\$$ | 12,364 |
| :---: | :---: | :---: |
| Due to Jersey City Employment and Training | $\$$ | 12,364 |
|  | $\$$ | 12,364 |

## CITY OF JERSEY CITY <br> CURRENT FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018 <br> SCHEDULE OF RESERVE FOR REVALUATION

Balance: December 31, 2017
Increased by:
Prior Year Encumbrances

Decreased by:
Cash Disbursements
Balance: December 31, 2018

Ref.
A

A-19

A-4

A

Exhibit A-35
\$ 604,642
$\begin{array}{r}1,402,383 \\ \hline 2,007,025\end{array}$

$$
1,402,583
$$

\$ 604,442

## SCHEDULE OF UNDISTRIBUTED REVENUE

Balance: December 31, 2017
Increased by:
Charge to Opeations
Decreased by:
Allocation to Revenues
Balance: December 31, 2018

Ref.
A

A-1

A-11

A

| Ref. |  |  |  |
| :---: | :---: | :---: | :---: |
| Balance: December 31, 2017 | A | \$ | 568,709 |
| Increased by: |  |  |  |
| Charge to Opeations | A-1 |  | 27,150 |
|  |  |  | 595,859 |
| Decreased by: |  |  |  |
| Allocation to Revenues | A-11 |  | 595,859 |
| Balance: December 31, 2018 | A | \$ | - |

## CITY OF JERSEY CITY

REPORT OF AUDIT
SUPPLEMENTARY DATA SECTION:
STATE AND FEDERAL GRANT FUND SCHEDULES


gาgvaigogy Slnvy9 Tvygaza anv glvis so ginaghos





范

| Description |
| :--- |
| JTPA |
| Municipal Aid Program |
| Berry Lane Park PH3 HCOS |
| LSP - Summit Ave PH3 |
| LSP - Communipaw Ave |
| LSP - Montgomery Street |
| LSP - MLK Blvd Section 2 |
| LSP - Marin Blvd |
| LSP - Oakland Ave \& St. Paul's |
| Community Courts - Youth |
| Comm Stewardship Incentive |
| Food Insecurity Nutrition Incentive Grant |
| Peer Grouping Grant |
| PORCHE |
| Senior Nutrition Program CY 2016 |
| Sexually Transmitted Disease Control |
| Sexually Transmitted Disease Control - Add'l |
| Summer Food Program |
| Seniors Farmers Market |
| Citywide Adopt-A-Lot |
| NJCU Nursing Student Program |
| Healthier JC Program |
| UASI - Local Share |
| Port Security - Fire |
| EMAA - Hazard Mitigation |
| Bullet Proof Vest Partnership Program |
| Drunk Driving Enforcement |
| Subregional Trans Grant |
| Subregional Studies Project |




|  |  |
| :---: | :---: |





CITY OF JERSEY CITY
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018



| Description |
| :---: |
| AHA Community Impact Grant |
| Arbor Day Tree-NJSEA |
| Child Health (CLPPP) |
| Clean Communities |
| Comprehensive Cancer Control |
| Comprehensive Traffic Safety |
| Cooperative Marketing |
| COPS Hiring |
| CSBG |
| Distracted Driving |
| Drunk Driving Enforcement Fund |
| Edward Byrne Jusice Assistance Grant (JAG) |
| Famimly Health Initiative |
| HCHPP- Apple Tree House |
| HCOS - Berry Lane Park - Skate Park |
| HCOS - Riverview Fisk Park Rehabilitation |
| Healthy Communities Healthy Citizens |
| Healthiest Cities and Countries |
| Innovation Teams Grant |
| JTPA-Smartsteps |
| JTPA (Job Training Partnership Act) |
| KRESGE - Public Health Strategist Project |
| LAIF -MLK Dr. Roadway \& Traffic Signal |
| Make-A-Splash-USA Swimming Foundation |
| Mental Health Awareness Training (MHAT) |
| Municipal Drug Alliance |
| NEA Big Read Art Team |
| NJCH-Apple Tree House |
| Peer Grouping Grant |
| PORCHE |
| Port Security - Police ESU |
| Recycling Tonnage |
| ROID Grant |
| SAFER-Firefighters Hiring |
| Sandy Recovery FEMA Match |



[^0]Exhibit A-37

|  | $\infty$ |  |  |  | 0 0 0 |  | $\circ$ $\sim$ $\sim$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | CITY OF JERSEY CITY

FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018




41,397

Net Change in Interfunds
Balance: December 31, 2017
Interfunds Payable
Balance: December 31, 2018 Interfunds Payable

# CITY OF JERSEY CITY <br> FEDERAL AND STATE GRANT FUND FOR THE YEAR ENDED DECEMBER 31, 2018 

## SCHEDULE OF RESERVE FOR ENCUMBRANCES

Balance: December 31, 2017

Increased by Transfers from:
Appropriated Grant Reserves
Decreased by:
Appropriated Grant Reserves

Balance: December 31, 2018

Ref.
A

A-39

A-39

A
\$ 7,041,726
$\begin{array}{r}7,125,568 \\ \hline 14,167,294\end{array}$
7,041,726
\$ 7,125,568





Exhibit A-39
Page 4 of 16



aglvitdoyddv - Slnvyo tvyaaga div glvis yoa anyasay ho atnaghos
Exhibit A-39
Page 5 of 16


$\frac{\text { Balance: December 31, } 2018}{\text { Encumbered }}$

| Increased by: |  | Decreased by: |  |  |
| :---: | :---: | :---: | :---: | :---: |
| Current Year Awards | City <br> Match | Paid or Charged | Charged to Trust Fund | Cancellations / <br> Adjustments |
| \$ | \$ - | \$ | \$ | \$ 18,942 |
| - | - | - | - | 20,000 |
| 404,774 | - | - | - | - |
| - | - | - | - | - |
| 8,390,000 | - | 7,179,894 | - | - |
| - | - | 89,348 | - | 186,767 |
| - | - | - | - | 4,596 |
| - | - | - | - | - |
| - | - | 58,162 | - | - |
| 839,385 | - | - | - | - |


| get | Award | Balance: December |
| :---: | :---: | :---: |
| Year | nd Match | Reserved Enc |

FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS - APPROPRIATED
839,385
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 20
SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS - APPROPRIATED

|  |  |  |  | Increa | d b |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Budget | Award | Balance: Dece | er 31, 2017 | Current Year |  | City |  |  |  |  |  | lations / |  | nce: Dec | b | 31, 2018 |
| Year | and Match | Reserved | Encumbered | Awards |  | Match |  | rged |  |  |  | tments |  | mbered |  | Reserved |
| United States Departme | of Transportat | (continued) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| North Jersey Transpo | ion Planning A | ority: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Local Safety Pro | - Summit Av | Corridor, Ph. 18 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2013 | \$ 615,287 | \$ 280,146 | \$ | \$ | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | 280,146 |
| Local Safety Pro | m - Summit Av | Corridor, Ph. 3 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2016 | 450,000 | 22,139 | 63,958 | - |  | - |  | 7,427 |  | - |  |  |  | 56,531 |  | 22,139 |
| Local Safety Pro | - Communip |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2016 | 817,400 | 817,400 | - | - |  | - |  | - |  | - |  | - |  | - |  | 817,400 |
| Highway Safety | . Program (HSIP) | - Communipaw |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2017 | 736,383 | 736,383 | - | - |  | - |  | - |  | - |  | - |  | - |  | 736,383 |
| Local Safety Pro | m - Montgomer | Street |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2016 | 1,167,077 | 1,167,077 | - | - |  | - |  | - |  | - |  | - |  | - |  | 1,167,077 |
| Local Safety Pro | m - MLK Drive | ection 2 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2016 | 400,000 | 400,000 | - | - |  | - |  | - |  | - |  | - |  | - |  | 400,000 |
| Highway Safety | . Program (HSIP) | - MLK Drive |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2017 | 399,714 | 399,714 | - | - |  | - |  | - |  | - |  | - |  | - |  | 399,714 |
| Local Safety Pro | m - Marin Blvd |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2016 | 885,838 | 885,838 | - | - |  | - |  | - |  | - |  | - |  | - |  | 885,838 |
| Local Safety Pro | m - Oakland Av | \& St. Paul's |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2016 | 288,524 | 288,524 | - | - |  | - |  | - |  | - |  | - |  | - |  | 288,524 |
| Subregional Tra | ortation Plannin |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2013 | 14,395 | 67,977 | - | - |  | - |  | - |  | - |  | 67,977 |  | - |  | - |
| 2014 | 57,581 | 67,115 | - | - |  | - |  | - |  | - |  | 67,115 |  | - |  | - |
| 2015 | 113,162 | 59,120 | - | - |  | - |  | - |  | - |  | 59,120 |  | - |  | - |
| 2016 | 113,162 | 1,320 | - | - |  | - |  | 1,320 |  | - |  | - |  | - |  | - |
| 2017 | 121,960 | 121,960 | - | - |  | - |  | 76,578 |  | - |  | 45,382 |  | - |  | - |
| 2018 | 112,130 | - | - | 112,130 |  | 22,632 |  | - |  | - |  | - |  | - |  | 134,762 |
| Subregional Stuc | Project |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2016 | 180,000 | 502 | 64,437 | - |  | - |  | 63,133 |  | - |  | 502 |  | 1,304 |  | - |
| 2018 | 240,000 | - | - | 240,000 |  | 60,000 |  | - |  | - |  | - |  | - |  | 300,000 |





|  |  |  |  | Increa | d b |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Budget | Award | Balance: Dece | ber 31, 2017 | Current Year |  | City |  |  |  |  |  | tions / |  | ce: Dec |  | 2018 |
| Year | and Match | Reserved | Encumbered | Awards |  | Match |  |  |  |  |  | ments |  | bered |  | erved |
| New Jersey Departmen | Community A |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Garden State Historic Pr West Bergen Histor | ation Trust Fun strict |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2011 | \$ 50,000 | \$ 3,575 | \$ | \$ | \$ | - | \$ | - | \$ | - | \$ | 3,575 | \$ | - | \$ | - |
| Apple Tree House |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2011 | 575,000 | 39,941 | - | - |  | - |  | - |  | - |  | - |  | - |  | 39,941 |
| Recreational Opportuniti | r Individuals w | Disabilities (RO) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2015 | 24,000 | 3,200 | - | - |  | - |  | - |  | - |  | 3,200 |  | - |  |  |
| 2017 | 24,000 | 5,575 | 2,200 | - |  | - |  | - |  | - |  | 5,575 |  | 2,200 |  | - |
| 2018 | 12,000 | - | - | 10,000 |  | 2,000 |  | - |  | - |  | - |  | - |  | 12,000 |
| New Jersey Departmen | State |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cooperative Marketing |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2018 | 10,500 | - | - | 10,500 |  | - |  | - |  | - |  | - |  | - |  | 10,500 |
| New Jersey Historical | mission |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Passed through County Apple Tree Heritag | dson Cultural gramming | Heritage Affairs |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2018 | 6,500 | - | - | 6,500 |  | - |  | 6,500 |  | - |  | - |  | - |  | - |
| New Jersey Council for | Humanities |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Apple Tree Heritage Pro | ming |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2018 | 5,000 | - | - | 5,000 |  | - |  | 3,407 |  | - |  | - |  | 250 |  | 1,343 |
| New Jersey Sports and | ibition Author |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Arbor Day Tree Grant |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2018 | 1,000 | - | - | 1,000 |  | - |  | 1,000 |  | - |  | - |  | - |  | - |
| Highlands Water Prote | and Planning | Council |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Transfer of Developmen | hts Feasibility | ant Program |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2017 | 40,000 | 40,000 | - | - |  | - |  | - |  | - |  | - |  | - |  | 40,000 |

Exhibit A-39
Page 12 of 16

 CITY OF JERSEY CITY
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018


|  |  |  |  |  | Incre | d by: |  | Decreased by: |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Budget | Award | Balance: Dec | er | 31,2017 | Current Year | City | Paid or | Charged to |  | llations / |
| Year | and Match | Reserved |  | cumbered | Awards | Match | Charged | Trust Fund |  | stments |
| New Jersey Departmen | Law and Publi | Safety |  |  |  |  |  |  |  |  |
| Body Armor Replacemen |  |  |  |  |  |  |  |  |  |  |
| 2016 | \$ 69,952 | \$ 426 | \$ | 29,512 | \$ | \$ | 29,512 | \$ | \$ | 426 |
| 2017 | 71,364 | 35,374 |  | 35,990 | - | - | 65,099 | - |  | - |
| Drunk Driving Enforcem | Fund |  |  |  |  |  |  |  |  |  |
| 2015 | 13,386 | 2,488 |  | - | - | - | - | - |  | 2,488 |
| 2017 | 14,625 | 14,625 |  | - | - | - | - |  |  | 14,625 |
| 2018 | 12,411 | - |  | - | 12,411 | - | 12,411 | - |  | - |
| Community Policing Gra | rogram |  |  |  |  |  |  |  |  |  |
| 2017 | 10,000 | 2,447 |  | - | - | - | - | - |  | 2,447 |
| Governor's Council on | oholism and D | g Abuse |  |  |  |  |  |  |  |  |
| Passed through Hudson | ty Division of | cial Services: |  |  |  |  |  |  |  |  |
| Municipal Alliance - | g Elimination |  |  |  |  |  |  |  |  |  |
| 2016 | 267,379 | 1,476 |  | - | - | - | - | - |  | 1,476 |
| 2017 | 267,379 | 40,000 |  | 179,409 | - | - | 219,409 | - |  | - |
| 2018 | 267,379 | - |  | - | 213,903 | 53,476 | 52,309 | - |  | - |
| New Jersey Departmen | Transportatio |  |  |  |  |  |  |  |  |  |
| Three Traffic Signal |  |  |  |  |  |  |  |  |  |  |
| 2011 | 600,000 | 99,885 |  | - | - | - | - | - |  | - |
| Municipal Aid Prog | - Various Stree | esurfacing |  |  |  |  |  |  |  |  |
| 2011 | 1,300,000 | 338,033 |  | - | - | - | - | - |  | 338,033 |
| 2012 | 1,198,561 | 166,192 |  | - | - | - | - | - |  | - |
| 2015 | 1,004,590 | - |  | 1,004,590 | - | - | 1,004,590 | - |  | - |
| 2016 | 989,590 | 989,590 |  | - | - | - | 594,832 | - |  | - |
| 2017 | 1,038,402 | 1,038,402 |  | - | - | - | - |  |  | - |
| 2011 Transit Village | Intersections |  |  |  |  |  |  |  |  |  |
| 2011 | 250,000 | 119,627 |  | - | - | - | - | - |  | 119,627 |
| 2017 Transit Village |  |  |  |  |  |  |  |  |  |  |
| 2017 | 220,000 | 220,000 |  | - | - | - | - |  |  | - |

Exhibit A-39
Page 13 of 16



| Decreased by: |  |
| :--- | :--- |
| Charged to <br> Trust Fund | Cancellations / <br> Adjustments |
|  |  |
| $\$$ | $\$$ |


FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS - APPROPRIATED

Hudson County Open Space Trust Fund and United States Department of Housing and Urban Development Pand County of Hudson Open Space Trust Fund
500,000 Berry Lane Park - Skate Park
2018
Exhibit A-39
Page 14 of 16




Exhibit A-39
Page 16 of 16

$$
\begin{aligned}
& \text { CITY OF JERSEY CITY } \\
& \text { FEDERAL AND STATE GRANT FUND } \\
& \text { FOR THE YEAR ENDED DECEMBER 31, } 2018
\end{aligned}
$$





|  |  |  |  |  |  | Incre | d b |  |  |  |  | creased by: |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Budget | Award |  | Balance: Dece | ber | 31, 2017 | Current Year |  | City |  | Paid or |  | Charged to |  | cellations / |  | Balance: Dec | be | 31,2018 |
| Year | and Match |  | Reserved |  | Encumbered | Awards |  | Match |  | Charged |  | rust Fund |  | djustments |  | cumbered |  | Reserved |
| PRIVATE GRANTS (c | inued) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| AARP, Inc. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2017 | \$ 3,000 | \$ | 2,849 | \$ | 151 | \$ | \$ | - | \$ | 2,980 | \$ | - | \$ | 20 | \$ | - | \$ | - |
| Kresge - Public Health St | gist |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2018 | 125,000 |  | - |  | - | 125,000 |  | - |  | - |  | - |  | - |  | - |  | 125,000 |
| American Heart Associai | - Community Im | act | Grant |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2018 | 2,800 |  | - |  | - | 2,800 |  | - |  | 1,508 |  | - |  | - |  | 1,259 |  | 33 |
| The Hartford - Junior Fir | hter Program |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2018 | 10,000 |  | - |  | - | 10,000 |  | - |  | 10,000 |  | - |  | - |  | - |  | - |
| COUNTY GRANTS |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Hudson County Open S | Crust Fund |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Caven Point |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2012 | 400,000 |  | 400,000 |  | - | - |  | - |  | - |  | - |  | - |  | - |  | 400,000 |
| Reservoir No. 3 Hist | Structures Stabil | zati |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2013 | 50,000 |  | 49,266 |  | - | - |  | - |  | - |  | - |  | - |  | - |  | 49,266 |
| Friends of Loews - T | ter Improvement |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2013 | 535,841 |  | 427,420 |  | - | - |  | - |  | - |  | - |  | - |  | - |  | 427,420 |
| Hackensack River W | front Park |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2010 | 1,125,000 |  | 78,131 |  | - | - |  | - |  | - |  | - |  | - |  | - |  | 78,131 |
| Riverview Fish Park | habilitation |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2018 | 500,000 |  | - |  | - | 500,000 |  | - |  | - |  | - |  | - |  | - |  | 500,000 |
| TOTAL STATE AND FE | RAL GRANTS F | \$ | 29,683,949 |  | 7,041,726 | \$ 36,320,368 | \$ | 409,638 | \$ | 22,244,513 | \$ | 10,498,173 | \$ | 9,243,255 | S | 7,125,568 | S | 24,344,172 |
|  |  |  | A |  | A-38 | A-37 |  | A-37 |  | A-4 |  | A-37 |  |  |  | A-38 |  | A |
|  |  |  |  |  |  |  |  |  |  |  |  | A-36 | \$ | 4,246,842 |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | A-37 |  | 4,993,510 |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | A-40 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  | \$ | 9,243,255 |  |  |  |  |



SCHEDULE OF RESERVE FOR OTHER
FOR THE YEAR ENDED DECEMBER 31, 2016
CITY OF JERSEY CITY

# CITY OF JERSEY CITY <br> FEDERAL AND STATE GRANT FUND FOR THE YEAR ENDED DECEMBER 31, 2018 

## SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS - UNAPPROPRIATED

|  | Balance: Dec. 31, 2017 |  | Reclass from Other Reserve |  | Appropriated in Budget of Current Year |  | Balance: Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| SAFER Grant | \$ | 3,218,127 | \$ | - | \$ | 3,218,127 | \$ | - |
| CDBG Disaster Recovery Grant |  | 404,708 |  | - |  | 404,708 |  | - |
| The Hartford - |  |  |  |  |  |  |  |  |
| Junior Fire Marshal Program |  | 10,000 |  | - |  | 10,000 |  | - |
| Recycling Tonnage |  | 306,936 |  | - |  | 306,936 |  | - |
| NJ Health Care Quality Institute |  | 6,504 |  | - |  | 6,504 |  | - |
| COPS Hiring Grant |  | - |  | 170,360 |  | - |  | 170,360 |
| COPS Anti-Gang Initiative |  | - |  | 152,575 |  | - |  | 152,575 |
|  | \$ | 3,946,275 | \$ | 322,935 | \$ | 3,946,275 | \$ | 322,935 |
| Ref. |  | A |  | -40 |  | A-36 |  | A |

## CITY OF JERSEY CITY REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION: TRUST FUND SCHEDULES




Balance: December 31, 2017
Increased by Receipts:
Interfunds
Animal Control
Other Funds
Payroll Agency
CDBG Trust
State Dog Fees
Municipal Dog Fees
One-Year Licenses
Three-Year Licenses
Federal Grants Receivable
Intergovernmental Payables
Reserves and Special Deposits
Insurance Expenditures
Unemployment Expenditures
State Forfeitures
Federal Forfeitures
Reserve for Federal Grants
Due To Library
Cash Overdraft



 Subtotal Carried Forward from Sheet 1

# CITY OF JERSEY CITY <br> TRUST FUND - ANIMAL CONTROL FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018 

## SCHEDULE OF DUE TO CURRENT FUND

Balance: December 31, 2017
Increased by;
Cash Receipts
Statutory Excess

Decreased by:
Cash Disbursements
Balance: December 31, 2018

Ref.
B

B-1 \$ 45
B-5 $\qquad$
$\begin{array}{r}3,828 \\ \hline 3,924\end{array}$

B-1

B

Exhibit B-3

## SCHEDULE OF DUE TO STATE OF NEW JERSEY

Balance: December 31, 2017

Increased by:
One-Year Licenses
State Registration Fees \$ 1,000
Pilot Clinic Fees
Population control
Three-Year Licenses
State Registration Fees 2,385
Pilot Clinic Fees 477
Population control
Ref.

Decreased by:
Cash Disbursements
Balance: December 31, 2018

B

1,512
B-1

B-1

B
B
\$ 197


5,476
$\$ \quad 1,288$

CITY OF JERSEY CITY<br>TRUST FUND - ANIMAL CONTROL FUND<br>FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF RESERVE FOR ENCUMBRANCES

Balance: December 31, 2017

| Ref. |  |  |
| :---: | :---: | :---: |
| B | \$ | 3,344 |
| B-5 |  | 6,831 |
|  |  | 10,175 |
| B-1 |  | 9,591 |
| B | \$ | 584 |

Exhibit B-5

## SCHEDULE OF RESERVE FOR EXPENDITURES

| Ref. |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Balance: December 31, 2017 | B |  |  | \$ | 41,499 |
| Increased by: |  |  |  |  |  |
| Municipal Registration Fees - One-Year Licenses | B-1 | \$ | 20,635 |  |  |
| Prepaid Three-Year Licenses Realized | B-6 |  | 15,507 |  |  |
|  |  |  |  | 36,142 |  |
|  |  |  |  |  | 77,641 |
| Decreased by: |  |  |  |  |  |
| Reserve for Encumbrances | B-4 | \$ | 6,831 |  |  |
| Statutory Excess | B-2 |  | 3,783 |  |  |
|  |  |  |  |  | 10,614 |
| Balance: December 31, 2018 | B |  |  | \$ | 67,027 |

License Fees Collected

| 2017 | $\$$ | 31,128 |
| ---: | :---: | ---: |
| 2016 |  | 35,899 |
| Maximum Allowable Reserve | $\$$ | 67,027 |

# CITY OF JERSEY CITY <br> TRUST FUND - ANIMAL CONTROL FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018 

## SCHEDULE OF PREPAID THREE-YEAR LICENSES

Balance: December 31, 2017

Increased by:
Licenses Issued

Decreased by:
License Revenues Realized 2016
2017
2018

Balance: December 31, 2018

Ref.
B

B-1

| $\$$ | 3,943 |
| :--- | :--- |
| 4,997 |  |
|  | 6,567 |

B-5

B
6,567
\$ 13,937
$\begin{array}{r}19,701 \\ \hline 33,638\end{array}$
$\qquad$

# CITY OF JERSEY CITY <br> TRUST FUND - OTHER FUNDS <br> FOR THE YEAR ENDED DECEMBER 31, 2018 <br> <br> SCHEDULE OF DEFERRED CHARGES 

 <br> <br> SCHEDULE OF DEFERRED CHARGES}

Balance: December 31, 2017

Decreased by:
Raised in 2018 Budget

Balance: December 31, 2018

Ref.
B

B-9

Exhibit B-8

## SCHEDULE OF PROTESTED CHECKS

Balance: December 31, 2017

Increased by:
Cash Disbursements

Balance: December 31, 2018

Ref.

B-1

B
\$

55,279
\$ 55,279

 CITY OF JERSEY CITY
TRUST FUND - OTHER FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
FOR THE YEAR ENDED DECEMBER 31, 2018
SCHEDULE OF INTERFUNDS RECEIVABLE / (PAYABLE)


| Total | Current Fund |
| :---: | :---: |
| \$ | \$ |
| 153,900 | 153,900 |
| 12,448,064 | 12,448,064 |
| 12,601,964 | 12,601,96 |


\$ --


- $\begin{gathered} \\ \infty\end{gathered}$




| $\$$ | - |
| ---: | ---: |
| $\$$ | 41,397 |
|  | 41,397 |
|  | $(41,397)$ |
|  | 103,817 |




蒂


s\|s:
Net Change in Interfunds
Balance: December 31, 2017
Interfunds Receivable
Interfunds Receivable
Interfunds Payable
$ص ๓$
$ص ๓$ 500,009
500,009


## CITY OF JERSEY CITY <br> TRUST FUND - OTHER FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF INTERGOVERNMENTAL PAYABLES

Balance: December 31, 2017
Increased by:
Accrual for Fourth Quarter Bill Cash Receipts

Decreased by:
Cash Disbursements
Transfer to Vouchers Payable
Balance: December 31, 2018

|  | Total |  | Due to State of New Jersey: |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Training Fees |  | Unemployment |  |
| $\frac{\text { Ref. }}{\mathrm{B}}$ | \$ | 654,248 | \$ | 270,802 | \$ | 383,446 |


| B-13 | 123,184 | - | 123,184 |
| :---: | ---: | ---: | ---: | ---: |
| B-1 | 672,945 | 672,945 | - |
|  | $1,450,377$ | 943,747 | 506,630 |


| B-1 | 639,212 | 639,212 | - |
| :---: | ---: | ---: | ---: |
| B-16 | 383,446 | - | 383,446 |

B $\xlongequal{\$ \quad 427,719} \xlongequal{\$ \quad 304,535} \xlongequal{\$} 123,184$

|  | Increased by Transfer from: |  |  | Decreased by: |  |  |  | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2018 \\ \hline \end{gathered}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2017 \\ \hline \end{gathered}$ | Reserves and Special Deposits | Law Enforcement Forfeitures |  | Cash <br> Disbursements |  | Reserves and Special Deposits |  |  |  |
| \$ 5,403,043 | \$ 8,102,160 | \$ | - | \$ | - | \$ | 5,403,043 | \$ | 8,102,160 |
| 23,044 | - |  | 616,474 |  | 16,964 |  | - |  | 622,554 |
| 2,747 | - |  | 532,872 |  | - |  | - |  | 535,619 |
| \$ 5,428,834 | \$ 8,102,160 | \$ | 1,149,346 | \$ | 16,964 | \$ | 5,403,043 | \$ | 9,260,333 |
| B | B-12 |  | B-14 |  |  |  | B-12 |  | B |

> Reserves \& Special Deposits Forfeitures

| Balance: December 31, 2017 |  | Increased by: | Decreased by: |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Cash |  | Cash | Anticipated as |
| Reserved | Encumbered | Receipts | Interfunds | Disbursements | Revenues |
| \$ 98,151 | \$ | \$ 12,228,420 | \$ 11,568,868 | \$ | \$ |
| 2 | - | - | - | - | - |
| - | - | 165 | - | - | - |
| 393,045 | - | 1,823 | - | 10,581 | - |
| 12,962,391 | - | 13,090,674 | - | 12,524,967 | - |
| 1,909,763 | - | 15,161,896 | - | 13,702,820 | - |
| 109,501 | - | 8,265,611 | - | 8,246,862 | - |
| 83,358 | - | - | - | - | - |
| - | - | 20 | - | - | - |
| 16,137 | - | 415,497 | - | 183,368 | - |
| 147,717 | - | - | - | - | - |
| 222,117 | - | - | - | 125 | - |
| 37,500 | - | - | - | - | - |
| 18,719 | - | - | - | - | - |
| 280,000 | - | - | - | - | - |
| 6,000 | - | - | - | - | - |
| 80,245 | 41,305 | 85,330 | - | 110,017 | - |
| 58,905 | - | - | - | - | - |
| 27,031 | - | 371 | - | - | - |
| 1,176 | - | 2 | - | - | - |
| 16,456 | - | - | - | - | - |
| 5,349,620 | 5,091,679 | 1,683,699 | - | 1,320,257 | - |
| 1,275,589 | - | 390,540 | - | - | - |
| 104,065 | - | - | - | - | - |
| 186,512 | - | - | - | - | - |
| 776 | 460 | - | - | - | - |
| 112,059 | - | 28,500 | - | - | - |

Reserve for:
Off Duty Police Officers
365 Days of Green
Reserve for Bulk Lien I
Real Estate
Tax Sale:
Tax Premiums
Third Party Tax \#1
Third Party Tax \#2
Law Department Escrow
Reserve for Erroneous Deposits
Attorney Trust
Local Law Enf. Block Grant - Int.
Local Law Enf. Block Grant
Liberty Animal Shelter
Animal Shelter
299-301 Bergen Ave
Copay Tax
Bid Reception
Metro Homes
Operation Lifesaver Program
Project Lifesaver
Issuers Expense Account
Affordable Housing
NJHMFA
Cultural Arts Commission
Parking Lot - Montgomery Street
NJ Transit Tree Planting
Monuments

 Reserve for:
Housing \& Econ. Devel. Escrow
Developers Escrow
Dedicated Penalties
Uniform Fire Act - Regular
Uniform Fire Act - Penalties
Parking Offenses Adjudication Act
Public Defender
PILOT Open Space Contribution
Restitution:
Fraud Restitution
Restitution James Ganley
Civil Restitution

# CITY OF JERSEY CITY <br> TRUST FUND - OTHER FUNDS <br> FOR THE YEAR ENDED DECEMBER 31, 2018 

SCHEDULE OF RESERVE FOR UNEMPLOYMENT EXPENDITURES

Balance: December 31, 2017

Increased by:
Cash Receipts

Decreased by:
Transfer to Vouchers Payable
Payable for Final Quarter of Prior Year

Balance: December 31, 2018

B

| B-16 | $\$$ | 890,618 |
| :--- | :--- | :--- |
| B-10 |  | 123,184 |

$\$ 1,199,934$

B-1

1,013,802

Exhibit B-14

## SCHEDULE OF RESERVE FOR FORFEITURES

Balance: December 31, 2017

Increased by:
Cash Receipts

Decreased by:
Cash Disbursements
Encumbrances

Balance: December 31, 2018

| $\underline{\text { Ref. }}$ |  | State rfeitures |  | Federal Forfeitures |
| :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |
| B | \$ | 1,591,462 | \$ | 1,087,612 |

B-1 $\frac{291,625}{1,883,087} \quad 521,502$

B-1 379,356 94,001
B-11 $\quad$ 532,872 $\quad 616,474$

B
$\$ \quad 970,859$

## CITY OF JERSEY CITY

TRUST FUND - OTHER FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF RESERVE FOR INSURANCE EXPENDITURES

|  | $\begin{gathered} \text { Balance: } \\ \text { Dec. } 31,2017 \\ \hline \end{gathered}$ |  |  | ncreased by: | Decreased by: |  |  |  | $\begin{gathered} \text { Balance: } \\ \text { Dec. } 31,2018 \\ \hline \end{gathered}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Cash Receipts | Cash <br> Disbursed |  | Vouchers <br> Payable |  |  |  |
| Judgments and Settlements | \$ | 815,641 | \$ | 12,117,668 | \$ | 11,744,362 | \$ | - | \$ | 1,188,947 |
| Workers Compensation |  | - |  | 11,427,784 |  | 10,954,926 |  | 472,858 |  | - |
| Premiums |  | - |  | 1,857,030 |  | 37,695 |  | 1,819,335 |  | - |
| Widow Benefits |  | - |  | 260,243 |  | 260,243 |  | - |  | - |
|  |  | 815,641 |  | 25,662,725 |  | 22,997,226 |  | 2,292,193 |  | 1,188,947 |
| $\underline{\text { Ref. }}$ |  | B |  | B-1 |  | B-1 |  | B-16 |  | B |

Exhibit B-16

## SCHEDULE OF VOUCHERS PAYABLE

|  |  |  |  |  |  | reased by: |  |  |  | creased by: |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | ployment nditures |  | nsurance penditures |  | vernmental ayable |  | Cash <br> Disbursed |  |  |
| Insurance Trust | \$ | - | \$ | - | \$ | 2,292,193 | \$ | - | \$ | 2,292,193 | \$ |  |
| Unemployment |  | - |  | 890,618 |  | - |  | 383,446 |  | 1,274,064 |  |  |
|  | \$ | - | \$ | 890,618 | \$ | 2,292,193 | \$ | 383,446 | \$ | 3,566,257 | \$ |  |

$$
\begin{gathered}
\text { CITY OF JERSEY CITY } \\
\text { TRUST FUND - PAYROLL CLEARING FUND } \\
\text { FOR THE YEAR ENDED DECEMBER 31, } 2018 \\
\text { SCHEDULE OF INTERFUNDS RECEIVABLE / (PAYABLE) }
\end{gathered}
$$

Exhibit B-17

Increased by:
Payroll Deductions Payble
Decreased by:
Cash Receipts
Due from IRS for Interest

Net Change in Interfunds
Balance: December 31, 2017
Interfunds Receivable
Interfunds Payable
Balance: December 31, 2018
Interfunds Receivable
Interfunds Payable

$$
\begin{aligned}
& \begin{array}{r}
\text { Current Fund } \\
\hline \\
\$ 330,793,226 \\
\hline 322,714,435 \\
7,859 \\
\hline 322,722,294 \\
\hline 8,070,932
\end{array}
\end{aligned}
$$

CITY OF JERSEY CITY
TRUST FUND - PAYROLL CLEARING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF DUE FROM INTERNAL REVENUE SERVICE

|  | $\underline{\text { Ref. }}$ |  |  | \$ | - |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Balance: December 31, 2017 |  |  |  |  |  |
| Increased by: |  |  |  |  |  |
| Interest Due | B-17 | \$ | 7,859 |  |  |
| Overpayment of Payroll Tax | B-20 |  | 325,754 | 333,613 |  |
|  |  |  |  |  |  |  |
| Balance: December 31, 2018 | B |  |  | \$ | 333,613 |

# CITY OF JERSEY CITY <br> TRUST FUND - PAYROLL CLEARING FUND FOR THE YEAR ENDED DECEMBER 31, 2018 

## SCHEDULE OF DUE TO LIBRARY

Balance: December 31, 2017
Increased by:
Cash Receipts

Decreased by:
Cash Disbursements
Balance: December 31, 2018


| 143,623 | 136,806 | 6,817 |
| ---: | ---: | ---: |
|  | 196,146 | 26,747 |

B-1 $\quad 137,394 \quad 130,918 \quad 6,476$
B
$\xlongequal{\$ 85,499} \xlongequal{\$} \quad 65,228 \longrightarrow \quad 20,271$

# CITY OF JERSEY CITY <br> TRUST FUND - PAYROLL CLEARING FUND FOR THE YEAR ENDED DECEMBER 31, 2018 

## SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS

Balance: December 31, 2017

Increased by:
Interfunds
Overpayment Due from IRS

Decreased by:
Cash Disbursements
Balance: December 31, 2018
$\frac{\text { Ref. }}{\mathrm{B}} \quad \$ \quad 1,518,276$

B-17 \$ 335,818,459
B-18 325,754

B-1
335,559,041

B
$\xlongequal{\$ \quad 2,103,448}$

Reserve for:
PFRS - Police
\$ 601,660
PFRS - Fire
869,188
PERS (Including Insurance) 118,144
IRS
9,287
Estate of Manning 124,128
Stale-Dated Checks 228,989
Payroll Adjustment 179,171
Flex Spending Account 4,112
NJ Gross Income Tax
$(24,943)$
Social Security and Medicare

# CITY OF JERSEY CITY <br> TRUST FUND - OPEN SPACE, RECREATION AND HISTORIC PRESERVATION TRUST FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018 

SCHEDULE OF INTERFUNDS RECEIVABLE

|  |  | Total |  | Current <br> Fund |  | Other Trust |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Balance: December 31, 2017 | $\frac{\text { Ref. }}{B}$ | \$ | 623,000 | \$ | - | \$ | 623,000 |
| Increased by: City Tax Levy | B-22 |  | 687,217 |  | 687,217 |  | - |
| Balance: December 31, 2018 | B | \$ | 1,310,217 | \$ | 687,217 | \$ | 623,000 |

## Exhibit B-22

## SCHEDULE OF RESERVE FOR EXPENDITURES

Balance: December 31, 2017

Increased by:
City Tax Levy Transferred to Other Trust

Balance: December 31, 2018

Ref.
B

B-21

B
\$ 623,000

687,217
$\$ 1,310,217$

## CITY OF JERSEY CITY <br> TRUST FUND - CDBG TRUST <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF FEDERAL GRANTS RECEIVABLE

|  | Balance <br> Dec. 31, 2017 |  | Increased by: Grant Awards |  | Decreased by: Cash Receipts |  | Balance Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| CDBG Funds | \$ | 18,373,290 | \$ | 5,603,099 | \$ | 11,334,485 | \$ | 12,641,904 |
| Emergency Solutions (ESG) |  | 1,450,436 |  | 453,186 |  | 1,627,733 |  | 275,889 |
| Home Program |  | 9,955,596 |  | 2,019,702 |  | 1,505,585 |  | 10,469,713 |
| HOPWA |  | 6,709,238 |  | 2,422,186 |  | 2,149,466 |  | 6,981,958 |
|  | \$ | 36,488,560 | \$ | 10,498,173 | \$ | 16,617,269 | \$ | 30,369,464 |
| Ref. |  | B |  | 3-24; B-26 |  | B-1 |  | B |



CITY OF JERSEY CITY
TRUST FUND - CDBG TRUST
FOR THE YEAR ENDED DECEMBER 31, 2018
SCHEDULE OF INTERFUNDS RECEIVABLE / (PAYABLE)

## CITY OF JERSEY CITY <br> TRUST FUND - CDBG TRUST <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF RESERVE FOR ENCUMBRANCES

|  | $\begin{gathered} \text { Balance } \\ \text { Dec. 31, } 2017 \\ \hline \end{gathered}$ |  | Increased by: Federal Grant Reserves |  | Reallocated |  | $\begin{gathered} \text { Decreased by: } \\ \hline \text { Vouchers } \\ \text { Payable } \\ \hline \end{gathered}$ |  | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2018 \\ \hline \end{gathered}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| CDBG | \$ | 4,174,252 | \$ | 4,224,033 | \$ | $(61,542)$ | \$ | 3,518,075 | \$ | 4,818,668 |
| CDBG - ARRA |  | 14,333 |  | - |  | - |  |  |  | 14,333 |
| ESG |  | 614,665 |  | 453,186 |  | 61,542 |  | 529,851 |  | 599,542 |
| Home Program |  | 5,170,663 |  | 1,297,038 |  | - |  | 1,221,293 |  | 5,246,408 |
| HOPWA |  | 2,053,557 |  | 2,396,774 |  | - |  | 2,367,803 |  | 2,082,528 |
|  | \$ | 12,027,470 | \$ | 8,371,031 | \$ | - | \$ | 7,637,022 | \$ | 12,761,479 |
|  |  | B |  | B-26 |  |  |  | B-27 |  | B |

## CITY OF JERSEY CITY <br> TRUST FUND - CDBG TRUST <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF VOUCHERS PAYABLE

|  | $\begin{gathered} \text { Balance } \\ \text { Dec. 31, } 2017 \\ \hline \end{gathered}$ |  | Increased by: Federal Grant Encumbrances |  | $\begin{gathered} \text { Decreased by: } \\ \hline \text { Cash } \\ \text { Disbursed } \\ \hline \end{gathered}$ |  | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2018 \\ \hline \end{gathered}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| CDBG | \$ | - | \$ | 3,518,075 | \$ | 3,518,075 | \$ | - |
| ESG |  | - |  | 529,851 |  | 529,851 |  | - |
| Home Program |  | - |  | 1,221,293 |  | 1,221,293 |  | - |
| HOPWA |  | - |  | 2,367,803 |  | 2,367,803 |  | - |
|  | \$ | - | \$ | 7,637,022 | \$ | 7,637,022 | \$ | - |
|  |  |  |  | B-25 |  | B-1 |  |  |

## CITY OF JERSEY CITY <br> REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION: GENERAL CAPITAL FUND SCHEDULES

# CITY OF JERSEY CITY <br> GENERAL CAPITAL FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018 

## SCHEDULE OF CASH - TREASURER

| Ref. |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Cash Receipts: |  |  |  |  |  |
| Proceeds on Sale of Bonds and Notes |  |  |  |  |  |
| Bond Anticipation Notes Issued January 18, 2018 |  | \$ | 17,734,000 |  |  |
| Bond Anticipation Notes Issued June 20, 2018 |  |  | 51,856,115 |  |  |
| Bond Anticipation Notes Issued December 6, 2018 |  |  | 29,023,983 |  |  |
|  | C-3; C-10 |  |  | \$ | 98,614,098 |
| Premiums | C-1 |  | 1,465,186 |  |  |
| Interest on Deposits | C-8 |  | 508,049 |  |  |
| Interfund Transfers | C-8 |  | 96,234,367 |  |  |
| Other Reserves | C-18 |  | - |  |  |
| Reserve for Retirement of Debt | C-19 |  | 13,116 |  |  |
|  | C-3 |  |  | 98,220,718 |  |
| Total Cash Receipts |  |  |  |  | 196,834,816 |
| Cash Disbursements: |  |  |  |  |  |
| Premiums Applied to Note Principal | C-1 |  | 328,290 |  |  |
| Encumbrances | C-17 |  | 26,487 |  |  |
| Other Reserves | C-18 |  | 31,002 |  |  |
| Interfund Transfers | C-8 |  | 93,513,692 |  |  |
|  | C-3 |  |  |  | 93,899,471 |
| Bond Anticipation Notes Matured | C-10 |  |  |  | 30,572,983 |
| Improvement Authorizations | C-3; C-9 |  |  |  | 33,014,785 |
| Total Cash Disbursements |  |  |  |  | 157,487,239 |
| Net Increase in Cash |  |  |  |  | 39,347,577 |
| Balance: December 31, 2017 | C; C-3 |  |  |  | 56,313,000 |
| Balance: December 31, 2018 | C; C-3 |  |  | \$ | 95,660,577 |












eneral Improvement Authorizations:
$4-018$ : Site Cleanup \& Acquire 121 Newark Ave
Gen
$94-01$
94
96-015: Various City Improvements
97-028: Parking Facility - Cambridge Ave
97-039: Public Parks Improvements
96-098: Various City Improvements
C-211: Duncan Ave Sewer Line \& HR Upgrad
C-807: Loan to Jersey City Sewer Authority
J-575: Acquisition of Land - Caven Point
McC-127: Fiscal Year Adjustment Bonds
McC-129: Various City Improvements
McC-313: Various City Improvements
00-088: Construct and Install Justice C
00-088: Construct and Install Justice Complex Equipment
McC-6: Improvement to Sanitary Sewer Systems
McC-6: Improvement to Sanitary Sewer Systems
McC-181: Reconstruction of Henderson Street
McC-996: Improvements to Various Traffic Signals 92-029: Reconstruct Intersections / Traffic Signals 92-014: Reconstruction of Grand Street
McC-398: Villa Bonquen Expansion $\mathrm{McC}-398$ : Villa Bonquen Expansion
Danforth Westside Ballfield 98-003: Various City Improvements 98-006: Public Community Center
98-157: Public Park Improvements

03-014: Pension Refunding 02-104: Various City Improvements
03-130: Various Equipment

05-025: Building Improvements 05-021: Apple Tree House Restoration 05-038: Various City Improvements 06-162: Various City Improvements

08-148: Various City Improvements
09-097: PJP Landfill Acquisition
09-127: Newark Ave Streetscape

Exhibit C-3
Sheet 2 of 2

Exhibit C-3a
Sheet 1 of 3
CITY OF JERSEY CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
GONVTVG ĐNIGNG SLNGTVAIOȮG HSVO GNV HSVO GO SISATVNV

Exhibit C-3a
Sheet 3 of 3

| Description | Balance, Dec. 31, 2018 |  | Balance Sheet Accounts |  | Improvement Authorizations |  |  |  | Deferred Charges <br> Unfunded <br> To Future <br> Taxation |  | Notes Outstanding |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Funded | Unfunded |  |  |  |  |  |
| 16.083: Various City Improvements | \$ | 6,492,100 |  |  | \$ | - | \$ | 6,492,100 | \$ | 417 | \$ | (417) | \$ |  |
| 16.106: West Campus Redevelopment Project |  | 8,104,790 |  | - |  | - |  | 11,959,790 |  | $(16,000,000)$ |  | 12,145,000 |
| 16.131: Recovery Zone Econ. Develop. Bonds |  | - |  | - |  | - |  | 1,580,000 |  | $(1,580,000)$ |  | - |
| 17.098: City Hall Annex |  | 605,000 |  | - |  | 605,000 |  | - |  | - |  |  |
| 17.146: Acqusition of Street Sweepers (NJEIT) |  | - |  | - |  | - |  | 2,600,000 |  | $(2,600,000)$ |  |  |
| 18-009: Mask Service Unit Truck - Fire Department |  | 356 |  | - |  | 356 |  | - |  | - |  |  |
| 18-013: Reappropriation Annex (\#18-189) |  | 207,390 |  | - |  | 207,390 |  | - |  | - |  |  |
| 18-017: Passenger Buses - Recreation |  | 411 |  | - |  | 411 |  | - |  | - |  |  |
| 18-038: Various City Improvements |  | 39,827,377 |  | - |  | - |  | 39,827,377 |  | $(45,031,115)$ |  | 45,031,115 |
| 18-113: Bayfront I Redevelopment |  | 1,600,000 |  | - |  | - |  | 156,600,000 |  | $(170,000,000)$ |  | 15,000,000 |
| School Improvement Authorizations: <br> 97-006: New Middle school, Heights Area |  | $(1,587,258)$ |  | - |  | - |  | - |  | $(1,587,258)$ |  | - |
| Local Assessment: 01-057: Greene Street Local Improvement Project |  | $(1,509,635)$ | - |  |  | - |  | - |  | $(1,509,635)$ |  | - |
|  | \$ | 95,660,577 | \$ | 35,816,263 | \$ | 16,071,782 | \$ | 220,099,419 |  | (257,359,985) | \$ | 81,033,098 |
| Ref. |  | C; C-2; C-3 |  |  |  | C-9 |  | C-9 |  | C-5 |  | C-10 |

ANALYSIS OF CASH AND CASH EQUIVALENTS ENDING BALANCE
CITY OF JERSEY CITY
FOR THE YEAR ENDED DECEMBER 31, 2018
Analysis of Ending Balance

## CITY OF JERSEY CITY <br> GENERAL CAPITAL FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance: December 31, 2017

Increased By:
New Debt Issued on:
General Serial Bonds

Decreased By:
School Bond Payments
General Serial Bonds Paid by Budget Appropriation
Pension Refunding Bond Payments
Local Improvement Bond Payments
Green Trust Loan Payments
$\frac{\text { Ref. }}{\text { C }} \quad \$ 422,696,779$

C-13

| C-12 | \$ | $4,900,000$ |
| :--- | ---: | ---: |
| C-13 |  | $35,842,000$ |
| C-14 |  | $5,275,000$ |
| C-16 |  | 595,000 |
| C-11 |  | 103,239 |

103,239
46,715,239
\$ 385,106,540
\$ 15,930,000
326,263,000
31,435,000
10,631,000
847,540
\$ 385,106,540
Exhibit C-5
Sheet 1 of 2

| Improvement Description | SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED |  |  |  |  |  |  | $\begin{gathered} \text { Balance, } \\ \text { Dec. } 31,2018 \\ \hline \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Balance, Dec. 31, 2017 | Increased by: Current Year Authorizations | Decreased by: |  |  |  |  |  |
|  |  |  | Bonds Issued | Funding by Improvement Authorization | Direct Charge to Debt Reserve | Funding by Bond Premium | Note Funded by Budget Appropriation |  |
| C-211: Improve Henry and Highway Sewer | \$ 311,606 | \$ | \$ | \$ - | \$ - | \$ | \$ | \$ 311,606 |
| J-575: Caven Point Land Acquisition | 13,100 | - | - | - | - | - | - | 13,100 |
| McC-6: Improvement to Sanitary Sewer Systems | 160,491 | - | - | - | - | - | - | 160,491 |
| McC-127: Fiscal Year Adjustment Bonds | 1,557 | - | - | - | - | - | - | 1,557 |
| McC-129: Various City Improvements | 787,106 | - | - | - | - | - | - | 787,106 |
| McC-181: Reconstruction of Henderson Street | 667,497 | - | - | - | - | - | - | 667,497 |
| McC-398: Neighborhood Preservation Bal. Housing | 529,179 | - | - | - | - | - | - | 529,179 |
| McC-996: Improvements to Various Traffic Signals | 92,745 | - | - | - | - | - | - | 92,745 |
| 92-029: Reconstruct Intersections / Traffic Signals | 229,363 | - | - | - | - | - | - | 229,363 |
| 92-014: Reconstruction of Grand Street | 141,000 | - | - | - | - | - | - | 141,000 |
| 94-018: Environmental and Site Cleanup | 80,103 | - | - | - | - | - | - | 80,103 |
| 96-098: Striping and Signage | 7,328 | - | - | - | - | - | - | 7,328 |
| 97-028: Parking Facility - Cambridge Ave | 40,000 | - | - | - | - | - | - | 40,000 |
| 97-039: Reappropriate Ord. 917-G - Public Parks | 3,259 | - | - | - | - | - | - | 3,259 |
| 98-003: Various City Improvements | 164,271 | - | - | - | - | - | - | 164,271 |
| 98-006: Public Community Center Improvements | 3,939,680 | - | - | - | - | - | - | 3,939,680 |
| 98-157: Public Parks Improvements | 1,427,699 | - | - | - | - | - | - | 1,427,699 |
| 00-088: Equipment in Justice Complex | 1,598,593 | - | - | - | - | - | - | 1,598,593 |
| 09-097: PJP Landfill Acquisition | 8,142,948 | - | 7,878,948 | - | - | - | 111,000 | 153,000 |
| 09-127: Newark Avenue Streetscape | 1,823,052 | - | 1,246,052 | 124,000 | - | 322,000 | 131,000 |  |
| 10-085: 6th Street Embankment | 6,955,000 | - | - | - | - | - | 130,000 | 6,825,000 |
| 13.031/17.108: Hurricane Sandy Recovery | 3,845,000 | - | - | - | 334,561 | 6,290 | 1,625,166 | 1,878,983 |
| 16.083: Various City Improvements | 417 | - | - | - | - | - | - | 417 |
| 16.106: West Campus Redevelopment Project | 16,000,000 | - | - | - | - | - | - | 16,000,000 |
| 17.146: Acqusition of Street Sweepers (NJEIT) | 2,600,000 | - | - | - | - | - | - | 2,600,000 |
| 18-038: Various Capital Improvements | - | 45,031,115 | - | - | - | - | - | 45,031,115 |
| 18-113: Bayfront Redevelopment Project | - | 170,000,000 | - | - | - | - | - | 170,000,000 |

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2018
Exhibit C-5
Sheet 2 of 2


| Note Funded <br> by Budget <br> Appropriation |
| :---: |
| $\$$\$ | CITY OF JERSEY CITY

GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018 CITY OF JERSEY CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018



- \$




## CITY OF JERSEY CITY <br> GENERAL CAPITAL FUND FOR THE YEAR ENDED DECEMBER 31, 2018

## DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED - ANALYSIS OF ENDING BALANCE



CITY OF JERSEY CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

## CASH RESTRICTED FOR PAYMENT OF NOTES

Balance: December 31, 2017
Ref.

Increased by:
Cash Receipts for Series 2018A Notes
C-6a

Balance: December 31, 2018
C

17,581,000

## \$

Exhibit C-6a

## REFUNDING PROCEEDS HELD FOR PAYMENT OF NOTES

Balance: December 31, 2017
Ref.

Increased By:
Cash Receipts for Series 2018A Notes
C-6

## \$

Exhibit C-7

## SCHEDULE OF DUE FROM MUNICIPAL UTILITIES AUTHORITY

Balance: December 31, 2017

Decreased By:
Water Bonds Paid by Budget Appropriation

Balance: December 31, 2018

Ref.

$$
\mathrm{C}-15
$$

C
\$ 21,150,000

4,600,000

| $\$ 16,550,000$ |
| :--- |

## CITY OF JERSEY CITY <br> GENERAL CAPITAL FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF INTERFUNDS RECEIVABLE / (PAYABLE)



| Improvement Authorizations: Ordinance Number and Description | Ordinance |  | Balance: December 31, 2017 |  |  | Current Year <br> Authorizations | Reappropriation Ordinances (From) / To | Paid or Charged | Balance: December 31, 2018 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Date | Amount | Funded | Unfunded | Encumbered |  |  |  | Encumbered |  | Funded | Unfunded |
| Danforth Westside Ballfield | * | \$ 999,890 | \$ 873,562 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | 873,562 | \$ |
| C-807: Loan to Jersey City Sewer Authority | 01/06/82 | 75,000 | 2,330 | - | - | - | - | - | - |  | 2,330 |  |
| C-917: Various City Improvements | 03/23/89 | 6,890,000 | 30,084 | - | - | - | - | - | - |  | 30,084 | - |
| McC-129: Various City Improvements | 04/25/90 | 8,049,571 | 248,934 | - | - | - | - | - | - |  | - | 248,934 |
| McC-313: Various City Improvements | 07/17/91 | 17,774,000 | 1,656,592 | - | - | - | - | - | - |  | 1,656,592 | - |
| 94-123: Phase I of North / West Police Precincts | 12/14/94 | 1,590,000 | 1,075 | - | - | - | $(1,075)$ | - | - |  | - | - |
| 96-015: Various City Improvements | 03/13/96 | 7,750,000 | 65,461 | - | - | - | $(55,648)$ | - | - |  | 9,813 | - |
| 98-003: Various City Improvements | 02/11/98 | 14,450,000 | 2,456 | - | - | - | - | - | - |  | - | 2,456 |
| 02-104: Various City Improvements | 11/13/02 | 25,097,000 | 115,490 | - | - | - | $(41,176)$ | - | - |  | 74,314 | - |
| 03-014: Pension Refunding | 11/26/02 | 23,595,000 | 86,184 | - | - | - | - | - | - |  | 86,184 | - |
| 03-130: Various Equipment | 09/24/03 | 2,200,000 | 3,006 | - | - | - | - | - | - |  | 3,006 | - |
| 05-021: Apple Tree House Restoration | 04/13/05 | 500,000 | 58,311 | - | - | - | - | - | - |  | 58,311 | - |
| 05-025: Building Improvements | 03/23/05 | 1,841,154 | 11,702 | - | - | - | - | - | - |  | 11,702 | - |
| 05-038: Various City Improvements | 04/13/05 | 26,135,000 | 2,070 | - | 18,128 | - | $(1,436)$ | 4,885 | 11,968 |  | 1,909 | - |
| 06-106: Various City Improvements | 09/13/06 | 33,780,000 | 127,014 | - | 5,592 | - | (763) | - | 5,592 |  | 126,251 | - |
| 07-162: Various City Improvements | 10/22/07 | 27,495,600 | 439,129 | - | 1,238,451 | - | $(76,256)$ | 1,226,212 | 114,330 |  | 260,782 | - |
| 08-148: Various City Improvements | 11/12/08 | 41,924,445 | 945,088 | - | 154,733 | - | $(187,652)$ | 201,686 | 553,941 |  | 156,542 | - |
| 09-127: Newark Ave Streetscape | 12/16/09 | 2,600,000 | - | 559,767 | 88,640 | - | - | 212,747 | 5,500 |  | 430,160 | - |
| 09-097: PJP Landfill Acquisition | 10/04/09 | 8,700,000 | - | 152,886 | 63,605 | - | - | 38,500 | - |  | 24,991 | 153,000 |
| 10-081: New DPW and JCIA Facility | 06/23/10 | 66,915,000 | 182,632 | - | 4,011 | - | - | 74,621 | 795 |  | 111,227 | - |
| 10-085: 6th Street Embankment | 07/14/10 | 7,700,000 | - | 6,704,723 | 15,697 | - | - | 54,761 | 69,436 |  | - | 6,596,223 |
| 11-116: Tax Appeals - Costs of Issuance | 09/27/11 | 250,000 | 3,359 | - | - | - | - | 3,359 | - |  | - | - |
| 12-042: Various City Improvements | 04/11/12 | 28,157,850 | 1,954,796 | - | 2,106,968 | - | $(89,215)$ | 688,309 | 2,478,082 |  | 806,158 | - |
| 13.091: Bicycle Infrastructure Master Plan | 09/11/13 | 1,009,629 | 41,974 | - | 55,479 | - | - | - | 88,142 |  | 9,311 | - |
| 13.031: Sandy Storm Recovery | 04/10/13 | 10,400,000 | - | 745,972 | 40,712 | - | - | 6,213 | 249,249 |  | - | 531,222 |
| 14.131: Various City Improvements | 11/12/14 | 36,450,000 | 8,518,311 | - | 4,985,670 | - | $(61,065)$ | 4,506,266 | 5,821,134 |  | 3,115,516 | - |
| 14.166: Zamboni and Other Vehicles | 01/15/15 | 214,285 | 17 | - | - | - | - | - | - |  | 17 | - |
| 16.066: Various City Improvements | 04/27/16 | 2,054,353 | 918,513 | - | 112,100 | - | - | 112,850 | - |  | 917,763 | - |
| 16.083: Various City Improvements | 05/25/16 | 29,858,755 | 17,440,244 | 417 | 3,553,088 | - | $(1,800,000)$ | 4,115,639 | 8,585,593 |  | 6,492,100 | 417 |
| 16.106: West Campus Redevelopment Project | 07/13/16 | 16,000,000 | - | 16,000,000 | - | - | - | 4,040,210 | - |  | - | 11,959,790 |
| 16.131: Recovery Zone Econ. Develop. Bonds | 09/14/16 | 8,000,000 | - | 1,580,000 | - | - | - | - | - |  | - | 1,580,000 |
| 17.098: City Hall Annex | 08/16/17 | 4,000,000 | 605,000 | - | - | - | - | - | - |  | 605,000 | - |
| 17.108: Document Restoration- Sandy | 09/13/17 | 1,951,797 | - | - | 1,951,796 | - | - | 1,459,848 | 491,948 |  | - | - |
| 17.146: Acqusition of Street Sweepers (NJEIT) | 10/25/17 | 2,600,000 | - | 2,600,000 | - | - | - | - | - |  | - | 2,600,000 |



| Ordinance |  | Balance: December 31, 2017 |  |  |  | Current Year <br> Authorizations | $\begin{aligned} & \text { Reappropriation } \\ & \text { Ordinances } \\ & \text { (From) / To } \\ & \hline \end{aligned}$ |  | Paid or Charged |  | Balance: December 31, 2018 |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Date | Amount | Funded | Unfunded | Encumbered |  |  |  |  |  | ncumbered | Funded |  | Unfunded |
| 02/28/18 | \$ 514,287 | \$ | \$ | \$ | - | \$ | \$ | 514,286 |  |  | \$ | - | \$ | 514,286 | \$ | - | \$ |
| 02/28/18 | 150,000 | - | - |  | - | 150,000 |  | - |  | - |  | 149,644 |  | 356 |  |
| 02/28/18 | 1,800,000 | - | - |  | - | - |  | 1,800,000 |  | 1,209,019 |  | 383,591 |  | 207,390 |  |
| 03/14/18 | 205,000 | - | - |  | - | 205,000 |  | - |  | 204,589 |  | - |  | 411 |  |
| 05/09/18 | 47,272,671 | - | - |  | - | 47,282,671 |  | - |  | 1,455,071 |  | 6,000,223 |  | - |  |
| 10/10/18 | 170,000,000 | - | - |  | - | 170,000,000 |  | - |  | 13,400,000 |  | - |  | - |  |
|  |  | \$ 34,333,334 | \$ 28,343,765 | \$ | 14,394,670 | \$ 217,637,671 | \$ | - | \$ | 33,014,785 | \$ | 25,523,454 | \$ | 16,071,782 |  |
|  | Ref. | C | C |  | C-17 | C-5 |  |  |  | C-2; C-3 |  | C-17 |  | C; C-3a |  |
|  | Capital Improve | nent Fund |  |  | C-9 | \$ 2,251,556 |  |  |  |  |  |  |  |  |  |
|  | Capital Fund B | ance |  |  | C-1 | 355,000 |  |  |  |  |  |  |  |  |  |
|  | Deferred Charg | to Future Taxatio | - Unfunded |  | C-5 | 215,031,115 |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  | \$ 217,637,671 |  |  |  |  |  |  |  |  |  |

[^1]SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| $\begin{array}{c}\text { Current Year } \\ \text { Authorizations }\end{array}$ |  |
| ---: | ---: |
| $\$$ | - |
| 150,000 |  |
| - |  |
| 205,000 |  |
| $47,282,671$ |  |
| $170,000,000$ |  |
| $\$ 217,637,671$ |  |

$\begin{array}{r}\$ 2,251,556 \\ 355,000 \\ 215,031,115 \\ \hline \$ 217,637,671 \\ \hline\end{array}$
CITY OF JERSEY CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
GTgVRVd SALON NOILVdIOILNV GNOG AO GTRGAHOS

| Ordinance Number | Purpose | Original |  | Date of Issue | Maturity Date | Interest <br> Rate | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2017 \\ \hline \end{gathered}$ |  | Notes Issued |  | Decreased by: |  |  |  |  | $\begin{gathered} \text { Balance } \\ \text { Dec. } 31,2018 \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Date of Issue | Amount |  |  |  |  |  |  | Notes Refunded | Bonds Issued |  | Principal aydown |  |
| Bond Anticipation Notes, Series 2017A |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 09-097 | PJP Landfill Acquisition | 01/20/2010 | 8,700,000 | 01/19/2017 | 01/19/2018 | 2.250\% | \$ | 8,142,948 |  |  | \$ | - | \$ | 8,031,948 | \$ - | \$ | 111,000 | \$ - |
| 09-127 | Newark Avenue Streetscape | 01/20/2010 | 2,476,000 | 01/19/2017 | 01/19/2018 | 2.250\% |  | 1,823,052 |  | - |  | 1,692,052 | - |  | 131,000 | - |
| Bond Anticipation Notes, Series 2018A |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 09-097 | PJP Landfill Acquisition | 01/20/2010 | 8,700,000 | 01/18/2018 | 01/18/2019 | 2.500\% |  | - |  | 8,031,948 |  | - | 7,878,948 |  | - | 153,000 |
| 09-127 | Newark Avenue Streetscape | 01/20/2010 | 2,476,000 | 01/18/2018 | 01/18/2019 | 2.500\% |  | - |  | 1,692,052 |  | - | 1,246,052 |  | 446,000 | - |
| 16.106 | W. Campus Redevelopment | 01/18/2018 | 8,010,000 | 01/18/2018 | 01/18/2019 | 2.500\% |  | - |  | 8,010,000 |  | 8,010,000 | - |  | - | - |
| Bond Anticipation Notes, Series 2017B (Federally Taxable) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 10-085 | Sixth Street Embankment | 08/31/2010 | 7,500,000 | 06/22/2017 | 06/22/2018 | 1.875\% |  | 6,955,000 |  | - |  | 6,825,000 | - |  | 130,000 | - |
| Bond Anticipation Notes, Series 2018B (Federally Taxable) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 10-085 | Sixth Street Embankment | 08/31/2010 | 7,500,000 | 06/20/2018 | 06/20/2019 | 2.875\% |  | - |  | 6,825,000 |  | - | - |  | - | 6,825,000 |
| Bond Anticipation Notes, Series 2018C |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 18-038 | Various Improvements | 06/20/2018 | 45,031,115 | 06/20/2018 | 06/20/2019 | 3.000\% |  | - |  | 45,031,115 |  | - | - |  | - | 45,031,115 |
| Bond Anticipation Notes, Series 2017E |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 13.031/17.108 | Hurricane Sandy Recovery | 12/12/2013 | 8,717,417 | 12/07/2017 | 12/07/2018 | 2.500\% |  | 3,845,000 |  | - |  | 1,878,983 | - |  | 1,966,017 | - |
| 16.106 | W. Campus Redevelopment | 12/08/2016 | 4,135,000 | 12/07/2017 | 12/07/2018 | 2.500\% |  | 4,135,000 |  | - |  | 4,135,000 | - |  | - |  |
| Bond Anticipation Notes, Series 2018G |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 13.031/17.108 | Hurricane Sandy Recovery | 12/12/2013 | 8,717,417 | 12/06/2018 | 12/06/2019 | 3.250\% |  | - |  | 1,878,983 |  | - | - |  | - | 1,878,983 |
| 16.106 | W. Campus Redevelopment | 12/08/2016 | 4,135,000 | 12/06/2018 | 12/06/2019 | 3.250\% |  | - |  | 4,135,000 |  | - |  |  | - | 4,135,000 |
| 16.106 | W. Campus Redevelopment | 01/18/2018 | 8,010,000 | 12/06/2018 | 12/06/2019 | $3.250 \%$ |  | - |  | 8,010,000 |  | - | - |  | - | 8,010,000 |
| Bond Anticipation Notes, Series 2018H |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 18.113 | Bayfront I Redevelopment | 12/06/2018 | 15,000,000 | 12/06/2018 | 12/06/2019 | 3.250\% |  | - |  | 15,000,000 |  | - | - |  | - | 15,000,000 |
|  |  |  |  |  |  |  | \$ | 24,901,000 | \$ | 98,614,098 | \$ | 30,572,983 | \$ 9,125,000 | \$ | 2,784,017 | \$ 81,033,098 |
|  |  |  |  |  |  | Ref. |  | C, C-21 |  | C-2 |  | C-2 | C-2, C-5, C-16 |  |  | $\begin{gathered} \hline \hline \mathrm{C}, \mathrm{C}-3 \mathrm{a} \\ \mathrm{C}-5 \mathrm{a}, \mathrm{C}-21 \end{gathered}$ |
|  |  |  |  |  |  |  |  |  |  |  |  |  | alysis of Princip | Pay | own Paid fro |  |
|  |  |  |  |  |  |  |  |  |  |  |  | rent Budget |  | \$ | 1,997,166 | C-21 |
|  |  |  |  |  |  |  |  |  |  |  |  | dy Debt Res |  |  | 334,561 |  |
|  |  |  |  |  |  |  |  |  |  |  |  | inance |  |  | 124,000 |  |
|  |  |  |  |  |  |  |  |  |  |  |  | d Premium |  |  | 328,290 | C-1, C-2, C-21 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | \$ | 2,784,017 | C-5 |

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& \text { or }
\end{aligned}
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\begin{aligned}
& \frac{\text { Description of Loan }}{\text { Wayne Street Park }} \\
& \text { Apple Tree House }
\end{aligned}
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Sgt. Anthony's Park Project

SCHEDULE OF GREEN TRUST LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2018


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City of jersex city
FOR THE YEAR ENDED DECEMBER 31, 2018
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$\frac{\text { Description of Loan }}{\text { Roberto Clemente Park }}$

Marion Pavonia Pool
07/08/2005
Exhibit C-11
Sheet 3 of 5

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Multi Park Loan


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| CITY OF JERSEY CITY <br> NERAL CAPITAL FUND <br> EAR ENDED DECEMBER 31, 2018 |  |  |  |
| :---: | :---: | :---: | :---: |
| F GREEN TRUST LOANS PAYABLE |  |  |  |
| Maturities of Loans Outstanding at December 31, 2018 |  |  | Interest |
| Date |  | ipal | Rate |
| 06/06/2019 | \$ | 1,274 | 2.00\% |
| 12/06/2019 |  | 1,287 | 2.00\% |
| 06/06/2020 |  | 1,300 | 2.00\% |
| 12/06/2020 |  | 1,313 | 2.00\% |
| 06/06/2021 |  | 1,326 | 2.00\% |
| 12/06/2021 |  | 1,339 | 2.00\% |
| 06/06/2022 |  | 1,352 | 2.00\% |
| 12/06/2022 |  | 1,366 | 2.00\% |
| 06/06/2023 |  | 1,380 | 2.00\% |
| 12/06/2023 |  | 1,393 | 2.00\% |
| 06/06/2024 |  | 1,407 | 2.00\% |
| 12/06/2024 |  | 1,421 | 2.00\% |
| 06/06/2025 |  | 1,436 | 2.00\% |
| 12/06/2025 |  | 1,450 | 2.00\% |
| 06/06/2026 |  | 1,464 | 2.00\% |
| 12/06/2026 |  | 1,479 | 2.00\% |
| 06/06/2027 |  | 1,494 | 2.00\% |
| 12/06/2027 |  | 1,509 | 2.00\% |
| 06/06/2028 |  | 1,524 | 2.00\% |
| 12/06/2028 |  | 1,540 | 2.00\% |



Montgomery Gateway Development
$\frac{\text { Description of Loan }}{\text { Montgomery Gateway Development }}$
Exhibit C-11
Sheet 5 of 5




 i $\stackrel{\ddot{\pi}}{\ddot{4}}$ CITY OF JERSEY CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018




| \% |
| :---: |



## Exhibit C-12


$\begin{gathered}\text { Paid by Budget } \\ \text { Appropriation }\end{gathered}$
$\$ \quad 4,080,000$



$\frac{\begin{array}{c}\text { Date of } \\ \text { Issue }\end{array}}{11 / 20 / 2014}$
ed School
$11 / 25 / 2015$
9,830,000





845,000
875,000
915,000
945,000
985,000
$1,020,000$
$1,065,000$
$1,120,000$
$1,160,000$
$02 / 15 / 2019$
$02 / 15 / 2020$
$02 / 15 / 2021$
$02 / 15 / 2022$
$02 / 15 / 2023$
$02 / 15 / 2024$
$02 / 15 / 2025$
$02 / 15 / 2026$
$02 / 15 / 2027$ $\underset{\text { GENERAL CAPITAL FUND }}{\text { CTTV }}$

FOR THE YEAR ENDED DECEMBER 31, 2018
SCHEDULE OF SCHOOL SERIAL BONDS
Exhibit C-13
Sheet 1 of 8


| Reduced by: |
| ---: |
| Budget <br> Appropriation |
| $\$ 430,000$ |
| 415,000 |
| 515,000 |
| $10,280,000$ |
| $1,805,000$ |
| 232,000 |
| 100,000 |
| 100,000 |



| Maturities of Bonds Outstandingat December 31, 2018 |  |  | Interest <br> Rate | Balance, Dec. 31, 2017 |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Date |  | Amount |  |  |  |
| 09/01/2019 | \$ | 455,000 | 5.196\% | \$ | 1,365,000 |

1,315,000
$1,630,000$
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3,690,000


Exhibit C-13
Sheet 2 of 8



CITY OF JERSEY CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
SCHEDULE OF GENERAL SERIAL AND TERM BONDS

| Balance, |
| :---: |
| Dec. 31,2017 |
| $\$ \quad 6,420,000$ |




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A - Sinking Fund payment towards a total Redemption of $\$ 1,395,000$ Term Bonds on Nov. 1, 2030.
B - Sinking Fund payment towards a total Redemption of $\$ 1,725,000$ Term Bonds on Nov. 1, 2035.
C - Sinking Fund payment towards a total Redemption of $\$ 2,150,000$ Term Bonds on Nov. 1, 2040.


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$1,490,000$

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| Balance, <br> Dec. 31,2017 |
| :--- |
| $6,830,000$ |
| $6,725,000$ |
| $18,115,000$ |
| $13,085,000$ |

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$\begin{array}{ll}3,140,000 & 2.625 \% \\ 3.125 \%\end{array}$
$\begin{array}{ll}3,140,000 & 2.625 \% \\ 3,535,000 & 3.125 \%\end{array}$
$\begin{array}{ll}1,550,000 & 5.000 \% \\ 1,610,000 & 5.000 \% \\ 1,680,000 & 5.000 \% \\ 1,750,000 & 5.000 \% \\ 1,820,000 & 5.000 \% \\ 1,910,000 & 3.000 \% \\ 2,000,000 & 3.000 \% \\ 2,100,000 & 3.000 \% \\ 2,205,000 & 3.000 \%\end{array}$
$1,530,000$
$1,585,000$
$1,620,000$
$1,660,000$
$1,700,000$
$1,735,000$
$1,775,000$
09/01/2019
$09 / 01 / 2022$

$09 / 01 / 2019$
$09 / 01 / 2020$
$09 / 01 / 2021$
$09 / 01 / 2022$
$09 / 01 / 2023$
$09 / 01 / 2024$
$09 / 01 / 2025$

11,253,000
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$3.000 \%$
$3.000 \%$


Qualified General 12/30/2011
Improvement Refunding Bonds,
Qualified General $08 / 21 / 2012$
Improvement Bonds, Series 2012

Qualified General 09/06/2012
Improvement Refunding Bonds,
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Series 2012A
FOR THE YEAR ENDED DECEMBER 31, 2018



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CITY OF JERSEY CITY
$1550,000 \quad 5.000^{\circ}$

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Qualified General
Improvement Re
Series 2011A





| Interest <br> Rate |  | Balance， <br> Dec．31，2017 |
| :---: | :---: | :---: |
| $n$ | $\$ 3.214 \%$ |  | | $\$ 3,855,000$ |
| :--- | :--- |



D－Sinking Fund payment towards a total Redemption of \＄2，930，000 Term Bonds on Sept．1， 2033. $\begin{array}{ll}\text { Description of Bond } & \\ \begin{array}{c}\text { Date of } \\ \text { Issue }\end{array} \\ \begin{array}{l}\text { Qualified General } \\ \text { Improvement Refunding Bonds，} \\ \text { Taxable Series 2012C }\end{array} \\ \begin{array}{l}09 / 06 / 2012\end{array} \\ \end{array}$ $\begin{array}{ll}\text { Description of Bond } & \\ \begin{array}{c}\text { Date of } \\ \text { Issue }\end{array} \\ \begin{array}{l}\text { Qualified General } \\ \text { Improvement Refunding Bonds，} \\ \text { Taxable Series 2012C }\end{array} \\ \begin{array}{l}09 / 06 / 2012\end{array} \\ \end{array}$

| $\begin{array}{c}\text { Original Issue } \\ \text { Amount }\end{array}$ |  |
| :---: | :---: |
| $\$ 4,690,000$ |  |

$\begin{array}{rc}190,000 & 3.821 \% \\ 200,000 & 3.971 \% \\ 205,000 & 5.141 \% \\ 215,000 & 5.141 \% \\ 225,000 & 5.141 \% \\ 240,000 & 5.141 \% \\ 250,000 & 5.141 \% \\ 265,000 & 5.141 \% \\ 275,000 & 5.141 \% \\ 290,000 & 5.141 \% \\ 310,000 & 5.141 \% \\ 320,000 & 5.141 \% \\ 335,000 & 5.141 \% \\ 0,000 \text { Term Bonds on Sep } \\ & \\ 1,660,000 & 2.423 \% \\ 1,625,000 & 2.723 \%\end{array}$

คคคロคคคロロロロ 09／01／2021
 Taxable Series 2012C
$3,110,000$
$2,145,000$
$\begin{array}{lll}1,660,000 & 2.423 \% & 6,395,000 \\ 1,625,000 & 2.723 \% & \\ & & \\ 2,210,000 & 5.000 \% & 25,630,000\end{array}$



09／01／2019
12／01／2019 $12 / 01 / 2020$
$12 / 01 / 2021$ N
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#### Abstract

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355,000
365,000
$17,425,000$
$10,180,000$ $10,180,000$
$1,700,000$
$1,775,000$
$1,845,000$
$1,930,000$
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FOR THE YEAR ENDED DECEMBER 31, 2018 $09 / 01 / 2020$
$09 / 01 / 2021$ 09/01/2022 $02 / 15 / 2020$
$02 / 15 / 2021$ 02/15/2022 02/15/2023

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29,945,000 09/01/2019
13,060,000 02/15/2019


 | $\begin{array}{c}\text { Original Issue } \\ \text { Amount }\end{array}$ |  |
| :---: | :---: |
| $\$ 16,590,000$ |  |

 Improvement Refunding Bonds,
Tax-Exempt Series 2014A (Non Callable) (Refunding $\$ 17,068,000$ of Qualified General
Improvement Bonds, Series 2006A, Improvement Bonds, Series 2006A,
Issued $11 / 2 / 2006$ for $\$ 32,163,000$ ) Qualified Public 11/20/2014

Improvement Refunding Bonds,
Taxable Series 2014B (Non Callable)
axable Series 2014B (Non Callable)
(Refunding $\$ 27,155,000$ of Qualified Public Improvement Refunding Bonds, Series 2006A,

Issued $3 / 30 / 2006$ for $\$ 27,155,000$ )
> (Refunding of callable Qualified General Imp. Bonds: (A) $\$ 24,418,000$, of Series 2009

> Issued 2/10/2009 for $\$ 39,928,000$
> (B) $\$ 2,705,950$, of Series 2009A

> Issued $12 / 30 / 2009$ for $\$ 3,380,950$
Refunding Ordinance No. 16.018)



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\end{aligned}
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 CITY OF JERSEY CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
SCHEDULE OF GENERAL SERIAL AND TERM BONDS


| $\begin{aligned} & \stackrel{\rightharpoonup}{0} \\ & \stackrel{0}{0} \\ & \stackrel{0}{む} \\ & \cline { 1 - 2 } \end{aligned}$ |  |
| :---: | :---: |


| Maturities of Bonds Outstanding <br> at December 31, 2018 |  |  |  |
| :---: | :---: | :---: | :---: |
| Date |  | Amount |  |
| $07 / 15 / 2019$ |  | $\$$ | $1,835,000$ |
| $07 / 15 / 2020$ |  | $1,870,000$ |  |
| $07 / 15 / 2021$ |  | $1,915,000$ |  |
| $07 / 15 / 2022$ |  | $1,950,000$ |  |
| $07 / 15 / 2023$ |  | $1,990,000$ |  |
| $07 / 15 / 2024$ |  | $2,025,000$ |  |
| $07 / 15 / 2025$ |  | $2,065,000$ |  |
| $07 / 15 / 2026$ |  | $2,105,000$ |  |
| $07 / 15 / 2027$ |  | $2,145,000$ |  |
| $07 / 15 / 2028$ |  | $2,185,000$ |  |
| $07 / 15 / 2029$ |  | $2,232,000$ |  |
|  |  |  |  |
| $09 / 01 / 2019$ |  | $2,325,000$ |  |
| $09 / 01 / 2020$ |  | $3,380,000$ |  |
| $09 / 01 / 2021$ |  | $3,435,000$ |  |
| $09 / 01 / 2023$ | E |  | $3,685,000$ |


$\frac{$|  Original Issue  |
| :---: |
|  Amount  |}{$\qquad \$ 25,867,000$}

E - Total amortization of Term Bond due Sept 1. 2023.

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\end{aligned}
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\begin{gathered}
\text { CITY OF JERSEY CITY } \\
\text { GENERAL CAPITAL FUND } \\
\text { FOR THE YEAR ENDED DECEMBER 31, } 2018 \\
\text { SCHEDULE OF GENERAL SERIAL AND TERM BONDS }
\end{gathered}
$$

| Balance, |
| :---: |
| Dec. 31,2017 |
| $\$ \quad 70,915,000$ |






Refunding Ordinance No. 16.133)
Exhibit $\mathbf{C - 1 3}$
Sheet 8 of 8






N

CITY of Jersey city
for the year ended decenber 31,2018

| Maturities of Bonds Outstanding at December 31, 2018 |  |  |
| :---: | :---: | :---: |
| Date | Amount |  |
| 12/01/2019 | \$ | 325,000 |
| 12/01/2020 |  | 330,000 |
| 12/01/2021 |  | 335,000 |
| 12/01/2022 |  | 345,000 |
| 12/01/2023 |  | 355,000 |
| 12/01/2024 |  | 365,000 |
| 12/01/2025 |  | 385,000 |
| 12/01/2026 |  | 405,000 |
| 12/01/2027 |  | 420,000 |
| 12/01/2028 |  | 440,000 |
| 12/01/2029 |  | 455,000 |
| 12/01/2030 |  | 475,000 |
| 12/01/2031 |  | 495,000 |
| 12/01/2032 |  | 510,000 |
| 12/01/2033 |  | 530,000 |
| 12/01/2034 |  | 550,000 |
| 12/01/2035 |  | 570,000 |
| 12/01/2036 |  | 590,000 |
| 12/01/2037 |  | 610,000 |
| 12/01/2038 |  | 635,000 |




| Description of Bond |
| :---: |
| General Improvement |
| Bonds, Series 2018 |

Exhibit C-14

|  | 8 8 0 0 0 0 <br> $\infty$ | $\begin{aligned} & \text { ó } \\ & \text { on } \\ & \text { ò } \\ & \text { or } \end{aligned}$ |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | 8 8 0 6 -1 <br> $\infty$ | $\begin{aligned} & 8 \\ & 8 \\ & \text { N } \\ & \text { N } \end{aligned}$ | 8 8 $n$ $m$ $m$ |  |
|  | 8 8 0 0 0 0 | $\begin{aligned} & 8 \\ & 8 \\ & \text { on } \\ & \hat{0} \end{aligned}$ | $\begin{aligned} & 8 \\ & 8 \\ & \text { n } \\ & \text { m } \\ & \text { n } \end{aligned}$ |  |

CITY OF JERSEY CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
SCHEDULE OF PENSION REFUNDING BONDS

$\begin{array}{cc} & \begin{array}{c}\text { Original } \\ \text { Issue }\end{array} \\ \text { Amount }\end{array}$

$$
\begin{array}{cc}
\text { Description of Bond } & \begin{array}{c}
\text { Date of } \\
\text { Issue }
\end{array} \\
\cline { 1 - 2 } \begin{array}{c}
\text { Pension Obligation Refunding Bonds } \\
\text { Series 2003A (Federally Taxable) - Police Pension }
\end{array} & \begin{array}{c}
01 / 15 / 2003
\end{array}
\end{array}
$$

Pension Obligation Refunding Bonds $\quad 03 / 15 / 2003$
Series 2003A (Federally Taxable) - Firefighter Pension
Pension Obligation Refunding Bonds 03/22/2006 Series 2006 (Federally Taxable) - Police Pension


Exhibit C-15
Sheet 2 of 2
CITY OF JERSEY CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
SCHEDULE OF WATER SERIAL AND TERM BONDS

| $\begin{aligned} & \text { utstanding } \\ & 2018 \end{aligned}$ | Interest |
| :---: | :---: |
| mount | Rate |
| ,030,000 | 3.000\% |
| ,055,000 | 3.000\% |
| ,095,000 | 4.000\% |
| ,140,000 | 4.000\% |
| 275,000 | 1.665\% |

.665\%

| $\circ$ |
| :--- |
| $\stackrel{\circ}{\circ}$ |
| $\stackrel{\circ}{\circ}$ |
| - |
| -1 | $\begin{array}{ll}290,000 & 2.573 \% \\ 295,000 & 2.573 \%\end{array}$

$15,000-3.758 \%$
$15,000-3.758 \%$
$15,000-3.758 \%$
$\begin{array}{rlrr}09 / 01 / 2028 & \text { B } & 15,000 & 3.758 \% \\ 09 / 01 / 2029 & \text { B } & 395,000 & 3.758 \%\end{array}$
405,000 3.758\%
$425,000-3.758 \%$
435,000 - 3.758\%
とモ0Z/L0/60
A - Sinking Fund payment towards a total Redemption of $\$ 585,000$ Term Bonds on Sept. 1, 2023.
B - Sinking Fund payment towards a total Redemption of \$2,190,000 Term Bonds on Sept. 1, 2033.

| Balance， Dec．31， 2017 | Reduced by： Budget Appropriation |  | Balance，Dec． 31,2018 |  |
| :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |
|  |  |  |  |  |
| \＄11，226，000 | \＄ | 595，000 | \＄ | 10，631，000 |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| \＄11，226，000 | \＄ | 595，000 | \＄ | 10，631，000 |
|  |  | C－4 |  | C |

## SCHEDULE OF LOCAL IMPROVEMENT BONDS

| \％0sz゙ャ | 000＇915 |  | 9ع0z／L0／ZI |
| :---: | :---: | :---: | :---: |
| \％szI＇t | $000{ }^{\text {＇}}$ ¢ 6 S |  | ¢£0z／I0／zI |
| \％000 ${ }^{\text {t }}$ | 000 ＇$¢ 65$ |  | ャย0Z／L0／ZI |
| \％ $000{ }^{\circ} \mathrm{t}$ | $000 ¢ 66$ |  | £と0z／I0／ZI |
| \％000 ${ }^{\text {t }}$ | $000 ¢ 665$ |  | てと0z／L0／乙I |
| \％000 ${ }^{\text {t }}$ | 000＇06I＇1 |  | 1 $\varepsilon 0 z /$ I0／Z 1 |
| \％0¢L｀${ }^{\text {c }}$ | 000＇¢6S |  | 6z0z／I0／ZI |
| $\%$ \％z9 ${ }^{\text {¢ }}$ | 000 ＇$¢ 65$ |  | 8z0z／I0／ZI |
| \％00¢ ${ }^{\text {¢ }}$ | $000{ }^{\circ} \mathrm{S} 6 \mathrm{~S}$ |  | LZOZ／I0／ZI |
| \％000 ${ }^{\text {t }}$ | $000 ¢ 565$ |  | 9z0z／I0／ZI |
| \％000 ${ }^{\text {t }}$ | 000 ＇$¢ 65$ |  | szoz／I0／ZI |
| \％000 ${ }^{\text {t }}$ | 000 ＇ 665 |  | ャて0Z／L0／ZI |
| \％000＇t | 000 ＇¢6S |  | £zoz／t0／ZI |
| \％000 ${ }^{\text {t }}$ | 000 ＇$¢ 65$ |  | zzoz／I0／ZI |
| \％000 ${ }^{\text {s }}$ | 000 ＇ 665 |  | Iz0Z／L0／ZI |
| \％000 ${ }^{\text {s }}$ | 000 ＇$¢ 65$ |  | 0z0z／I0／ZI |
| $\% 000{ }^{\text {® }}$ ¢ | $000 ¢ ¢ 6$ S | \＄ | 610z／I0／ZI |
| วреу | punouv |  | ว19 |
|  |  <br>  |  |  |



$\frac{\text { Description of Bond }}{\text { Local Improvement }}$
＊Term Bond with a mandatory sinking fund redemption．See Note D．

## CITY OF JERSEY CITY <br> GENERAL CAPITAL FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF RESERVE FOR ENCUMBRANCES



## CITY OF JERSEY CITY <br> GENERAL CAPITAL FUND <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF OTHER RESERVES



## CITY OF JERSEY CITY

GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF RESERVE FOR RETIREMENT OF DEBT

Balance: December 31, 2017
Increased by Reallocation from Other Reserves:
Cash Receipts
C-2
Decreased by:
Anticipated in Current Fund Budget
C-8
\$ 3,528,302

Balance: December 31, 2018
C
General Capital Debt
School Debt
\$ 2,330,190

$$
11,228
$$

$\$ \quad 2,341,418$

## Exhibit C-20

## SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance: December 31, 2017
Ref.
C
Increased by:
Current Fund Budget Appropriation
C-3, C-8
\$ 377,066
ased by:
Ordinance 18-038: Providing for
Various Capital Improvmements for the City
C-9
2,251,556
Balance: December 31, 2018
C $\qquad$
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED


## CITY OF JERSEY CITY <br> REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION: GENERAL FIXED ASSET SCHEDULES

## CITY OF JERSEY CITY <br> GENERAL FIXED ASSETS <br> FOR THE YEAR ENDED DECEMBER 31, 2018

## SCHEDULE OF CHANGES IN FIXED ASSETS BY CLASS

|  | Balance, Dec. 31, 2017 |  | Additions |  | Disposals |  | $\begin{gathered} \text { Balance, } \\ \text { Dec. } 31,2018 \\ \hline \end{gathered}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Land | \$ | 127,760,200 | \$ | - | \$ | - | \$ | 127,760,200 |
| Improvements |  | 231,648,416 |  | 1,049,286 |  | - |  | 232,697,702 |
| Machinery and Equipment |  | 54,923,714 |  | 13,095,396 |  | - |  | 68,019,110 |
|  | \$ | 414,332,330 | \$ | 14,144,682 | \$ | - | \$ | 428,477,012 |
| Ref. |  | D |  | D-2 |  |  |  | D |

## Exhibit D-2

## SCHEDULE OF RESERVE FOR FIXED ASSETS

Balance: December 31, 2017
Ref.

Increased by:
Additions

Decreased by:

Disposals
Balance: December 31, 2018

D

D-1

D-1

D
\$ 414,332,330
$\begin{array}{r}14,144,682 \\ \hline 428,477,012\end{array}$
-
$\qquad$
$\xlongequal{\$ 428,477,012}$

## CITY OF JERSEY CITY REPORT OF AUDIT <br> STATISTICAL SECTION (unaudited)

* Includes Paid or Charged, Encumbered and Reserved.
FIVE-YEAR HISTORY OF GOVERNMENTAL EXPENDITURES*
(1) General Government includes: Office of the Mayor, City Clerk and Municipal Council, Human Resources, Department of Administration, Office of the Tax Assessor, Department of Law, Housing, Economic Development and Commerce, Municipal Publicity, Other Municipal Advertising, Celebration of Public Events, Professional Affiliations, Ethical Standards Board, Salary Adjustment, Reserve for Tax Appeals, Tax Overpayments, Revaluation and Master Plan.
Table 2

| Source | Dec. 31, 2018 |  | Dec. 31, 2017 |  | Dec. 31, 2016 |  | Dec. 31, 2015 |  | Dec. 31, 2014 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Surplus | \$ | 26,580,248 | \$ | 39,960,250 | \$ | 20,745,651 | \$ | 25,722,750 | \$ | 16,413,000 |
| Miscellaneous Revenues |  | 53,385,183 |  | 50,541,146 |  | 46,632,863 |  | 45,382,088 |  | 36,695,214 |
| State Aid |  | 66,358,892 |  | 67,050,310 |  | 69,465,660 |  | 68,430,369 |  | 68,569,897 |
| Uniform Construction Code Fees |  | 7,121,992 |  | 6,543,764 |  | 8,889,787 |  | 7,379,539 |  | 7,609,895 |
| Other Special Items |  | 175,079,162 |  | 183,138,504 |  | 184,308,146 |  | 166,343,279 |  | 154,471,013 |
| Grants |  | 36,320,368 |  | 25,014,457 |  | 29,509,479 |  | 18,223,666 |  | 26,457,642 |
| Receipts from Delinquent Taxes |  | 4,508,431 |  | 2,262,775 |  | 559,368 |  | 1,461,339 |  | 957,058 |
| Amount to be Raised by Taxes |  | 255,988,372 |  | 241,371,714 |  | 240,492,408 |  | 234,269,684 |  | 232,324,644 |
| Non-Budget Revenues |  | 12,771,742 |  | 5,882,618 |  | 2,760,372 |  | 1,185,076 |  | 2,013,257 |
| Total Revenues | \$ | 638,114,390 | \$ | 621,765,538 | \$ | 603,363,734 | \$ | 568,397,790 | \$ | 545,511,620 |

## CITY OF JERSEY CITY <br> STATISTICAL SECTION (UNAUDITED) FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

## COMPARATIVE SCHEDULES OF OPERATIONS AND CHANGES IN FUND BALANCE-CURRENT FUND

|  | December 31, 2017 |  | December 31, 2018 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Amount | Percent |  | Amount | Percent |
| Revenue and Other Income Realized: |  |  |  |  |  |
| Miscellaneous Revenue Anticipated | \$ 332,288,181 | 38.83\% | \$ | 338,265,597 | 36.43\% |
| Receipts from Delinquent Taxes | 2,262,775 | 0.26\% |  | 4,508,431 | 0.49\% |
| Receipts from Current Taxes | 492,469,451 | 57.55\% |  | 525,242,225 | 56.57\% |
| Non-Budget Revenues | 5,882,618 | 0.69\% |  | 12,771,742 | 1.38\% |
| Other Credits to Income | 22,858,294 | 2.67\% |  | 47,745,895 | 5.14\% |
|  | 855,761,319 | 100.00\% |  | 928,533,890 | 100.00\% |

Expenditures:


## CITY OF JERSEY CITY <br> STATISTICAL SECTION (UNAUDITED)

## FIVE-YEAR HISTORY OF TAX RATE AND APPORTIONMENT OF TAX RATE

| Year Ended |  | Total <br> Tax Rate | Municipal | County | Local School** |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Dec. 31, 2018* | (®) | 1.488 | 0.718 | 0.410 | 0.360 |
| Dec. 31, 2017* |  | 7.800 | 3.811 | 2.071 | 1.918 |
| Dec. 31, 2016 |  | 7.701 | 3.783 | 1.932 | 1.986 |
| Dec. 31, 2015 |  | 7.481 | 3.774 | 1.765 | 1.942 |
| Dec. 31, 2014 |  | 7.434 | 3.769 | 1.728 | 1.937 |

Rates are per $\$ 100$ of assessed valuation.

* Municipal Rate includes open space tax of beginnng in 2017.
**Local School Rate includes School Debt levied in City budget.
${ }^{\circledR}$ Revaluation took effect in 2018.

Table 5

## FIVE-YEAR HISTORY OF DELINQUENT TAXES AND TAX TITLE LIENS

| Year Ended | Liens |  | Delinquent Taxes |  | Total |  | Percent of Tax Levy |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Dec. 31, 2018 | \$ | 45,428 | \$ | 3,442,607 | \$ | 3,488,035 | 0.66\% |
| Dec. 31, 2017 |  | 37,154 |  | 10,252,653 |  | 10,289,807 | 2.07\% |
| Dec. 31, 2016 |  | 37,154 |  | 4,265,328 |  | 4,302,482 | 0.91\% |
| Dec. 31, 2015 |  | 659,482 |  | 3,125,278 |  | 3,784,760 | 0.84\% |
| Dec. 31, 2014 |  | 422,969 |  | 3,660,742 |  | 4,083,711 | 0.91\% |

Table 6

## CITY OF JERSEY CITY STATISTICAL SECTION (UNAUDITED)

## FIVE-YEAR HISTORY OF TAX LEVIES AND COLLECTIONS

| Year Ended | Tax Levy |  | Collections |  | Collection <br> Percentage |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Dec. 31, 2018 | \$ | 526,526,725 | \$ | 517,642,714 | 98.31\% |
| Dec. 31, 2017 |  | 496,056,079 |  | 487,588,681 | 98.29\% |
| Dec. 31, 2016 |  | 473,748,228 |  | 468,722,869 | 98.94\% |
| Dec. 31, 2015 |  | 452,331,998 |  | 448,547,896 | 99.16\% |
| Dec. 31, 2014 |  | 450,446,805 |  | 444,300,251 | 98.64\% |

Table 7
FIVE-YEAR HISTORY OF PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

| Year Ended |  | Amount |  |
| :---: | :--- | :--- | :--- |
| Dec. 31, 2018 |  | $\$$ | $1,455,500$ |
| Dec. 31, 2017 |  | $1,455,500$ |  |
| Dec. 31, 2016 |  | $1,455,500$ |  |
| Dec. 31, 2015 |  | $1,680,900$ |  |
| Dec. 31, 2014 |  | $1,455,500$ |  |

Table 8
FIVE-YEAR HISTORY OF PERCENTAGE OF NET ASSESSED VALUE TO ESTIMATED FULL CASH VALUATION

| Year | Net Assessed Valuation Taxable | Estimated Full Cash Valuation | Percentage of Net Assessed Value To Estimated Full Cash Valuation |
| :---: | :---: | :---: | :---: |
| 2018 | \$ 34,360,843,026 | \$ 33,950,177,994 | 101.2\% |
| 2017 | 6,229,997,658 | 28,403,595,009 | 21.9\% |
| 2016 | 6,093,045,338 | 25,679,882,705 | 23.7\% |
| 2015 | 5,997,768,597 | 21,643,490,206 | 27.7\% |
| 2014 | 5,932,776,544 | 19,707,433,281 | 30.1\% |

Table 9
CITY OF JERSEY CITY
STATISTICAL SECTION (UNAUDITED)
FIVE-YEAR HISTORY OF RATIO OF ANNUAL BONDED DEBT SERVICE TO OPERATING EXPENDITURES AND REVENUES

$$
\begin{gathered}
\text { Ratio of } \\
\text { Annual Debt } \\
\text { Service to } \\
\text { Current Fund } \\
\text { Expenditures } \\
\hline 12.3 \% \\
13.3 \% \\
13.6 \% \\
12.7 \% \\
13.1 \%
\end{gathered}
$$

$$
\begin{gathered}
\text { Ratio of } \\
\text { Annual Debt } \\
\text { Service to } \\
\text { Current Fund } \\
\text { Revenues } \\
\hline 12.4 \% \\
13.0 \% \\
13.3 \% \\
12.6 \% \\
12.9 \%
\end{gathered}
$$

# CITY OF JERSEY CITY <br> STATISTICAL SECTION (UNAUDITED) <br> AS OF DECEMBER 31, 2018 

## COMPUTATION OF LEGAL DEBT MARGIN AND OVERLAPPING DEBT

| (Three Year) Average Equalized Valuation |  |  |  | \$ 29,344,551,903 |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Debt Limit - 3.5\% of Average Equalized Valuation |  |  |  | \$ | 1,027,059,317 |
| Net Debt |  |  |  |  | 575,933,267 |
| Remaining Borrowing Power |  |  |  | \$ | 451,126,050 |
|  | Net Debt |  | eductions |  | Gross Debt |
| Local School Debt | \$ | \$ | 17,517,258 | \$ | 17,517,258 |
| Municipal General Debt | 575,933,267 |  | 242,780,922 |  | 818,714,189 |
| Total | \$ 575,933,267 | \$ | 260,298,180 | \$ | 836,231,447 |
| Overlapping Debt: |  |  |  |  |  |
| County of Hudson (December 31, 2018) |  |  |  | \$ | 224,448,976 |
| Hudson County Improvement Authority (December 31, 2018) |  |  |  |  | 207,703,342 |
|  |  |  |  | \$ | 432,152,319 |

Note: Debt of the Jersey City Board of Education and Jersey City Municipal Utilities Authority are included in the Gross Debt of the City, but are statutory deductions when arriving at net debt.

Table 11


# CITY OF JERSEY CITY 

OFFICIALS IN OFFICE
January 1, 2018 through December 31, 2019

## MAYOR STEVEN M. FULOP

## CITY COUNCIL

| Council President (2018-2019). | Rolando R. Lavarro, Jr |
| :---: | :---: |
| Council President (2020-2021). | . Joyce Watterman |
| At-Large (2020-2021) | Rolando R. Lavarro, Jr |
| At-Large (2018-2019). | .. Joyce Watterman |
| At-Large | Daniel Rivera |
| Ward A - Greenville | . Denise Ridley |
| Ward B - West Side | Mira Prinz-Arey |
| Ward C - Journal Square | Richard Boggiano |
| Ward D-The Heights | Michael Yun |
| Ward E- Downtown | James Solomon |
| Ward F - Bergen / Lafayette | Jermaine D. Robinson |

## Department Directors:

Business Administrator
Brian Platt (commencing 4/1/2018)
Robert J. Kakoleski (through 4/1/2018)

| City Clerk | Corporation Counsel |
| :---: | :---: |
| Robert Byrne, RMC | Peter J. Baker (commencing 4/1/2018) |
| Human Resources | Jeremy Farrell (through 4/15/2018) |
| Joanne Rosa (Acting commencing on 11/18/2019) | Public Safety |
| Mark A. Bunbury (through 10/25/2019) | James Shea |
| Housing, Economic Dev. \& Commerce | Health and Human Services |
| Annisia Cialone (commencing 8/13/18) | Stacey Flanagan |
| Marcos Vigil (1/1/2018-8/13/018) | Public Works |
| Recreation | Allison Solowsky (commencing 8/12/2019) |
| Lucinda J. McLaughlin (commencing 8/5/2019) | Patrick G. Stamato (through 8/12/2019) |
| Arthur Williams (through 8/4/2019) |  |
| Kevin Williamson (through 1/24/18) | Eduardo C. Toloza, CTA |

## Other Municipal Officials and Statutory Titles:

| Chief of Staf | John Minella (commencing 1/2/2019) |
| :---: | :---: |
| Chief of Staff | Mark Albiez (through 8/24/2018) |
| Deputy Mayor | Vivian Brady-Phillips (through 5/23/2018) |
| Deputy Mayor | Marcos Vigil (through 8/13/2018) |
| Chief Financial Officer | Lubna Muneer, CMFO (commencing 7/1/2019) (1) |
| Acting Chief Financial Officer | Elizabeth Castillo, CMFO (2/1/2019-6/30/2019) (1) |
| Chief Financial Officer | Donna Mauer, CMFO (through $2 / 1 / 2019$ ) (1) |
| Tax Collector | Joanne Sisk (commencing 8/19/2019) (2) |
| Tax Collector (Interim Periods)* | Anthony Esposito, CTC (2) |
| Tax Collector (Non-Interim)* | C. Anne Doyle, CTC (2) |

[^3]
## CITY OF JERSEY CITY

## REPORT OF AUDIT

ADDITIONAL INFORMATION RELATING TO INTERNAL CONTROL AND COMPLIANCE

## CITY OF JERSEY CITY

## REPORT OF AUDIT

ADDITIONAL INFORMATION RELATING TO INTERNAL CONTROL AND COMPLIANCE

Robert A. Gironda, CPA
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Linda P. Kish, CPA, RMA
Mark W. Bednarz, CPA, RMA
Jason R. Gironda, CPA
Mauricio Canto, CPA, RMA

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

To the Honorable Mayor and Members<br>of the City Council<br>City of Jersey City, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the accompanying financial statements - regulatory basis of the City of Jersey City, New Jersey (the "City"), which comprise the comparative balance sheets - regulatory basis, of each fund and General Fixed Assets as of December 31, 2018 and 2017, and the related comparative statement of operations and changes in fund balance - regulatory basis, statement of revenues - regulatory basis and statement of appropriations - regulatory basis, of the Current Fund, and the statement of changes in fund balance - regulatory basis, of the General Capital Fund, for the years then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 23, 2020.

As described in Note A, the City 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 special purpose framework 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 City'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 opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings 2018-002 and 2018-003 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2018-001 to be a significant deficiency.

## Compliance and Other Matters

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

We noted additional instances of noncompliance which are required to be reported under audit requirements prescribed by the Division, and which are described in the accompanying comments and recommendations section of this report.

## The City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City'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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

# Dork Guide Sur Tomes <br> DONOHUE, GIRONDA, DORIA \& TOMKINS, LLC <br> Certified Public Accountants 



Bayonne, New Jersey
January 23, 2020

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# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08 

To the Honorable Mayor and
Members of the City Council
City of Jersey City, New Jersey

## Report on Compliance for Each Major Federal and State Program

We have audited the City of Jersey City, New Jersey's (the City's) compliance with the types of compliance requirements described in the OMB Compliance Supplement and the N.J. OMB State Grant Compliance Supplement that could have a direct and material effect on each of the City's major federal and state programs for the year ended December 31, 2018. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

## Management's Responsibility

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

## Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on the Federal Community Development Block Grant (CFDA 14.218), Emergency Solutions Grant (CFDA 14.231), Home Investment Partnership Grant (CFDA 14.239) and Housing Opportunities for Persons with AIDS Grant (CFDA 14.241)

As described in Finding 2018-003 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the following:

| Finding No. | CFDA No. | Program (or Cluster) Name | Compliance <br> Requirement |
| :---: | :---: | :---: | :---: |
| $2018-003$ | 14.218 | Community Development Block Grant | Reporting |
|  | 14.231 | Emergency Solutions Grant |  |
|  | 14.239 | Home Investment Partnership Grant |  |
|  | 14.241 | HOPWA Grant |  |

Qualified Opinion on the Federal Community Development Block Grant (CDBG), Emergency Solutions Grant (CFDA 14.231), Home Investment Partnership Grant (CFDA 14.239) and Housing Opportunities for Persons with AIDS Grant (CFDA 14.241)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Federal Community Development Block Grant, Emergency Solutions Grant, Home Investment Partnership Grant and Housing Opportunities for Persons with AIDS Grant for the year ended December 31, 2018.

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

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and state programs identified in the summary of auditor's results sections of the accompanying schedule of findings and questioned costs for the year ended December 31, 2018.

## Other Matters

The City's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

## Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakens in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questions costs as Finding 2018-003, which we consider to be a material weakness.

The City's responses to the internal control over compliance finding identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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


# DONOHUE, GIRONDA, DORIA \& TOMKINS, LLC <br> Certified Public Accountants 



RMA No. 547
Bayonne, New Jersey
January 23, 2020

| Funds Received | Passed <br> Through to Subrecipients | Balance at Dec. 31, 2017 |  | Current Year <br> Appropriations | Grant Funds Expended | City Match Expended | Program Income, Cancellations \& Adjustments | Balance at Dec. 31, 2018 |  | Cumulative <br> Expenditures |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Funds Available | Encumbered |  |  |  |  | Encumbered | $\begin{gathered} \text { Funds } \\ \text { Available } \end{gathered}$ |  |
| \$ - | \$ | \$ 79 | \$ - | \$ | \$ - | \$ - | \$ (79) | \$ - | \$ | \$ 7,771 |
| - | - | 4,863 | - | - | - | - | $(4,863)$ | - | - | 1,137 |
| 3,050 |  | 425 | 3,345 | - | 146 |  | $(3,624)$ | - | - | 4,801 |
| 3,050 | - | 5,367 | 3,345 | - | 146 | - | $(8,566)$ | - | - |  |
| - | - | 230,135 | - | - | - | - | - | - | 230,135 | 1,263,865 |
| - | - | 104,502 | - | - | - | - | $(104,502)$ | - |  | 1,371,424 |
| - | - | 254,784 | - | - | - | - | $(254,784)$ | - | - | 1,405,116 |
| - | - | 21,926 | - | - | - | - | $(21,926)$ | - | - | 1,748,074 |
| - | - | 78,134 | - | - | - | - | $(78,134)$ | - | - | 1,282,667 |
| - | - | 156,283 | - | - | - | - | $(156,283)$ | - | - | 1,413,617 |
| 14,191 | - | 28,144 | - | - | - | - | $(28,144)$ | - | - | 1,741,147 |
| 1,651,883 | - | 1,429,665 | 147 | - | 1,392,607 | - | $(37,205)$ | - | - | 1,765,378 |
| - | - | - | - | 1,802,584 | 43,089 | - | $(125,068)$ | 215 | 1,634,212 | 43,089 |
| - | - | 6,095 | - | - | - | - | $(6,095)$ | - | - | 1,763,398 |
| - | - | 111,276 | - | - | 10,526 | - | $(100,750)$ | - | - | 1,694,568 |
| - | - | 14,400 | - | - | - | - | $(14,400)$ | - | - | - |
| 1,666,074 | - | 2,435,344 | 147 | 1,802,584 | 1,446,222 | - | $(927,291)$ | 215 | 1,864,347 |  |
| - | - | 71,549 | - | - | - | - | (71,549) | - | - | 347,000 |

United States Department of Agricultur
Passed through Wholesome Wave Found
DECEMBER 31, 2018

CITY OF JERSEY CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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$$CITY OF JERSEY CITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
CITY OF JERSEY CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

City Match
Expended

| 6 |
| :--- |
| $\substack{1 \\ \\ \underset{\sim}{2} \\ \hline}$ |

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$\stackrel{+}{+}$




161,584
145,000
142,481
Passed through State of NJ Department of Labor and Workforce Development，Divisi

| $07 / 01 / 2010-06 / 30 / 2011$ | 10.561 | -- | $\begin{array}{l}062-4545-100-345 \\ 100-062-4545-345\end{array}$ |
| :--- | :--- | :--- | :--- |

07／01／2018－06／30／2020 $\quad 10.561 \quad-\quad c c c c c c \mid(105440)$ Total CFDA No． 10.561 ／SNAP Cluster

CITY OF JERSEY CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2018

| Passed |  |
| :--- | :--- |
| Through to | Balance at Dec. 31, 2017 |
|  | Funds |


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9,314


| City Match Expended | Program Income, Cancellations \& Adjustments | Balance at Dec. 31, 2018 |  |
| :---: | :---: | :---: | :---: |
|  |  | Encumbered | Funds Available |
| \$ | $(1,000)$ | \$ | \$ - |
|  | $(1,750)$ | - |  |
|  | $(1,750)$ | - | - |
|  | - | - | 1,750 |
|  | $(4,500)$ | - | 1,750 |


$\frac{\$ 10,655,300}{10,655,300} \frac{\$ \quad-}{(213,426)} \frac{\$(213,426}{4,818,668} \frac{4,818,668}{} \frac{\$ 9,718,039}{9,718,039}$

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 $\xlongequal{\$ 16,617,269} \xlongequal{\$} \quad-\quad \$ 27,391,623) \xlongequal{\$ 12,035,674} \xlongequal{\$ 10,498,173} \xlongequal{\$ 16,474,712} \xlongequal{\$} \quad-\quad \xlongequal{\$ \quad 471,254} \xlongequal{\$ 12,769,683} \xlongequal{\$ 21,152,329}$


Total United States Department of Agriculture
United States Department of Housing and Urban Development
©ODBG Entitlement Grants Cluster
Community Development Block Grant (CDBG)
Community Development Block Grant (CDBG)
ONGOING 14.218
Total CFDA No. 14.218
Passed through State of NJ Department of Community Affairs
CDBG - ARRA


|  |  | $\xrightarrow{4}$ |
| :---: | :---: | :---: |

$$
\begin{gathered}
\text { ONGOING } \\
\text { Total CDBG Entitlement Grants Cluster }
\end{gathered}
$$

$$
\begin{aligned}
& \text { Passed through State of NJ Department of Health } \\
& \text { WIC/Seniors Farmer Market Nutrition Program }
\end{aligned}
$$

$\begin{array}{llll} & & & 100-022-8020-078 . \\ \text { ONGOING } & 14.253 & -- & 022920\end{array}$

$$
\begin{gathered}
\text { Emergency Solutions Grant } \\
\text { ONGOING }
\end{gathered}
$$

$$
\begin{array}{cccc}
\text { ONGOING } & 14.231 & -- & \text { (D) } \\
\text { Home Investment Partnership Grant (HOME) } \\
\text { ONGOING } & 14.239 & -- & \text { (D) } \\
\text { Housing Opportunities for People with AIDS (HOPWA) } \\
\text { ONGOING } & 14.241 & -- & \text { (D) }
\end{array}
$$

CDBG - Disaster Recovery Grants - Pub L. No. 113-2 Cluster
Passed Through State of New Jersey Department of Community A
Passed Through State of New Jersey Department of Community Affairs
Disaster Recovery Grants:
$\underset{\substack{100-022-8022-\\ 004005}}{10}$



| Passed | Balance at Dec. 31, 2017 |  |
| :---: | :---: | :---: |
| Through to | Funds |  |
| Subrecipients | Available | Encumbered |


| Current Year |
| :---: |
| Appropriations |

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| :---: |
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| 0 |
| 0 |
| 0 |
| 0 |
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| 0 |$|$







 $\begin{array}{r}- \\ \hline \\ - \\ 1,875,000 \\ - \\ - \\ \hline 1,875,000 \\ \hline\end{array}$

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United States Department of Justice
United States Department of Justice

Office of Juvenile Justices and Delinquency Prevention | Federal | See |  | Program |  |
| :---: | :---: | :---: | :---: | :---: |
| CFDA | Also | Pass-through | or Award | Funds |
| Number | Note | Identifier | Amount | Received |

|  | Federal <br> CFDA | See <br> Also <br> Number |
| :---: | :---: | :---: |
|  |  |  |
| Note |  |  |


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 CITY OF JERSEY CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS


| Program Income, | Balance at Dec. 31, 2018 |  |  |
| :--- | :--- | ---: | :--- |
| $\begin{array}{lll}\text { Cancellations \& } \\ \text { Adjustments }\end{array}$ | Encumbered | $\begin{array}{c}\text { Funds } \\ \text { Available }\end{array}$ | $\begin{array}{c}\text { Cumulative } \\ \text { Expenditures }\end{array}$ |




 | - | - | $(827,554)$ | - | - |
| ---: | :---: | ---: | :---: | :---: |
| - | - | $(4,526)$ | - | - |
| - | - | $(38,200)$ | - | - |
| 199,810 | - | - | - | - |
| 138,698 | - | - | - | 178,894 |
|  | 338,508 |  |  |  |
|  |  | - | - | 488,364 |





United States Department of Labor
Passed through State of New Jersey Department of Labor \($$
\begin{array}{ccccc}\begin{array}{ccc}\text { Federal } \\
\text { CFDA }\end{array} & \text { See } \\
\text { Also } \\
\text { Number }\end{array}
$$ $$
\begin{array}{ll}\text { Note } & \begin{array}{c}\text { Pass-through } \\
\text { Identifier }\end{array}\end{array}
$$ \begin{gathered}Program <br>
or Award <br>

Amount\end{gathered} \xrightarrow{ }\)|  |  | $\begin{array}{c}\text { Funds } \\ \text { Received }\end{array}$ |
| :--- | :--- | :--- |

IOA Cluster
Workforce Investment \& Opportunity Act (WIOA)
Workforce
Title IIA - T


Total United States Department of Labor and Total WIOA

$$
\begin{gathered}
\text { Current Year } \\
\text { Appropriations } \\
\hline
\end{gathered}
$$

DECEMBER 31, 2018




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Passed
Throgh to
Subrecipients

$\begin{array}{r}- \\ - \\ \vdots 61,192 \\ 105,402 \\ \\ 92,049 \\ 78,275 \\ \hline 1,617,411 \\ \hline\end{array}$

United States Department of Transportation
Highway Planning and Construction Cluster
Passed through State of NJ Department of Transportation:
Highway Planning and Construction
Passed through State of NJ Department of Tran
Highway Planning and Construction Grants
way Planning and Construction Grants
Citywide Intersection Improvements
01/01/2011-12/31/2011 20.205 $\begin{array}{ccc}01 / 01 / 2011-12 / 31 / 2011 & 20.205 \\ \text { MLK Drive Roadway \& Traffic Signals } \\ 01 / 01 / 2018- & * & 20.205\end{array}$ 01/01/2018 -
2014 Safe Streets to $\quad$ Transit - Wilson Str
$\begin{array}{cccc}* & * & * & 20.205 \\ \text { Route } 440 / 1 & \text { \& } 9 & \text { Development Study Phase It } \\ \text { It }\end{array}$ 08/28/2012-12/31/2014 20.205
LSP - Summit Ave Corridor, Phases I an LSP - Summilatine 20.205
09/17/2012 - 09/17/2015
LSP - Summit Ave Corridor, Phases III 10/27/2014 - * $\quad$ * 20.205 LSP - Communipaw Avenue Safety I
 $\begin{array}{ccc}\text { 09/14/2017 } & * & 20.205 \\ \text { LSP - Marin Boulevard Improvement }\end{array}$ $\begin{array}{ccc}\text { LSP - Marin Boulevard Improvem } \\ 02 / 25 / 2016- & * & 20.205\end{array}$
 Highway Safety Imp. Program (HSIP) - M


Federal Highway Administration (FHWA) Federal Highway Administration (FHWA)
Passed through State of NJ Department of Transportation:
North Jersey Transportation Planning Authority:
Unified Planning Work Program (UPWP)
Subregional Transportation Planning Program Passed through State of NJ Department of Transportation:
North Jersey Transportation Planning Authority:
Unified Planning Work Program (UPWP)
Subregional Transportation Planning Program

$\begin{array}{rccc}*-\underset{*}{2} & 20.205 & -- & 480-078-6320 \\ 07 / 01 / 2014-06 / 30 / 2015 & 20.205 & -- & * \\ 07 / 01 / 2015-06 / 30 / 2016 & 20.205 & -- & *\end{array}$ $07 / 01 / 2014-06 / 30 / 2015$
$07 / 01 / 2015-06 / 30 / 2016$
$07 / 01 / 2016-06 / 30 / 2017$
$07012017-0630 / 2018$
$\begin{array}{cccc}\text { 07/01/2017-06/30/2018 } & 20.205 & -- & \text { PL-NJ-18-01 } \\ 07 / 01 / 2017-06 / 30 / 2018 & 20.205 & -- & \text { City Match }\end{array}$

Subregional Study Program - Pedestrian Enhancement Plan $\begin{array}{llll}07 / 01 / 2018-06 / 30 / 2019 & 20.205 & -- & * \\ 07 / 01 / 2018-06 / 30 / 2019 & 20.205 & -- & \text { City Match }\end{array}$
N 09/14/2017 - * 20.205 -- $\quad$ *

 Federal Highway Administration (FHWA) -- 288,524路

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 CITY OF JERSEY CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2018

| Cumulative |
| :--- |
| Expenditures |

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(a)
United States Department of Transportation (continued)
Highway Safety Cluster

 $\begin{array}{ll}10 / 01 / 2014-09 / 30 / 2015 & 20.600 \\ 10 / 01 / 2016-09 / 30 / 2017 & 20.600\end{array}$ $\begin{array}{ll}\text { 10/01/2016-09/30/2017 } & 20.600 \\ 10 / 01 / 2017-09 / 30 / 2018 & 20.600\end{array}$ Total CFDA No. 20.600
Section 405 - National Priority Safety Programs
 U Drive. U Text. U Pay.

$$
\begin{gathered}
100-066-1160-158 \\
(031030) \\
100-066-1160-158 \\
(031030)
\end{gathered}
$$

| 5,500 | - | 440 |
| :---: | :---: | :---: |
| 6,600 | 6,545 |  |
|  | 6,545 | - |
|  | - | - |


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CITY OF JERSEY CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS








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United States Department of Homeland Security, Federal Emergency Management Agency
Passed through State of NJ Department of Law and Public Safety

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United States Department of Health and Human Services (continued)
STD Screenino/Education - High Risk Ponulotionc
STD Screening/Education - High Risk Populations
07/01/2017-06/30/2018

$$
\begin{array}{ll}
07 / 01 / 2016-06 / 30 / 2017 & 93.917 \\
07 / 01 / 2017-06 / 30 / 2018 & 93.917
\end{array}
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\begin{gathered}
\text { 07/01/2018-06/30/2019 } \\
\text { Total CFDA No. }
\end{gathered}
$$

$$
\begin{array}{r}
\text { Total CFDA No. } 93.917 \\
\text { Prevention Oriented System for Child Heal } \\
01 / 01 / 2011-12 / 31 / 2011
\end{array}
$$

265
$\begin{array}{cccc}\text { Federal } & \text { See } & & \begin{array}{c}\text { Program } \\ \text { CFDA }\end{array} \\ \text { Also } & \text { Pass-through } & \begin{array}{c}\text { or Award } \\ \text { Number }\end{array} & \text { Note } \\ & & \text { Identifier } & \text { Amount }\end{array}$
$\begin{array}{llll}\text { Prevention Oriented System for Child Health (POrSCHe) } \\ 01 / 01 / 2011-12 / 31 / 2011 & 93.994 & -- & 4220-100-129 \\ 01 / 01 / 2012-12312012 & 93.994 & 420200-129\end{array}$
01/01/2012 - 12/31/2012

$07 / 01 / 2014-06 / 30 / 2015$
$07 / 01 / 2015-06 / 30 / 2016$
07/01/2016-06/30/2017
07/01/2017 - 06/30/2018
07/01/2018 - 06/30/2019 Passed through State of NJ Department
Public Assistance - Hurricane Sand $\begin{array}{ccc}\text { * } & \text { * } & \text { * } \\ \text { Sandy Recovery FEMA Match } & & \\ & \end{array}$
$\underset{(068280)}{ }$
${ }^{(068280)}$
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$\underset{\substack{\text { EMW-2014-FO- } \\ 05437}}{ }$


|  |  |  |  |  |  | sChedule |  |  | 31 | Y CITY of federal 1, 2018 | AWARDS |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Federal | See |  | Program |  | Passed |  | Balance at D | ec. | 31,2017 |  |  |  | Program Income, | Balance at | ec. 31, 2018 |  |
|  | $\begin{aligned} & \text { CFDA } \\ & \text { Number } \end{aligned}$ | $\begin{aligned} & \text { Also } \\ & \text { Note } \end{aligned}$ | Pass-through Identifier | or Award Amount | Funds Received | Through to Subrecipients |  | $\begin{aligned} & \text { Funds } \\ & \text { Available } \end{aligned}$ |  | Encumbered | Current Year <br> Appropriations | Grant Funds Expended | City Match Expended | Cancellations \& Adjustments | Encumbered | $\begin{gathered} \text { Funds } \\ \text { Available } \end{gathered}$ | Cumulative Expenditures |
| United States Department of Homel | and Securit | , Fer | 1 Emergency | gement Ag | (continued) |  |  |  |  |  |  |  |  |  |  |  |  |
| FY12 Port Security-Hazardous Mater | al Detectio | $n$ Equip. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 09/01/2012-08/31/2014 | 97.056 | - | (D) | \$ 466,667 | \$ - | \$ - | \$ | 18,942 | \$ | - | \$ - | \$ - | \$ - | \$ (18,942) | \$ - | \$ - | 447,725 |
| Port Security Grant Program - Fire |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 09/01/2015-08/31/2018 | 97.056 | -- | (D) | 506,250 | 506,250 | - |  | - |  | - | - | - |  | - | - | - | 506,250 |
| * - * | 97.056 | -- | (D) | 225,000 |  |  |  | 194,209 |  | 17,653 |  | 14,327 |  | - | 138,335 | 59,200 | 27,465 |
| Port Security Grant Program - Police |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ${ }_{*}^{0901 / 2018-08 / 31 / 2021}$ | 97.056 | -- | (D) | 19,600 | - | - |  | - |  |  | 19,600 |  |  |  |  | 19,600 |  |
| Passed through Port Authority of New | ${ }_{\text {York and }} 97$ | New Jer | sey ${ }^{\text {(D) }}$ | 163,431 | - | - |  | 134,408 |  | 135 | - | - |  | - | 133,652 | 891 | 28,888 |
| Port Security Grant Program | , | J |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| * - * | 97.056 | -- | * | 956,403 | - | - |  | 578,979 |  | - | - | - |  | (578,979) |  |  | 377,424 |
| 06/30/2009-06/30/2011 | 97.056 | -- | * | 1,127,357 | - | - |  | 777,856 |  | - | - | - |  | (777,856) |  | - | 349,501 |
| Port Security Grant Program - Res | ponse Equi | pment |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\stackrel{\text { Total CFDA }}{ } \stackrel{*}{\text { No }}$ | 97.056 | -- | * | 297,000 | 506,250 | - |  | 56,870 |  | 17,788 | 19,600 | 14,327 |  | $\frac{(56,870)}{(1,432,647)}$ | 271,987 | 79.691 | 240,130 |
| Total CFDA No. | 97.056 |  |  |  | 506,250 |  |  | 1,761,264 |  | 17,788 | 19,600 | 14,327 |  | (1,432,647) | 271,987 | 79,691 |  |
| Urban Area Security Initiative - O | EM/Fire |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 01/01/2011-12/31/2011 | 97.067 | -- | 1005-100-008 | 3,385,500 | - | - |  | 169,776 |  | - | - | - |  | (169,776) | - | - | 3,215,724 |
| $\widetilde{\sim}{ }^{\sim}$ Urban Area Security Initiative - Fi |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\bigcirc{ }^{\text {a }}$ ( ${ }^{\text {07/01/2008-06/30/2009 }}$ | ${ }_{\text {nt Program }} 97.067$ | -- | 1005-100-008 | 2,628,175 | - | - |  | 106,103 |  | - | - | - |  | $(106,103)$ | - | - | 2,521,453 |
| Urban Area Security Initiative Gra $07 / 01 / 2006-06 / 30 / 2007$ | ${ }_{9}^{\text {nt Program }}$ | -- | 1005-100-008 | 3,281,500 | 1,030,549 | - |  | - |  | - | - | - |  | - |  | - | 3,281,500 |
| 09/1/2012-08/31/2014 | 97.067 | -- | 130070 | 3,573,000 | - | - |  | 404,279 |  | - | - | - |  | (404,279) | - | - | 3,168,721 |
| Urban Areas Security Initative (U | ASI-Local | Share) - | National Prepared | ess Capabilities |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 09/01/2015-08/11/2018 | 97.067 | -- | (130070) 100-066-1005-008 | 1,896,796 | - | - |  | 234,795 |  | 64,277 | - | 104,803 |  | $(184,265)$ | 10,004 | - | 1,702,527 |
| 09/01/2014-08/31/2016 | 97.067 | -- | (130070) 100-066-1005-008 | 1,626,296 | - | - |  | 162,127 |  | - | - | - |  | (162,127) |  | - | 1,464,169 |
| 09/11/2016-08/31/2019 | 97.067 | -- | $\begin{gathered} 100-006-10005-008 \\ (103000) \\ 100-066-1005-008 \end{gathered}$ | 1,776,000 | 254,201 | - |  | 309,465 |  | 124,491 | - | 184,173 |  | - | 65,500 | 184,283 | 1,526,217 |
| 09/01/2017-08/31/2020 | 97.067 | -- |  | 1,710,000 | - | - |  | 1,235,610 |  | 474,390 | - | 1,091,912 |  | - | 164,362 | 453,726 | 1,091,912 |
| 09/01/2018-08/31/2021 | 97.067 | -- | (130070) | 1,735,000 | - |  |  |  |  | , | 1,735,000 | 1,495 |  | - | 423,465 | 1,310,040 | 1,495 |
| Total CFDA No. | 97.067 |  |  |  | 1,284,750 |  |  | 2,622,155 |  | 663,158 | 1,735,000 | 1,382,383 |  | (1,026,550) | 663,331 | 1,948,049 |  |
| State Homeland Security - Hazma | Vehicle |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 0701/2008 - 06/30/2009 | ${ }^{97.073}$ | -- | * | 210,000 | - |  |  | 210,000 |  |  | - |  |  | (210,000) |  |  | - |
| Total CFDA No. | 97.073 |  |  |  |  |  |  | 210,000 |  |  | - |  |  | (210,000) | - | - |  |
| Chemical Sector Buffer Zone Pro | ection Plac |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 07/01/2009 - 06/30/2010 |  |  | 066-1005-100-(007-010) | 40,000 | - | - |  | 40,000 |  | - | - | - |  | $(40,000)$ | . | $\because$ | - |
| Total CFDA No. | 97.078 |  |  |  |  | - |  | 40,000 |  | - |  | - | - | $(40,000)$ |  | - |  |

Schedule 1
Page 11 of 11

| $\begin{array}{c}\text { Cumulative } \\ \text { Expenditures }\end{array}$ |
| :---: |
|  |
| $\$ \quad \begin{array}{c}7,179,894 \\ \\ \\ 4,739,243\end{array}$ |




$\$ \quad(7,756,430)$
CITY OF JERSEY CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
$810 z$ 'IE บสя



| $\left\|\begin{array}{c} 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ \infty \end{array}\right\|$ |  |
| :---: | :---: |
|  |  |


Schedule 2
Sheet 1 of 7

 | $\begin{array}{c}\text { State Account } \\ \text { Number } \\ \text { (Program Code) })\end{array}$ | $\begin{array}{c}\text { Program } \\ \text { or Award } \\ \text { Amount }\end{array}$ |
| :--- | :--- |

Department of Health
Pandemic Flu Preparedness
$\begin{array}{llll}\text { Pandemic Flu Preparedness } \\ \text { 07/01/2006 - } 06 / 30 / 2007 & \text { 046-4230-10-480 } & \$ & 53,947 \\ \begin{array}{c}\text { Tanning Facility Registration and Inspection } \\ \text { 01 }\end{array} & & 200\end{array}$
Passed through NJ Association of County and City Health Officials
Ebola Disease Active/Direct Active Monitoring


Bion
200,000
115,900
$1,813,074$
54,852
Strengthening the Local Public Health Workforce
to Reduce Sexually Transmitted Diseases Program

Family Health Initiative
Shaping NJ Healthy Community Grant
$02 / 01 / 2018-12 / 31 / 2018$
Passed through County of Bergen $\quad *$
$\begin{array}{cc}\text { Comprehensive Cancer Control } & \\ 07 / 01 / 2016-06 / 30 / 2017 & \text { DFHS 17CCC004 } \\ 07 / 01 / 2018-06 / 30 / 2019 & *\end{array}$
Total Department of Health and Senior Services
Department of Commerce and Development
Passed through Urban Enterprise Zone:
assed through Urban Enterprise Zone:
Gateway Arches to India Square Pro
${ }^{*} \quad-\quad{ }^{*} \quad{ }^{763-022-2830}$
Professional Services - Lowe's Theater
$\begin{array}{ll}01 / 01 / 2010-12 / 31 / 2010 & 763-022-2830 \\ \text { Powerhouse Stabilization }\end{array}$
Powerhouse Stabilization
$07 / 01 / 2009-06 / 30 / 2010 \quad 763-022-2830$
Urban Enterprize Zone (Unencumbered)









[^4]Total TDR / Department of Agriculture
Department of Law and Public Safety
Division of Criminal Justice
Body Armor Replacement Fund (BARF)
Department of Agriculture
CITY OF JERSEY CITY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2018



Schedule 2
Sheet 5 of 7

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$\begin{array}{lll}\underset{\sim}{n} & \stackrel{\infty}{\circ} & \text { a } \\ \underset{\sim}{\circ} & \text { in }\end{array}$

| Balance at Dec．31，2018 |  |
| :---: | :---: |
| Encumbered |  | \(\left.\begin{array}{c}Funds <br>

Available\end{array}\right]\)




CITY OF JERSEY CITY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE Cancellations \＆
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$\left|\begin{array}{c}\text { o } \\ \text { N } \\ \text { y } \\ \text { J }\end{array}\right|$


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## 


DECEMBER 31， 2018
Department of Labor and Workforce Development

| （Program Code） |
| :--- |
| Division of Workforce Grant and Program Management |

Workforce Development Cluster
245,000
15,248
8,025
12,038

$\begin{array}{r}- \\ \hline 128,768 \\ 21,000 \\ 21,726 \\ - \\ - \\ \hline 42,726 \\ \hline\end{array}$




658,280

$s \quad 695.49$
 Temporary Assistance to Need Families－
8
8
$\stackrel{n}{3}$
$=$
$089^{\prime} \varsigma 6$
89 I＇$^{\text {d }} 9 \varsigma 9$
$08 z^{\prime} 8 \varsigma 9$

$\begin{array}{r}448,274 \\ \hline 448,274 \\ \hline\end{array}$
｜

$$
\begin{aligned}
& \quad \frac{(\text { Program Code })}{\text { Department of Labor and Workforce Development }} \begin{array}{l}
\text { Amount } \\
\text { Division of Workforce Grant and Program Management } \\
\text { Workforce Development Cluster }
\end{array}
\end{aligned}
$$





State Account
Number
(Program Code)
Department of Transportation
Three Traffic Signals
$01 / 01 / 2011-12 / 31 / 2011$
NJ Transportation Trust Fund Authority Act
Municipal Aid Program (MAP)
2011-Various Streets
$01 / 01 / 2011-12 / 31 / 2011$
$2012 \begin{array}{ccc} & \begin{array}{c}480-078-6320-\mathrm{ALC} \\ (600852 / 609162)\end{array} & 1,19\end{array}$
2015 Municipal Aid Program - Various Street Resurfacing
2016 Municipal Aid Program - MLK Drive, Section 2
$\begin{array}{ccc}201 / 28 / 2016-\quad * & * \\ *\end{array}$
Local Aid Infrastructure Fund
Local Aid Infrastructure Fund -Street Resurfacing
$60787 / 600788 /$
North Jersey Transportation Planning Authority:
Annual Transportation Plan (ATP)
$\begin{array}{ll}\text { ATP - Newark Ave Streetscape Phase } 4 \text { (Additional) } \\ 07 / 01 / 2011-06 / 30 / 2012 & 480-078-6320\end{array}$
07/01/2011-06/30/2012
ATP - Two Traffic Signals

| 05/30/2013 - | $*$ |
| :---: | :---: |
| ATP - Stripings and Markings | 609163 |
|  |  |

03/30/2013-
$\begin{array}{ccc}\text { Youth Corps Urban Gateway Enhancement Program } \\ 03 / 30 / 2013- & * & 609163\end{array}$
 CITY OF JERSEY CITY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2018

| Cumulative |
| :---: |
| Expenditures |
| $\$ \quad 1,000$ |

$\stackrel{8}{\underline{z}}$
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en










| $\$$ | 291,625 |
| :--- | :--- |
| $\$$ | 291,625 |

$\begin{array}{cc}\text { State Account } & \text { Program } \\ \text { Number } & \text { or Award } \\ \text { (Program Code) } & \text { Amount }\end{array}$

Other State Grants
Law Enforcement Trust Account Law Enforcement Trust Funds
Law Enforcement Trust
Total Other State Grants
TOTAL STATE FINANCIAL ASSISTANCE

* Not Available






SCHEDULE OF EXPENDITURES OF OTHER FINANCIAL ASSISTANCE
* Not Available


# CITY OF JERSEY CITY <br> NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE 

## FOR THE YEAR ENDED DECEMBER 31, 2018

## NOTE A. REPORTING ENTITY

The City of Jersey City (the "City"), received and continues to participate in numerous federal award and state financial assistance programs, in the form of grant cost reimbursements and revenue sharing entitlements. The City is the reporting entity for the grant programs received. Administration of the grant programs is performed by the various departments of the City.

The City, for purposes of the schedules of expenditures of federal awards and state financial assistance, includes all of the primary government as defined criteria established by the Governmental Accounting Standards Board. The City administers certain federal and state award programs through subrecipients. Those subrecipients are not considered part of the City's reporting entity.

## NOTE B. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") present the activity of all federal and state programs of the City. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

## NOTE C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City conform to the 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 City accounts for federal awards and state financial assistance through the following accounting practices which differ from those required by accounting principles generally accepted in the United States of America.

Accounting functions for the grants are performed by the City's Accounts and Control. Grant and program cash funds may be commingled with the City's other funds provided each grant is accounted for separately within the City's financial records.

# CITY OF JERSEY CITY <br> NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE 

## FOR THE YEAR ENDED DECEMBER 31, 2018

## NOTE C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In accordance with the Division's directives, the City (a) fully realizes grant revenues anticipated in the Current Fund operating budget and establishes a corresponding receivable for each grant in the State and Federal Grants Fund, and (b) fully charges grants appropriated in the Current Fund operating budget and establishes a corresponding spending reserve, referred to as an 'Appropriated Reserve' in the State and Federal Grants Fund. In some instances, grants anticipated and appropriated in the Current Fund operating budget may be established as receivables and reserves in a Trust Fund instead of the State and Federal Grants Fund.

Local Contributions - Local matching contributions are required by certain federal and state grants. The amount or percentage of matching contributions varies with each program. Local matching contributions are raised in the Current Fund budget.

Indirect Costs - The City is not utilizing the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

## NOTE D. CONTINGENCIES

Entitlement to grant funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable laws and regulations. Federal and state grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. Such contingencies are fully disclosed in the Notes to the Financial Statements.

## NOTE E. MONITORING OF SUB-RECIPIENTS

Under the requirements of the Single Audit Act and State regulations, if the City, as a primary recipient, receives federal and state financial assistance and provides $\$ 750,000$ or more of such assistance to a subrecipient in a fiscal year, the City is responsible for determining that the expenditures of federal and state monies passed through to sub-recipients are utilized in accordance with applicable laws and regulations.

## NOTE F. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The regulations and guidelines governing the preparation of federal and state financial reports vary by federal and state agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal and state financial reports do not necessarily agree with the amounts reported in the accompanying schedules of expenditures of federal awards and state financial assistance, which are prepared on the basis of accounting explained in Note B.

# CITY OF JERSEY CITY <br> NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE 

## FOR THE YEAR ENDED DECEMBER 31, 2018

## NOTE G. PASS-THROUGH AWARDS AND COMMINGLED ASSISTANCE

The City receives federal and state awards passed-through different levels of government. As a result, the individual sources of federal and state awards may be commingled and not always separately identifiable. In instances in which the federal amounts received are commingled by the state or other levels of government with other funds and cannot be separately identified, they are reported as federal expenditures. In instances in which the state amounts received are commingled by other levels of government, other than federal, and cannot be separately identified, they are reported as state expenditures. The following awards include both state and federal funding which are not separately identifiable, and which are reported on the schedule of expenditures of federal awards

Aging Cluster - The City annually receives a "Senior Nutrition" Grant from the County of Hudson, Area Agency on Aging. This Senior Nutrition award includes funds for CFDA No. 93.045, 93.053 and 93.667, but the City's accounting system does not separate the expenditures for the Senior Nutrition Grant by the individual CFDA Numbers. The Schedule of Expenditures of Federal Awards presents the total expenditures under the "Aging Cluster". A breakdown of the grant award into the individual CFDA Numbers is noted below:

| Aging Cluster |  |  | 2017 |  | 2018 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Home Delivered Nutrition (COLA) | 93.045 | \$ | 349,436 | \$ | 347,160 |
| Weekend Home Delivered Nutrition (COLA) | 93.045 |  | 22,930 |  | 26,367 |
| Nutrition Education Counseling (Title IIIC-1) | 93.045 |  | 23,288 |  | 70,000 |
| Congregate Nutrition- Federal (Title IIIC-1) | 93.045 |  | 133,616 |  | 88,214 |
| Home Delivered Nutrition- Federal (Title IIIC-2) | 93.045 |  | 167,020 |  | 192,831 |
| State Weekend Home Delivered Meals | 93.045 |  | 44,474 |  | 44,580 |
| Nutrition Services Incentive Program (NSIP) |  |  |  |  |  |
| Congregate Nutrition | 93.053 |  | 120,686 |  | 106,699 |
| Home Delivered Nutrition | 93.053 |  | 118,520 |  | 91,982 |
|  |  |  | 979,970 |  | 967,833 |
| Socialization Recreation - (SSBG) | 93.667 |  | 66,100 |  | 145,468 |
| Home Delivered Nutrition - (SSBG) | 93.667 |  | 179,368 |  |  |
|  |  | \$ | 1,225,438 | \$ | 1,113,301 |

# CITY OF JERSEY CITY <br> SCHEDULE OF FINDINGS AND QUESTIONED COSTS <br> FOR THE YEAR ENDED DECEMBER 31, 2018 

## Section I - Summary of Auditor's Results

## Financial Statements

Type of report the auditor issued on whether the financial statemes audited were prepared in accordance with GAAP:

Internal Control over Financial Reporting:

1) Material weakness(es) identified?
2) Significant deficiency(ies) identified?

Noncompliance material to basic financial statements noted?

## Federal Awards

Internal Control over Major Federal Programs:

1) Material weakness(es) identified?
2) Significant deficiency(ies) identified?

Type of auditor's report issued on compliance for major federal programs:
Unmodified for all major federal programs, except for the following which are all Qualified:
CFDA 14.218 - Community Development Block Grant
CFDA 14.231 - Emergency Solutions Grant
CFDA 14.239 - Home Investment Partnership Grant
CFDA 14.241 - Housing Opportunities for Persons with AIDS

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?
$\checkmark \quad$ Yes $\quad$ Finding 2018-003
$\qquad$

Identification of major Federal Programs:

| CFDA Number(s) | Name of Federal Program or Cluster |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| 10.559 | - Child Nutrition Cluster |  |  |  |
| 14.218 | - CDBG Entitlement Grants Cluster |  |  |  |
| 14.231 | - Emergency Solutions Grant |  |  |  |
| 14.239 | - Home Investment Partnership Grant (HO |  |  |  |
| 14.241 | - Housing Opportunities for People with |  |  |  |
| 93.569 | - Community Services Block Grant (CSB |  |  |  |
| Dollar threshold used to distinguish | between Type A and Type B Programs: | \$ |  | ,787 |
| Auditee qualified as low-risk audite | ? $\quad$ Yes |  | $\checkmark$ | No |

# CITY OF JERSEY CITY <br> SCHEDULE OF FINDINGS AND QUESTIONED COSTS <br> FOR THE YEAR ENDED DECEMBER 31, 2018 

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

State Financial Assistance
Internal control over state programs:

1) Material weakness(es) identified?
2) Significant deficiency(ies) identified?


Type of auditor's report issued on compliance for major State programs: Unmodified for all major State programs
Any audit findings disclosed that are required to be reported
in accordance with NJ OMB 15-08, as amended? $\quad$ Yes $\quad \checkmark \quad$ No

Identification of major State programs


## CITY OF JERSEY CITY

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) FOR THE YEAR ENDED DECEMBER 31, 2018 

Section II - Schedule of Financial Statement Findings

(This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting.)

## Finding 2018-001

Significant Deficiency in Internal Control

Criteria: The City is required by N.J.A.C. 5:30-5.6 to establish and maintain a physical inventory of fixed assets of nonexpendable, tangible property. The reporting system must have a subsidiary ledger, consisting of detailed property records for controlling additions, retirements and transfers of fixed assets. Further, the subsidiary ledger is required to ensure 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.

Condition: Several items selected for physical inspection required several trips because locations were not updated to reflect changes in location since the time of purchase. Disposals and transfers are also not properly reflected in the inventory.

Context: Audit procedures include sampling of the fixed asset inventory listing and verifying the existence of these assets. Generally, vehicles were difficulty to identify as Vehicle Identification Numbers (VIN) are often not inputted into the inventory.

Effect: The City's fixed asset inventory system is not in compliance with N.J.A.C. 5:305.6. Specifically, there are instances in which (a) assets known to have been acquired through the dissolution of City agencies are not included in the inventory, and (b) asset locations noted on the listing may be inaccurate due to department transfers.

Cause: The City's asset tagging, disposal and transfer policies are not being followed by department personnel. No asset disposals are being recorded on the City's fixed asset listing.

This finding is repeated from the prior year, with modifications.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) FOR THE YEAR ENDED DECEMBER 31, 2018 

Section II - Schedule of Financial Statement Findings

## Finding 2018-001

(Continued)

Recommendation: The City should reinforce existing fixed asset disposal and transfer policies with appropriate department personnel and make certain such procedures are followed.

The City should include all assets acquired from the dissolution of the Parking and Incinerator Authorities on its fixed assets inventory.

Views of Responsible Officials of the City (unaudited):
A new Fixed Asset Manager was assigned and will continue to work to enforce the current fixed asset policy. The City will also be working with a fixed asset appraisal company to update the current internal policy and procedure as well as updating the inventory listing to include all vehicles and equipment that meet the fixed asset threshold.

## CITY OF JERSEY CITY

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) FOR THE YEAR ENDED DECEMBER 31, 2018 

Section II - Schedule of Financial Statement Findings

## Finding 2018-002

Material Weakness in Internal Control over Financial Reporting

Criteria: Sound internal control policies include the timely reconciliation of all bank accounts as a means to detect, and timely correct, misstatements.

Condition: Bank reconciliations for the year ended December 31, 2018 were not completed until November 6, 2019.

Context: Audit procedures include obtaining City-prepared bank reconciliations as part of the process to gather evidence regarding whether cash and cash equivalents are fairly stated in the City's financial records. Though bank reconciliations will not prevent misstatements from occurring, they provide a means to detect and correct misstatements that were not prevented by other controls. Timely bank reconciliations allow the City to correct misstatements in a timely manner, provide a means of identifying and resolving bank errors, transfer or payment errors and potential misappropriation.

Effect:
The lack of a timely reconciliation process resulted in delays in the detection of payment, transfer and deposit errors, as well as delays in financial reporting. Further, the lack of a timely reconciliation process would prevent the City from addressing potential matters of defalcation, if any were to occur, in a timely manner. Additional concerns noted as they relate to a deficient cash reconciliation process:

- Reconciling items on the payroll clearing account include $\$ 848,784$ noted as manual checks not posted, and two adjustments for which no further explanation was provided despite numerous auditor requests for information, identified as "Payroll \#15" in the amount of \$424,937 and "reconciling items" in the amount of $\$ 312,788$.
- Overstatement of cash of $\$ 2,482,638$ due to the voiding of checks recorded as an addition to cash, but for which the corresponding disbursement was never recorded.


# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) FOR THE YEAR ENDED DECEMBER 31, 2018 

## Section II - Schedule of Financial Statement Findings

## Finding 2018-002

(Continued)

Cause: $\quad$ The cause for the delays in the reconciliation process could not be readily determined, though it appears personal turnover and the consolidation of several accounts with significant transaction volume may have contributed.

This finding is repeated from the prior year, though this year it is reported as a material weakness in internal controls over financial reporting.

Recommendation: The City should reconcile all bank accounts within a reasonable period of time after its fiscal year end.

Views of Responsible Officials of the City (unaudited):
This was due to several personnel changes. The Chief Financial Officer has recently updated internal procedures and assigned staff to oversee the reconciliation process. The City is currently making staffing changes, including adding additional staff to ensure the timely reconciliation of bank accounts.

## CITY OF JERSEY CITY

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) FOR THE YEAR ENDED DECEMBER 31, 2018 

Section II - Schedule of Financial Statement Findings

## Finding 2018-003

Material Weakness in Internal Control over Financial Reporting
Criteria: Sound accounting policies suggest that the City is required to reconcile and compare information reported in its financial records to the underlying accounting records and reports provided to and from grantor and oversight agencies.

Condition: Community Development Block Grant (CDBG), Home Investment Partnership Grant (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and Emergency Shelter Grant (ESG) funds receivable and on reserve, or available for expenditure, in the City's general ledger were not reconciled with the IDIS system used for reporting such activity to the Department of Housing and Urban Development.

Context: Such reconciliations provide greater assurance that amounts reported by the City are not misrepresented and coincide with amounts reported to or maintained by grantor and oversight agencies.

Effect:
Amounts receivable and on reserve in the City's CDBG, HOME and HOPWA general ledgers and disbursements could not be properly validated or were not traceable to or from IDIS and other related reports. HOME receipts could also not be reconciled.

Cause: The City is not closing temporary accounts in the CDBG, HOME and HOPWA general ledgers. Further, the general ledger reserve and receivable balances are not reconciled to subsidiary budget report ledgers and the IDIS system.

This finding has been repeated annually since 2011.

## Section II - Schedule of Financial Statement Findings

Finding 2018-003 (continued)

Recommendation: The City should adopt financial reporting, reconciliation and closing procedures which require appropriate personnel to reconcile reported balances and activity of CDBG, HOME, HOPWA and Emergency Shelter Grants to the underlying accounting records, subsidiary ledgers and reports provided to and from grantor and oversight agencies, where applicable. The reconciliations should be performed monthly.

Views of Responsible Officials of the City (unaudited):
The Chief Financial Officer will oversee this project to close out the old accounts in a timely manner and make sure all systems are reconciled.

## CITY OF JERSEY CITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) FOR THE YEAR ENDED DECEMBER 31, 2018 <br> Section III - Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

(This section identifies audit findings required to be reported by the 2 CFR 200.516(a) and New Jersey OMB Circular 15-08.)

## Finding 2018-003

(Repeated from Section II as required, Modified as Related to Federal Funds)
Material Weakness in Internal Control over Major Federal Programs
Noncompliance (L) - Reporting
(Direct Federal Funding)

United States Department of Housing and Urban Development
CFDA No. 14.218 - Community Development Block Grant (CDBG)
CFDA No. 14.231 - Emergency Solutions Grant (ESG)
CFDA No. 14.239 - Home Investment Partnership Grant (HOME)
CFDA No. 14.241 - Housing Opportunities for Persons with AIDS (HOPWA)
Condition: Community Development Block Grant (CDBG), Home Investment Partnership Grant (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and Emergency Shelter Grant (ESG) funds receivable and on reserve, or available for expenditure, in the City's general ledger were not reconciled with the IDIS system used for reporting such activity to the Department of Housing and Urban Development.

Context: Such reconciliations provide greater assurance that amounts reported by the City are not misrepresented and coincide with amounts reported to or maintained by grantor and oversight agencies.

Questioned Costs: None noted.

Refer to Section II for Criteria, Effect, Cause and Recommendation and Views of Responsible Officials.

## CITY OF JERSEY CITY

# SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT FOR THE YEAR ENDED DECEMBER 31, 2018 

## Status of Prior Year Findings

(This section identifies the status of prior-year audit findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 4 of Government Auditing Standards, 2 CFR 200.516(a) and New Jersey OMB Circular 15-08.)

Finding: 2017-001, 2016-002, 2015-002, 2014-003
Significant Deficiency in Internal Control

Condition: Some assets on the fixed assets inventory listing could not be verified by physical inspection. The City's asset tagging, disposal and transfer policies are not being followed by department personnel. In addition, assets transferred to the City pursuant to its dissolution of the Jersey City Parking and Incinerator Authorities were not included on City's fixed asset inventory.

Current Year Status: This finding is repeated in the current year as Finding 2018-001.

## Finding 2017-002

Material Weakness in Internal Control over Financial Reporting

Condition: Bank reconciliations for the year ended December 31, 2017 were not completed until October 2, 2018.

Current Year Status: This finding is repeated, except as to date, in the current year as Finding 2018001, but with a bank reconciliation completion date of November 6, 2019.

Finding: 2017-003, 2016-003, 2015-003
Material Weakness in Internal Control

Condition: Community Development Block Grant (CDBG), Home Investment Partnership Grant (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and Emergency Shelter Grant (ESG) funds receivable and on reserve, or available for expenditure, in the City's general ledger were not reconciled with the IDIS system used for reporting such activity to the Department of Housing and Urban Development. This finding, as it relates to CDBG, HOME and ESG, has been repeated annually since 2011.

Current Year Status: This finding is repeated as Finding 2018-003.

# SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT FOR THE YEAR ENDED DECEMBER 31, 2018 

## Status of Prior Year Findings

## Finding 2015-004

Noncompliance (B) - Allowable Costs / Cost Principles
Noncompliance (J) - Program Income
Significant Deficiency in Internal Control Over Major Programs
(Direct Federal Funding)

## United States Department of Housing and Urban Development <br> CDBG Entitlement Grants Cluster - CFDA No. 14.218 / 14.253

Condition: The City received a letter dated March 30, 2016 from the Office of Inspector General, US Department of Housing and Urban Development (OIG), in which OIG presents two findings and 30 recommendations. In summary, the OIG found (1) program income was not always collected, recorded or supported, (2) funds were used for unsupported costs, (3) CDBG activities and the City's homeownership program were not administered in compliance with program requirements, (4) unnecessary drawdowns were made and (5) the City's Integrated Disbursement and Information System (IDIS) information was not accurate or traceable to that in its accounting records [see also Finding 2015-003].

The OIG identified a total of $\$ 1,941,618$ in questioned costs and $\$ 16,206,508$ of funds to be put to better use.

Current Year Status: The City has hired legal counsel to advise and respond to the allegations and review its community development programs. Said legal counsel believes, after initial research of the OIG allegations, that adequate support exists for the CDBG expenditures questioned, and that the City should be able to defend its CDBG expenditures and develop the documentation needed to avoid the City having to repay the funds.

As of the date of this report, no final determinations have been made and it is possible the City may still be required to repay the entire amount of $\$ 18,148,126$, or an undetermined portion thereof.

# CITY OF JERSEY CITY GENERAL COMMENTS 

## DECEMBER 31, 2018

## CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-3 AND 40A:11-4, et seq.

N.J.S.A. 40A:11-3 states "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of $\$ 17,500$, the contract may be awarded by a purchasing agent or other employee so designated by the governing body when so authorized by ordinance or resolution, as appropriate to the contracting unit, without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If a purchasing agent has been appointed, the governing body of the contracting unit may establish that the bid threshold may be up to $\$ 25,000$ or the threshold amount adjusted by the Governor pursuant to subsection c . of this section. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section."

The current threshold amount as adjusted by the Governor is $\$ 40,000$. The City has appointed a Qualified Purchasing Agent and has passed a resolution raising its bid threshold to the maximum allowable amount of \$40,000.
N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b . and c . of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

The governing body of the City has the responsibility of determining whether the expenditures in any category will exceed $\$ 40,000$ within the fiscal year. Where questions arise as to whether any contract or agreement might result in a violation of the Statute, the opinion of City Counsel should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation by categories of payments for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not be reasonably ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

# CITY OF JERSEY CITY <br> GENERAL COMMENTS 

DECEMBER 31, 2018

## CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-3 AND 40A:11-4, et seq. (continued)

The minutes indicate that bids were requested by public advertisement and contracts awarded for the following items:

- Tree Planting Citywide
- Six (6) 2018 Go 4 Interceptor Scooters
- CDBG Bergen Avenue Roadway Improvements
- Engine Company \#15 Renovations
- Copier Paper and Interdepartmental Envelopes
- Preferred Meals to provide 2018 Summer Food Service Program
- Citywide Speed Humps
- Light Automotive Repairs
- Traffic Striping \& Crosswalk Maintenance
- Beam Clay Baseball Diamond Mix
- Sgt. Anthony Park - Playground Improvements
- Repair and Maintenance of Motorized Overhead Doors

Our examination of expenditures did not reveal individual payments, contracts or agreements in excess of $\$ 40,000$, "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those for which bids had been previously sought by public advertisements or for which a resolution had been previously adopted under the provision of N.J.S.A. 40A:11-6.

## CONTRACTS AND AGREEMENTS EXCEPTED FROM PUBLIC ADVERTISEMENT FOR BIDS PER N.J.S.A. 40A:11-5, et seq., 40A:11-6.1(b) AND 40A:11-12

N.J.S.A. 40A:11-12 states: "Any contracting unit under this act [the City] may without advertising for bids, or having rejected all bids obtained pursuant to advertising therefore, purchase any goods or services under any contract or contracts for such goods or services entered into on behalf of the State by the Division of Purchase and Property in the Department of the Treasury."

When utilizing state contracts, as the contracts are commonly referred to, the City is required to place its order with the vendor offering the lowest price, including delivery charges, that best meets the City's requirements, and is also required to document such with specificity prior to placing the order. The minutes indicate resolutions were adopted authorizing the awarding of contracts or agreements for "state contracts" per N.J.S.A. 40A:11-12.

# CITY OF JERSEY CITY GENERAL COMMENTS 

## DECEMBER 31, 2018

## CONTRACTS AND AGREEMENTS EXCEPTED FROM PUBLIC ADVERTISEMENT FOR BIDS PER N.J.S.A. 40A:11-5, et seq., 40A:11-6.1(b) AND 40A:11-12 (continued)

N.J.S.A. 40A:11-5.1(a)(i) states: "Any contract the amount of which exceeds the bid threshold, may be negotiated and awarded by the governing body without public advertising for bids and bidding therefor and shall be awarded by resolution of the governing body if the subject matter thereof consists of professional services. The governing body shall in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in the official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file and available for public inspection in the office of the clerk." The minutes indicate resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "professional services" per N.J.S.A. 40A:11-5.

There are additional exceptions noted in N.J.S.A. 40A:11-5, et seq., for contracts which may be negotiated and awarded by resolution of the governing body without public advertising for bids. The City has also awarded contracts under other exceptions noted in N.J.S.A. 40A:11-5 including:

- N.J.S.A. 40A:11-5.1(dd), the provision or performance of goods or services for the support or maintenance of proprietary computer hardware and software, except that this provision shall not be utilized to acquire or upgrade non-proprietary hardware or to acquire or update nonproprietary software;
- N.J.S.A. 40A:11-5.1(d), the furnishing of a tax map or maps;
- N.J.S.A. 40A:11-5.1(1), those goods and services necessary or required to prepare and conduct an election;
- N.J.S.A. 40A:11-5.3, a negotiated contract following the advertisement of bids, and for which no bid contract could be awarded due to specific circumstances as noted in the statute.
N.J.S.A. 40A:11-6.1(b) states: "When in excess of the bid threshold, and after documented effort by the contracting agent [the City] to secure competitive quotations, a contract for extraordinary unspecifiable services may be awarded upon a determination in writing by the contracting agent that the solicitation of competitive quotations is impracticable. Any such contract shall be awarded by resolution of the governing body."
N.J.S.A. 40A:11-5.1(a)(ii) further states: "The governing body shall in each instance state supporting reasons for its action in the resolution awarding each [extraordinary unspecifiable service] contract and reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed...a brief notice of the award of such contract."
The notice shall be printed once, in the official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file and available for public inspection in the office of the clerk.


# CITY OF JERSEY CITY <br> GENERAL COMMENTS 

DECEMBER 31, 2018

## CONTRACTS AND AGREEMENTS EXCEPTED FROM PUBLIC ADVERTISEMENT FOR BIDS PER N.J.S.A. 40A:11-5, et seq., 40A:11-6.1(b) AND 40A:11-12 (continued)

The minutes indicate resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "extraordinary unspecifiable services" per N.J.S.A. 40A:11-6.1(b) for Insurance Consulting Services and Life Insurance for Management Employees.

## EXPENDITURE LESS THAN BID THRESHOLD, BUT 15\% OR MORE OF THAT AMOUNT PER N.J.S.A. 40A:11-6.1

N.J.S.A. 40A:11-6.1 states: "For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, except for paragraph (a) of subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5) concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting unit shall award the contract after soliciting at least two competitive quotations, if practicable." The City advised us that quotations were, for the most part, solicited for items, the cost of which was $\$ 6,000$ or more, within the terms of N.J.S.A. 40A:11-6.1.

## COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

Statutes provide 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 adopted the following resolution authorizing interest to be charged on delinquent taxes:
"In all cases, interest shall be calculated and charged at the rates of $8 \%$ per annum on the first $\$ 1,500$ of the delinquency, and $18 \%$ per annum on any delinquent amounts in excess of $\$ 1,500$, to be calculated from the date upon which the taxes first became due and payable to the date that the payment is actually received."

In all instances tested, the collector's records indicate that interest was collected in accordance with the foregoing resolution.

# CITY OF JERSEY CITY <br> GENERAL COMMENTS 

## DECEMBER 31, 2018

## CHANGE ORDERS EXCEEDING 20 PERCENT OF ORIGINALLY AWARDED CONTRACT PRICE

Change orders exceeding the originally awarded contract price by more than $20 \%$ are allowed only in limited instances. The authorization process requires a resolution of the governing body and an affidavit of publication for notice in an officially designated newspaper of the entity. The minutes indicate the following change orders which exceeded $20 \%$ of the originally awarded contract during 2018:


# CITY OF JERSEY CITY COMMENTS AND RECOMMENDATIONS 

DECEMBER 31, 2018

(Finding References continued from Sections II and III of the Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs, which can found on pages 283 through 289 of this report.)

## FINDING 2018-004:

The City is not in compliance with State regulations concerning the funding of capital projects. Unfinanced costs totaling $\$ 13,040,080$ for capital projects over five years old remain on the City's books, consisting of $\$ 11,452,822$ for general projects and $\$ 1,587,258$ for school projects. The City has annually reduced its unfunded costs for projects over five years old since 2014.

Recommendation: The City should continue to fund its remaining Unfunded Deferred Charges to Future Taxation in excess of five years old.

## FINDING 2018-005:

Voters of the City approved, through referendum, the establishment of a tax levy to fund a Municipal Open Space, Recreation and Historic Preservation Trust Fund. Statutes require the dedicated tax to be deposited into a dedicated depository. No such depository was established as of year end.

Recommendation: The City should establish a dedicated depository for the sole purpose of accounting for the proceeds of its Municipal Open Space Tax Levy, as required by various State statutes and regulations.

## FINDING 2018-006:

The City does not maintain an automated grants receivable subsidiary ledger integrated into its accounting system. Currently, the grants receivable subsidiary ledger is maintained off-line. As grant monies are received, the grant receivable general ledger account is credited. These receipts are then identified and posted to the manual subsidiary ledger. This process enables posting delays and is prone to posting error, as evidenced by the number of receipt re-allocations posted annually. Further, whereas grant receipts often originate from filings of various Departments, the responsibility to identify the source of funds and allocation to the proper grant is placed on Treasury and Accounts and Control. This lack of a cohesive City-wide process to identify grant receipts contributes to posting errors.

Recommendation: City Departments which administer grants and file for reimbursement should coordinate with Treasury and Accounts and Control when grant funds are expected in order to reduce delays and posting errors in regards to grant receipts. Further, the City should integrate a grants receivable subsidiary ledger into its accounting system.

# CITY OF JERSEY CITY COMMENTS AND RECOMMENDATIONS 

## DECEMBER 31, 2018

## FINDING 2018-007:

Various interfund balances remain on the City's balance sheets at year end, including interfunds due to the City's Current Fund from the State and Federal Grants Fund, General Capital Fund and Payroll Agency Trust Fund in the amounts of $\$ 16,958,637, \$ 3,687,109$ and $\$ 3,398517$, respectively. Across funds, interfund balances exceed $\$ 25$ million. Amounts due to the Current Fund total $\$ 24,692,357$ and result in a corresponding reduction in fund balance, as accounting rules do not allow these receivables to be realized until collected in cash.

Recommendation: The City should make certain interfunds balances are transferred prior to yearend, to the extent possible. In addition, transfers between funds should be conducted with more care so as to not create significant interfunds unnecessarily.

## FINDING 2018-008:

In order to continue receipt of real property Senior Citizen tax deductions, those receiving the tax credits must file annual post-tax year income statements with the municipal tax collector. In order to test compliance with this requirement, audit procedures selected 25 Senior Citizen deductions and requested the corresponding annual post-tax year income statement. The Tax Collector's Office could not provide five of the 25 statements. In addition, two of the statements indicated disallowed deductions per the Tax Collector, however the deduction remained in the system. Further, of 15 Veteran deductions selected, three applications were not available for audit review.

Recommendation: The Tax Collector's office should disallow all deductions for which no annual post-tax year income statement is filed and make certain all disallowed deductions are removed from the tax system. In addition, original applications should be retained for audit review.

## FINDING 2018-009:

N.J.S.A. 54:4-4.4 requires the City to obtain by November 1 of every third succeeding year, said a further statement under oath from each owner of real property for which a tax exemption is claimed. The purpose of this further statement is to determine whether there has been any change of use of any of property initially determined as being entitled to exemption, and whether that property should remain e empt. An audit sample of 60 exempt properties identified four instances in which no initial statement or current further statement was on file within the past three years.

Recommendation: The City should obtain further statements for all exempt properties as required by N.J.S.A. 54:4-4.4. Properties failing to file the required further statement should be followed up with by the City Assessor's office and a determination should be made whether the property should remain as exempt on the City's tax records.

# CITY OF JERSEY CITY COMMENTS AND RECOMMENDATIONS 

## DECEMBER 31, 2018

## FINDING 2018-010:

N.J.S.A. 40A:20-9(d) requires entities which enter into long term tax exemption agreements with the City must submit audit reports annually. Of fifteen such audits sampled, one entity submitted financial statements which were reviewed by accountants, but not audited. A review is substantially less in scope than an audit and does not provide an opinion on the financial statements.

Recommendation: The City should make certain all urban renewal entities with financial agreements for long term exemptions are annually submitted audits as required by N.J.S.A. 40A:20-9(d).

## FINDING 2018-011:

Testing of 25 Parking Enforcement daily deposit forms resulted in five instances in which the revenue could not be traced to the City's revenue reports, while the 20 items which could be traced were recorded several weeks to months after the revenue was received. In addition, duplicate revenues were posted in the amount of $\$ 236,212$, which were subsequently adjusted for.

Recommendation: Controls over Parking Enforcement receipts should include monthly departmental reconciliations to the amounts turned over, and procedures established to prevent the duplicate recording of revenues.

## FINDING 2018-012:

Our review of the Municipal Court Monthly Management Report for December 2018 indicated that there was a backlog of tickets Eligible for Dismissal, Eligible for Order of Driver License Suspension, Eligible for Failure to Appear over 14 days and Eligible for Warrant. This indicates substantial backlog of tickets. In addition our review of Tickets Assigned and Not Issued has tickets outstanding for more than six months and Tickets Assigned Not Issued had numerous tickets listed. This finding is repeated from the prior year.

Recommendation: The Municipal Court should review these tickets and determine their disposition and remove them from the Automated Traffic System.

# CITY OF JERSEY CITY COMMENTS AND RECOMMENDATIONS 

## DECEMBER 31, 2018

## Status of Prior Years' Audit Recommendations

A review was performed on all prior year's recommendations. With the exception of those findings noted as being repeated from the prior year, corrective action was taken on all prior year recommendations.

## Corrective Action

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the governing body and submitted within 60 days from the date the audit is received.

## Schedule of Findings and Questioned Costs

We noted certain other matters that we reported in the accompanying schedule of findings and questioned costs section of this report. Such matters are required to be reported under Government Auditing Standards, Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and N.J. OMB Circular 1508, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.


[^0]:    $\frac{\text { Description }}{\text { Senior Nutrition Program }}$
    Senior Nutrition Program
    Senior Farmer's Market
    Sexually Transmitted Disease Control (STD)
    Sub-Regional Studies Project
    Sub-Regional Transportation
    Summer Expansion Program
    Summer Food Program
    Summer Works Initiative
    Sustainable Jersey Gardening
    Target Corporation - National N
    Target Corporation - National Night Out
    Target Corporation - Soccer Youth Program
    Target Corporation - Soccer Youth Program
    The Conservation Fund
    The Hartford - Junior Firefighter
    WIC Health Service Grant (HSG)
    Youth Corp Urban Gateway Enh. Program
    HUD - CDBG
    HUD - HOME
    HUD - HOPWA
    HUD - Emergency Solutions

[^1]:    
    18-008: Reappropriation Engine 10
    18-009: Mask Service Unit Truck - Fire Department
    18-013: Reappropriation Annex (\#18-189)
    18-017: Passenger Buses - Recreation
    18-038: Various City Improvements
    18-113: Bayfront I Redevelopment
    Grand Total

[^2]:    Qualified Public 03／20／2013
    Improvement Refunding Bonds，
    Taxable Series 2013A
    12／11／2014 $)^{12 / 11 / 2014}$
    Bonds，Series 2014 （Callable）
    Ordinance No． 14.131

[^3]:    The City's self-insurance fund carries the following coverage for City officials in office:
    Public officials' liability insurance with limits of $\$ 1,000,000$ for employee theft and $\$ 1,500,000$ for premises theft.
    Directors and Officers liability policy with limits of $\$ 2,000,000$.
    Officials so noted have additional surety bond coverage of (1) $\$ 1,000,000$ and (2) $\$ 1,500,000$.

[^4]:    

