

FINANCIAL STATEMENTS, SUPPLEMENTARY SCHEDULES AND
SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

City of Hoboken
County of Hudson, New Jersey

June 30, 2006

City of Hoboken
County of Hudson, New Jersey

Financial Statements, Supplementary Schedules
and Schedules of Expenditures of
Federal and State Awards

June 30, 2006

Report of Independent Auditors on Financial Statements, Supplementary
Schedules and Schedules of Expenditures of Federal and State Awards

Financial Statements	<u>Financial Statement Exhibit</u>
Current Fund	
Balance Sheets	A
Statements of Operations and Changes in Fund Balance	A-1
Statement of 2006 Revenues	A-2
Statement of 2006 Appropriations	A-3
Trust Fund	
Balance Sheets	B
General Capital Fund	
Balance Sheets	C
Statement of Fund Balance	C-1
Parking Utility Funds	
Balance Sheets	D
Statements of Operations and Changes in Fund Balance	D-1
Statement of Revenues	D-2
Statement of Expenditures	D-3
Notes to Financial Statements	
Additional Information	<u>Schedules</u>
Current Fund	
Schedule of Cash	1-A
Schedule of Taxes Receivable and Analysis of Property Tax Levy	2-A
Schedule of Tax Title Liens	3-A
Schedule of Property Acquired for Taxes at Assessed Valuation	4-A
Schedule of Due from State of New Jersey for Senior Citizens and Veterans Deductions Per Chapter 20 P.L. 1971	5-A
Schedule of Mortgage Receivable	6-A

Additional Information (continued)**Schedules**

Current Fund (continued)

Schedule of Revenue Accounts Receivable	7-A
Schedule of Interfunds	8-A
Schedule of Water Liens Receivable	9-A
Schedule of Deferred Charges	10-A
Schedule of 2005 Appropriation Reserves	11-A
Schedule of Prepaid Taxes	12-A
Schedule of Tax Overpayments	13-A
Schedule of Promissory Note Payable - HCIA	14-A
Schedule of Various Reserves	15-A
Schedule of Local District School Tax	16-A
Schedule of County Taxes Payable	17-A
Schedule of Grants Receivable	18-A
Schedule of Interfunds Receivable (Payable) Federal, State and County Grant Fund	19-A
Schedule of Appropriated Reserves	20-A
Schedule of Unappropriated Reserves	21-A
Schedule of Deferred Charges – Expenditure without Appropriation	22-A

Trust Fund

Schedule of Cash - Treasurer	1-B
Schedule of Due to Current Fund – Animal Control Trust Fund	2-B
Schedule of Community Development Block Grant Receivable – Community Development Block Grant Trust Fund	3-B
Schedule of Due to State of New Jersey – Animal Control Trust Fund	4-B
Schedule of Reserve for Animal Control Expenditures – Animal Control Trust Fund	5-B
Schedule of Reserve for Other Trust Fund Deposits	6-B
Schedule of Due to Section 8 – Housing Assistance Program – Community Development Block Grant Trust Fund	7-B
Schedule of Reserve for Community Development Block Grant – Community Development Block Grant Trust Fund	8-B
Schedule of Reserves for Section 8 – Housing Assistance Program	9-B
Schedule of Due to Current Fund– Section 8 – Housing Assistance Program	10-B
Schedule of Due to Current Fund – Community Development Block Grant Trust Fund	11-B

General Capital Fund

Schedule of Capital Cash	1-C
Schedule of Analysis of General Capital Cash	2-C
Schedule of Deferred Charges to Future Taxation - Funded	3-C
Schedule of Deferred Charges to Future Taxation - Unfunded	4-C

Additional Information (continued)	<u>Schedules</u>
General Capital Fund (continued)	
Schedule of Capital Improvement Fund	5-C
Schedule of Improvement Authorizations	6-C
Schedule Bond Anticipation Notes Payable	7-C
Schedule of Serial Bonds	8-C
Schedule of Deferred Charges	9-C
Schedule of Due from Current Fund	10-C
Schedule of Green Acres Loan Payable	11-C
Schedule of Underground Storage Tank Removal Loan Payable	12-C
Schedule of Reserve for Castle Point Project	13-C
Schedule of Bonds and Notes Authorized but Not Issued	14-C
Parking Utility Funds	
Schedule of Cash Receipts and Disbursements	1-D
Schedule of Due From Current Fund	2-D
Schedule of Fixed Capital	3-D
Schedule of Security Deposits	4-D
Schedule of Accrued Interest Payable	5-D
Schedule of Bond Anticipation Notes Payable	6-D
Schedule of Serial Bonds Payable	7-D
Schedule of Reserve for Amortization	8-D
Schedule of Deferred Charges	9-D
Supplementary Information Relating to Expenditures of Federal and State Awards	
Schedule of Expenditures of Federal Awards	
Schedule of Expenditures of State Awards	
Notes to Schedules of Expenditures of Federal and State Awards	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	
Schedule of Findings and Questioned Costs	
Comments Section	
Scope of Audit	
Contracts and Agreements Required to be Advertised, Disqualification of Bidder - N.J.S.A. 40A:11-4	
Collection of Interest on Delinquent Taxes, Assessments and Utility Charges	
Tax Sale	
Comparative Schedule of Tax Rate Information	
Comparison of Tax Levies and Collection	
Delinquent Taxes and Tax Title Liens	
Property Acquired by Tax Title Lien Liquidation	
Officials in Office and Surety Bonds	
Comments and Recommendations	

Report of Independent Auditors on Financial Statements, Supplementary Schedules and Schedules of Expenditures of Federal and State Awards

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

We have audited the accompanying statutory-basis financial statements of the City of Hoboken (the “City”), County of Hudson, New Jersey as of June 30, 2006 and 2005 and for the year ended June 30, 2006, listed as financial statement exhibits in the foregoing table of contents. These financial statements are the responsibility of the City's administration. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States, in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the City's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the administration, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note 1, except for not presenting a statement of general fixed assets, these financial statements were prepared in conformity with the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States. The effects of the differences from accounting principles generally accepted in the United States are not reasonably determinable.

In our opinion, because of the effects of the use of prescribed accounting practices that differ from accounting principles generally accepted in the United States as described in the preceding paragraph, the financial statements referred to above do not present fairly,

in conformity with accounting principles generally accepted in the United States, the financial position of the City as of June 30, 2006 and 2005 or the results of its operations or changes in fund balances for the year ended June 30, 2006.

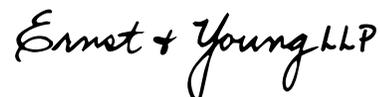
Also, in our opinion, except for the omission of a statement of the general fixed assets account group, the financial statements referred to above present fairly, in all material respects, the financial position of the City as of June 30, 2006 and 2005, and the results of its operations and the changes in its fund balances for the year ended June 30, 2006 in conformity with the accounting practices prescribed by the Division of Local Government Services as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2006 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* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming opinions on the statutory-basis financial statements taken as a whole. The accompanying supplementary schedules and comments section listed in the foregoing table of contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the statutory-basis financial statements. Such supplementary information has been subjected to the auditing procedures applied in our audit of the 2005 statutory-basis financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2005 statutory-basis financial statements taken as a whole.



Randy P. Nelson
Registered Municipal Accountant
(#424)



December 28, 2006

Financial Statements

Current Fund

Exhibits

City of Hoboken
Hudson County, New Jersey
Current Fund

Balance Sheets

	Reference	June 30	
		2006	2005
Assets			
Current Fund:			
Cash	1-A	\$ 7,831,318	\$ 7,594,433
Change fund		750	750
		<u>7,832,068</u>	7,595,183
Other Receivables			
Due from State of New Jersey-Senior Citizen and Veterans deductions	5-A	65,731	26,478
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	2-A	3,292	42,469
Tax title liens receivable	3-A	453,254	436,939
Property acquired for taxes at assessed valuation	4-A	2,806,900	2,806,900
Mortgage receivable	6-A	822,325	935,429
Revenue accounts receivable	7-A	151,305	
Interfund receivable	8-A	276,846	733,982
Water liens	9-A	46,261	46,261
		<u>4,560,183</u>	5,001,980
Deferred charges	10-A	1,102,020	2,349,563
		<u>\$ 13,560,002</u>	<u>\$ 14,973,204</u>
Federal, State and County Grant Fund			
Cash	1-A	\$ 3,394,890	
Grants receivable	18-A	351,354	\$ 1,977,269
Deferred charges-expenditure without authorization	22-A		872,685
		<u>\$ 3,746,244</u>	<u>\$ 2,849,954</u>
Liabilities, reserves and fund balance			
Current Fund:			
Liabilities			
Appropriation reserve:	A-3, 11-A	\$ 1,755,008	\$ 1,769,500
Reserve for encumbrances	A-3, 11-A	915,828	587,687
Prepaid taxes	12-A	125,046	20,754
Interfund payable	8-A	804,585	1,072,059
Tax overpayments	13-A	1,685,394	1,844,268
Promissory note payable - HCL/	14-A	822,325	935,429
Various reserves	15-A	308,137	249,815
School district taxes payable	16-A		508,216
Security deposit payable	Unchanged	4,000	4,000
		<u>6,420,323</u>	6,991,728
Reserve for receivable:	A	4,560,183	5,001,980
Fund balance	A-1	2,579,496	2,979,496
		<u>\$ 13,560,002</u>	<u>\$ 14,973,204</u>
Federal, State and County Grant Fund			
Appropriated reserve:	20-A	\$ 2,539,668	\$ 1,973,356
Reserve for encumbrances	20-A	3,336	72,662
Unappropriated reserves:	21-A	926,394	382,102
Due to Current Fund	19-A	276,846	421,834
		<u>\$ 3,746,244</u>	<u>\$ 2,849,954</u>

See accompanying notes.

City of Hoboken
Hudson County, New Jersey
Current Fund

Statements of Operations and Changes in Fund Balance

	<u>Reference</u>	<u>Year ended June 30</u>	
		<u>2006</u>	<u>2005</u>
Revenues and other income realized:			
Fund balance utilized	A-2	\$ 400,000	
Miscellaneous revenue anticipated	A-2	49,997,972	\$ 47,312,245
Receipts from delinquent taxes	A-2	58,784	165,706
Receipts from current taxes	A-2	88,724,641	82,556,422
Non-budget revenue	A-2	171,409	191,655
Other credits to income:			
Unexpended balance of appropriation reserves	11-A	192,971	618,363
Receipts from Water liens receivable			130,466
Interfunds returned	8-A	733,982	445,108
		<hr/>	
Total revenues and other income realized		140,279,759	131,419,965
Expenditures:			
Budget appropriations	A-3	75,049,365	71,244,315
Local district school tax	16-A	31,750,000	29,584,589
County taxes	17-A	34,095,601	30,969,599
Interfund advances	8-A	276,846	733,982
Tax appeal judgments	13-A	139,207	947,297
		<hr/>	
Total expenditures		141,311,019	133,479,782
		<hr/>	
Excess (deficit) in revenues		(1,031,260)	(2,059,817)
Adjustments to income before fund balances:			
Expenditures included above which are deferred charges to budget of succeeding year:			
Deficit in operations	10-A	1,031,260	1,282,504
Overexpenditure of appropriations			11,217
Overexpenditure of appropriation reserves			16,096
Emergency appropriations			750,000
		<hr/>	
		1,031,260	2,059,817
		<hr/>	
Statutory excess/(deficit) to surplus		-	-
		<hr/>	
Fund balance, beginning of year	A	2,979,496	2,979,496
		<hr/>	
		2,979,496	
Decreased by utilization of anticipated revenue	A-1, A-2	400,000	
		<hr/>	
Fund balance, end of year	A	\$ 2,579,496	\$ 2,979,496
		<hr/>	

See accompanying notes.

City of Hoboker
Hudson County, New Jersey
Current Fund

Exhibit A-2
p. 1

Statement of 2006 Revenues

Year ended June 30, 2006

	Reference	Anticipated Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 400,000	\$ 400,000	
Miscellaneous Revenues				
Licenses:				
Alcoholic Beverages	7-A	261,100	268,240	7,140
Other	7-A	373,038	166,865	(206,173)
Fees and Permits	7-A	151,282	257,334	106,052
Zoning Board of Adjustment Fees	7-A	191,265	205,311	14,046
Planning Board Fees	7-A	98,440	56,839	(41,601)
Rent Leveling Fees	7-A	36,366	49,188	12,822
Fines and Costs:				
Municipal Court	7-A	3,339,931	3,582,074	242,143
Parking Tax	7-A	608,328	687,694	79,366
Interest and Cost on Taxes	7-A	231,000	161,550	(69,450)
Interest on Investments and Deposits	7-A	173,520	448,415	274,895
Riverview Cablevision Associates	7-A	159,287	163,418	4,131
Rents - City Owned Property	7-A	262,879	166,210	(96,669)
Crosstown Bus Line	7-A	18,860	12,638	(6,222)
SJP Properties - Block A - Phase I	7-A	936,000	947,332	11,332
SJP Properties - Block A - Phase II	7-A	936,000	947,332	11,332
SJP Properties/Applied - Block B	7-A	271,000		(271,000)
Applied Development Co. - South Waterfront - Block C	7-A	1,247,654	1,235,072	(12,582)
St. Mary's Hospital PILOT	7-A	40,000	40,179	179
Grogan Marineview Plaza	7-A	468,771	522,058	53,287
Clocktowers	7-A	151,908	57,977	(93,931)
Marion Towers Associates	7-A	183,491	179,342	(4,149)
Church Towers Urban Renewal	7-A	452,771	458,264	5,493
Columbian Towers	7-A	89,676	106,071	16,395
Columbian Arms	7-A	25,848	34,439	8,591
Hudson Square North	7-A	158,257	51,823	(106,434)
Willow Avenue Associates - 800 - 812 Willow Avenue	7-A	41,372	44,654	3,282
Applied Housing - 1203-1219 Williw Avenue	7-A	235,152	244,790	9,638
Applied Housing - 1201-1221 Washington Estates	7-A	389,582	411,375	21,793
Applied Housing - 1200-1220 Hudson Estates	7-A	420,524	429,067	8,543
Applied Housing - 1301-1309 Bloomfield Estates	7-A	127,507	128,730	1,223
Applied Housing - Midway 500-508 Adams Street	7-A	205,996	197,952	(8,044)
Applied Housing - Elysian Estates	7-A	69,882	32,032	(37,850)
Applied Housing - Church Square	7-A	108,664	125,399	16,735
Applied Housing - Eastview Associates	7-A	98,204	39,951	(58,253)
Applied Housing - Westview Associates	7-A	175,186	90,080	(85,106)
Applied Housing - Northvale I - 911-923 Clinton Street	7-A	355,317	367,634	12,317
Applied Housing - Northvale II - 901-919 Clinton Street	7-A	340,984	372,404	31,420
Applied Housing - Northvale IIIA	7-A	53,776	100,188	46,412
Applied Housing - Northvale III B - 1106-1014 Clinton Street	7-A	80,777	92,457	11,680
Applied Housing - Northvale IV - 58 11th Street	7-A	13,354	14,631	1,277
Pilot Pay 1300 Grand Street	7-A	806,385	801,995	(4,390)
Pilot Pay 1200 Grand Street	7-A	775,000	472,472	(302,528)
New Jersey Transit - Transport of New Jersey	7-A	2,500,000	2,764,288	264,288
Hudson Square North-Mortgage Receivable	7-A	55,754	55,754	-
Consolidated Municipal Property Tax Relief Aid	7-A	13,353,618	13,353,618	-
Legislative Initiative Municipal Block Grant	7-A	151,261	151,261	-
Energy Receipts Tax	7-A	2,076,457	2,076,457	-
Homeland Security Assistance Aid	7-A	140,000	140,000	-
State Local Cooperative Housing Inspection Program	7-A	70,000		(70,000)
Uniform Construction Code Fees	7-A	1,367,180	1,838,404	471,224
Hoboken Housing Authority - Public Safety	7-A	540,000	585,000	45,000
Hoboken Board of Education - Public Safety	7-A	90,000	72,704	(17,296)
Home Support & Adult Day Care Comprehensive Program for the Elderly	21-A	2,945	2,945	-
Summer Food Service Program	18-A	29,000	29,000	-
Domestic Violence	21-A	10,000	10,000	-

City of Hoboker
Hudson County, New Jersey
Current Fund

Statement of 2006 Revenues

Year ended June 30, 2006

	Reference	Anticipated Budget	Realized	Excess or (Deficit)
COPS in School	18-A	127,919	127,919	-
Monument Renovation	21-A	75,000	75,000	-
COPS Tech	21-A	519,671	22,921	(496,750)
Operation New Adventure	21-A	35,000	35,000	-
HR Water Castle PT Project	21-A	150,000	150,000	-
Recycling Tonnage	18-A	117,320	117,320	-
Clean Communities Program - Chapter 159	18-A	35,734	35,734	-
Drunk Driving Enforce	21-A	22,929	22,929	-
Hud City Open Space Grant - Chapter 159	18-A	2,000,000	2,000,000	-
Click it or Ticket - Chapter 159	18-A	4,000	4,000	-
Anti-Gang Initiative Grant - Chapter 159	18-A	15,000	15,000	-
Roadway Improvements Prog.	18-A	300,811	300,811	-
Comm Dev Block Adm Costs	18-A	125,000	125,000	-
NJ Transportation Trust Fund	21-A	32,390	32,390	-
NJ Public Health Prior Fund	18-A	6,212	6,212	-
Alcohol & Rehab.	21-A	453	453	-
Municipal Alliance Grant - Chapter 159	18-A	46,543	46,543	-
Smart Growth/Historic Trust	21-A	15,000	15,000	-
NJDEP Municipal Stormwater Regulation Program	21-A	15,464	15,464	-
Capital Surplus	7-A	126,196	83,369	(42,827)
Added Assessments	2-A	1,324,508	1,324,510	2
Reserve, Outside-Duty Police Administration	7-A	140,000	140,000	-
Sinatra Park Concession	7-A	42,000	42,000	-
Sale of Municipal Garage	7-A	5,000,000	5,000,000	-
Bus Shelter Revenue	7-A	2,700	-	(2,700)
Anticipated Parking Utility Operating Surplus	7-A	3,483,399	3,500,000	16,601
Taxi Auction	7-A	1,500,000	2,234,000	734,000
Total Miscellaneous Revenues	A-1	<u>50,813,798</u>	<u>51,322,482</u>	<u>508,684</u>
Receipts from Delinquent Taxes	A-1		<u>58,784</u>	<u>58,784</u>
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax For Municipal Purposes Including Reserve for Uncollected Taxes	A-2	<u>24,386,002</u>	<u>21,736,530</u>	<u>(2,649,472)</u>
Total Amount to be Raised by Taxes for Support of Municipal Budget	2-A	<u>24,386,002</u>	<u>21,736,530</u>	<u>(2,649,472)</u>
Non-Budget Revenue	A-1		<u>171,409</u>	<u>171,409</u>
Budget Totals	A-3	<u>\$ 75,599,800</u>	<u>\$ 73,689,205</u>	<u>\$ (1,910,595)</u>
Original budget	A-3	\$ 73,197,712		
Special items of revenue	A-3	<u>2,402,088</u>		
	Above	<u>\$ 75,599,800</u>		

City of Hoboken
Hudson County, New Jersey
Current Fund

Statement of 2006 Appropriations

Year ended June 30, 2006

Appropriations	Appropriated		Expended		Reserved	Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered		
Operations within "CAPS"						
Mayor's Office						
Salaries and Wages	\$ 268,000	\$ 268,500	\$ 268,312		\$ 188	
Other Expenses	3,000	3,000	2,932	\$ 60		8
City Council						
Salaries and Wages	197,000	199,000	198,978			22
Other Expenses	10,000	10,500	9,436	171		893
City Clerk's Office						
Salaries and Wages	344,000	327,295	283,200			44,095
Other Expenses	8,000	8,000	7,139	530		331
Other Expenses-Legal Advertising	35,000	35,000	23,924	3,252		7,824
Other Expenses-Codification of Ordinances	6,000	6,000	5,720			280
Salaries and Wages-Elections	30,300	31,800	29,479			2,321
Other Expenses-Elections (Emergency \$100,000)	50,000	50,000	27,520	9,289		13,191
Business Administrator's Office						
Salaries and Wages	247,500	256,000	255,933			67
Other Expenses	103,500	103,500	83,815	762		18,923
Purchasing						
Salaries and Wages	132,000	168,000	167,586			414
Other Expenses	3,500	3,500	3,340			160
Personnel and Health Benefits						
Salaries and Wages	194,900	196,300	196,172			128
Other Expenses	5,000	3,600	1,552	1,018		1,030
Constituent Services						
Salaries and Wages	181,600	173,600	170,846			2,754
Other Expenses	6,500	6,500	2,537	1,331		2,632
Zoning Administration						
Salaries and Wages	138,400	139,900	139,775			125
Other Expenses	1,000	1,000	40	328		632

City of Hoboken
Hudson County, New Jersey
Current Fund

Statement of 2006 Appropriations

Year ended June 30, 2006

<u>Appropriations</u>	<u>Appropriated</u>		<u>Expended</u>		Reserved	Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered		
Uniform Construction Code						
Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Salaries and Wages	730,000	672,800	667,619		5,181	
Other Expenses	220,000	252,200	234,500	2,671		15,029
Corporation Counsel						
Salaries and Wages	379,800	379,800	378,787			1,013
Other Expenses	12,500	12,500	11,530	780		190
Other Expenses - Special Counsel	650,000	725,000	649,536	61,219		14,245
Other Expenses - Expert Witness and Appraisal	5,000	5,000	-	390		4,610
Revenue and Finance Director						
Salaries and Wages	254,200	287,200	285,344			1,856
Other Expenses	178,500	185,500	159,960	7		25,533
Annual Audit						
Other Expenses	240,000	222,000	220,000	1,500		500
Accounts and Control						
Salaries and Wages	142,700	137,700	135,410			2,290
Other Expenses	30,000	30,000	27,381			2,619
Payroll						
Salaries and Wages	76,100	76,800	76,617			183
Other Expenses	1,000	1,000	644			356
Tax Collections						
Salaries and Wages	288,000	297,500	297,169			331
Other Expenses	40,000	43,000	37,248	2,274		3,478
Information Technology						
Salaries and Wages	58,000	55,000	53,275			1,725
Other Expenses	5,000	5,000	3,152			1,848
Office of the Tax Assessor						
Salaries and Wages	291,100	293,600	293,220			380
Other Expenses	23,300	27,000	21,057	899		5,044

City of Hoboken
Hudson County, New Jersey
Current Fund

Statement of 2006 Appropriations

Year ended June 30, 2006

Appropriations	Appropriated		Expended		Reserved	Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered		
Department of Human Services						
Director's Office						
Salaries and Wages	149,000	154,000	143,994		10,006	
Other Expenses	2,500	2,500	1,771	238		491
Rent Leveling						
Salaries and Wages	169,700	169,700	169,135			565
Other Expenses	53,000	53,000	52,355	294		351
Housing Inspections						
Salaries and Wages	191,000	181,000	180,240			760
Other Expenses	3,500	3,500	3,066	197		237
Transportation						
Salaries and Wages	245,000	240,000	235,728			4,272
Other Expenses	7,000	7,000	(4,329)	1,785		9,544
Health						
Salaries and Wages	360,000	357,000	356,564			436
Other Expenses	100,000	120,000	107,331	11,554		1,115
Senior Citizens						
Salaries and Wages	425,000	413,000	411,085			1,915
Other Expenses	30,000	31,000	28,331	841		1,828
Hispanic and Minority Affairs						
Salaries and Wages	15,000	3,000	1,856			1,144
Other Expenses	5,500	5,500	5,088			412
Recreation and Cultural Affairs						
Salaries and Wages	774,000	774,000	751,727			22,273
Other Expenses	300,000	335,000	283,878	9,635		41,487
Department of Environmental Services						
Director's Office						
Salaries and Wages	440,600	455,600	438,124			17,476
Other Expenses	3,000	3,000	2,287	158		555
Parks						
Salaries and Wages	543,000	602,000	596,996			5,004
Other Expenses	100,000	100,000	75,817	14,935		9,248

City of Hoboken
Hudson County, New Jersey
Current Fund

Statement of 2006 Appropriations

Year ended June 30, 2006

Appropriations	Appropriated		Expended		Reserved	Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered		
Public Property						
Salaries and Wages	740,000	706,000	703,751		2,249	
Other Expenses	220,000	253,000	211,326	34,042	7,632	
Streets and Roads						
Other Expenses	66,000	69,000	53,521	6,198	9,281	
Signal and Traffic						
Salaries and Wages	125,000	129,000	128,870		130	
Other Expenses	25,000	20,000	18,299	377	1,324	
Central Garage						
Salaries and Wages	137,000	139,300	138,975		325	
Other Expenses	200,000	215,000	188,332	17,627	9,041	
Sanitation						
Salaries and Wages	1,476,680	1,479,680	1,476,409		3,271	
Other Expenses	2,924,409	3,019,409	2,776,348	216,263	26,798	
Department of Community Development						
Director's Office						
Salaries and Wages	134,800	142,800	132,719		10,081	
Other Expenses	115,000	115,000	107,584	1,524	5,892	
Grants Management						
Salaries and Wages	70,000	59,000	57,424		1,576	
Other Expenses	2,000	2,000	476	1,049	475	
Waterfront Development						
Other Expenses	55,000	55,000	44,313		10,687	
Planning Board						
Salaries and Wages	91,700	86,700	86,149		551	
Other Expenses	65,000	65,000	52,303	4,240	8,457	
Zoning Board of Adjustment						
Other Expenses	75,000	75,000	74,743	112	145	
Historic Preservation Committee						
Other Expenses	400	400	362		38	

City of Hoboken
Hudson County, New Jersey
Current Fund

Statement of 2006 Appropriations

Year ended June 30, 2006

<u>Appropriations</u>	<u>Appropriated</u>		<u>Expended</u>		Reserved	Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered		
Department of Public Safety						
Police						
Salaries and Wages (Emergency \$350,000)	13,943,696	13,943,696	13,830,941		112,755	
Other Expenses	370,000	370,000	355,220	14,683	97	
Acquisition of Police Vehicles	25,000	19,000	16,124	1,584	1,292	
Fire						
Salaries and Wages (Emergency \$300,000)	11,900,000	11,900,000	11,550,687		349,313	
Other Expenses	265,000	265,000	149,185	55,457	60,358	
Uniform Fire Safety Act (PL83,c.383)						
Salaries and Wages	11,000	11,000	11,000			
Office of Emergency Management						
Salaries and Wages	20,500	22,200	21,027		1,173	
Other Expenses	5,000	4,300	2,085		2,215	
Municipal Court						
Salaries and Wages	869,400	869,400	861,644		7,756	
Other Expenses	125,000	125,000	100,504	4,568	19,928	
Public Defender						
Salaries and Wages	57,300	57,300	57,282		18	
Other Expenses	3,500	3,500	1,153	1,250	1,097	
Unclassified						
Alcoholic Beverage Control Board						
Salaries and Wages	7,100	7,100	7,000		100	
Other Expenses	3,000	3,000	2,162		838	
Volunteer Ambulance (NJSA 40:5-2)	40,000	40,000	40,000			
North Hudson Regional Council of Mayors						
Other Expenses	56,692	56,692	56,692		-	
NJ Right to Know	5,000	5,000	-	3,285	1,715	
Engineering	105,000	105,000	100,586		4,414	
Municipal Dues and Memberships	18,000	18,000	16,368		1,632	
Celebration of Public Events	60,000	60,000	55,765	3,024	1,211	
Postage	130,000	130,000	127,340		2,660	
Office Machines	50,000	50,000	43,540		6,460	
Stationary and Office Supplies	11,500	11,500	8,151	94	3,255	

City of Hoboken
Hudson County, New Jersey
Current Fund

Statement of 2006 Appropriations

Year ended June 30, 2006

Appropriations	Appropriated		Expended		Reserved	Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered		
Electricity	370,000	385,000	364,423	19,440	1,137	
Street Lighting	500,000	531,000	484,756	45,555	689	
Gasoline	265,000	286,000	251,246	33,268	1,486	
Fuel	40,000	26,000	25,135	337	528	
Water and Sewer	55,000	2,000	1,710		290	
Communications	226,000	226,000	215,462	10,531	7	
Telecommunications Equipment	13,500	13,500	11,770		1,730	
Master Plan	100,000	100,000	78,983		21,017	
Total Operations within "CAP"	45,681,377	45,986,872	44,371,574	600,626	1,014,672	-
Salary Adjustment	344,440	37,745	37,745			
Contingent	16,000	16,000	15,810		190	
Judgement	130,000	130,000	130,000			
Total Operations including contingent within "CAPS"	46,171,817	46,170,617	44,555,129	600,626	1,014,862	-
Detail						
Salaries and Wages	37,194,516	36,901,016	36,284,793	-	616,223	
Other Expenses (Including Contingent)	8,977,301	9,269,601	8,270,336	600,626	398,639	
Detail Total	46,171,817	46,170,617	44,555,129	600,626	1,014,862	-
Deferred Charges						
Overexpenditure of Appropriation	160,963	160,963	160,963			
Overexpenditure of Appropriation Reserve	16,096	16,096	16,096			
Deficit in Operations	1,281,744	1,281,744	1,281,744			
Overexpended Improvement Authorization	607,676	607,676	607,676			
Overexpended Grant Reserve	496,750	496,750	496,750			
Emergency Authorization	750,000	750,000	750,000			
Overexpenditure of Grant Reserves	375,935	375,935	375,935			
Statutory Expenditures						
Social Security System	1,080,000	1,080,000	1,010,767		69,233	
Consol. Police/Fire Pension Fund	80,000	81,200	81,119		81	
Total Deferred Charges and Statutory Expenditures	4,849,164	4,850,364	4,781,050	-	69,314	-
Total Appropriations within "CAPS"	51,020,981	51,020,981	49,336,179	600,626	1,084,176	-

City of Hoboken
Hudson County, New Jersey
Current Fund

Statement of 2006 Appropriations

Year ended June 30, 2006

Appropriations	Appropriated		Expended		Reserved	Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered		
Operations - excluded from "CAPS"						
Maintenance - Free Public Library						
Salaries and Wages	732,000	732,000	722,684		9,316	
Other Expenses	600,000	575,000	260,585	304,744	9,671	
Social Security	60,163	60,163	60,163			
Insurance: N.J.S.A. 40A:4-45.3						
General Liability	850,000	850,000	838,657	9,625	1,718	
Workers Compensation	600,000	625,000	621,789		3,211	
Employee Group Health	10,269,000	10,269,000	9,733,324		535,676	
Police/Firemen's Retirement	2,257,000	2,257,000	2,222,256		34,744	
Public Employees Retirement	224,110	224,110	164,910		59,200	
Hoboken Housing Authority						
Police Salaries and Wages	540,000	540,000	540,000			
Hoboken Board of Education						
Police Salaries and Wages	90,000	90,000	72,704		17,296	
Public and Private Programs Offset by Revenues						
Summer Food Service	29,000	29,000	29,000			
2003 Local Law Enforcement Block Grant						
COPS in School	127,919	127,919	127,919			
Public Health Priority Fund	6,212	6,212	6,212			
Section 8 Housing Adm Cost	125,000	125,000	125,000			
COPS TECH	22,921	22,921	22,921			
Drunk Driving EG/Motor Vehicle	22,929	22,929	22,929			
Domestic Violence	10,000	10,000	10,000			
Alchol Rehab	453	453	453			
Adult Day Care 2003	2,945	2,945	2,945			
NJDOT Roadway 5th Clinton	32,390	32,390	32,390			
Office Smart Growth	15,000	15,000	15,000			
Operation New Adventure	35,000	35,000	35,000			
Monument Renovation	75,000	75,000	75,000			
Cast Pt Pk Hud River Waterfront	150,000	150,000	150,000			
Hud City Open Space Grant	2,000,000	2,000,000	2,000,000			

City of Hoboken
Hudson County, New Jersey
Current Fund

Statement of 2006 Appropriations

Year ended June 30, 2006

Appropriations	Appropriated		Expended			
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Canceled
Clean Communities	35,734	35,734	35,734			
PAL Anti-Gang	15,000	15,000	15,000			
Click it or Ticket	4,000	4,000	4,000			
Roadway Improvements Prog.	300,811	300,811	300,811			
Municipal Alliance Grant	46,543	46,543	46,543			
Recycling Tonnage	117,320	117,320	117,320			
NJDEP Municipal Stormwater Regulation Program	15,464	15,464	15,464			
Down Payment on Improvements	620,000	620,000	619,650			350
Total Operations excluded from "CAPS"	20,031,914	20,031,914	19,046,363	314,369	670,832	350
Detail:						
Salaries and Wages	1,362,000	162,000	1,335,388	-	26,612	
Other Expenses	18,619,180	18,619,180	17,974,610	314,369	644,220	350
Detail Total	19,981,180	18,781,180	19,309,998	314,369	670,832	350
Municipal Debt Service - Excluded from "CAPS"						
Payment Bond Principal	1,157,279	1,157,279	985,000			172,279
Interest on Bonds	2,353,830	2,353,830	2,308,119	833		44,878
Interest on Notes	172,013	172,013	172,013			
Notes Payable - Hudson County Improvement Authority	380,050	380,050	229,379			150,671
Loan Repayments for Principal and Interest	192,685	192,685	192,685			
Underground Storage Tank Loan	24,474	24,474	24,474		-	
Total Municipal Debt Service - Excluded from "CAPS"	4,280,331	4,280,331	3,911,670	833	-	367,828
Deferred Charges - Excluded from "CAPS"						
Overexpenditure of Appropriations-offset by sale of asset						
5 Year Emergency Authorization-Master Plan	70,000	70,000	69,743			257
	70,000	70,000	69,743	-	-	257
Local District School Purposes Excluded from "CAPS"						
Type I District School Debt						
Payment - Bond Principal	14,000	14,000	14,000			-
Interest on Bonds	574	574	574			-
Total Local District School Purposes Excluded from "CAPS"	14,574	14,574	14,574	-	-	-

City of Hoboken
Hudson County, New Jersey
Current Fund

Statement of 2006 Appropriations

Year ended June 30, 2006

<u>Appropriations</u>	<u>Appropriated</u>		<u>Expended</u>			
	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
Total Appropriations - Excluded from "CAPS"	24,396,819	24,396,819	23,042,350	315,202	670,832	368,435
Subtotal	75,417,800	75,417,800	72,378,529	915,828	1,755,008	368,435
Reserve for Uncollected Taxes	182,000	182,000	182,000			
Total Appropriations	<u>\$ 75,599,800</u>	<u>\$ 75,599,800</u>	<u>\$ 72,560,529</u>	<u>\$ 915,828</u>	<u>\$ 1,755,008</u>	<u>\$ 368,435</u>
Reference	A-2	A-2	Below	A	A	

Analysis of paid or charged

Cash disbursements	1-A	\$ 66,910,342
Reserve for uncollected taxes	Above, A-2	182,000
General Capital deferred charge	8-A	607,676
Deferred charges	10-A	2,278,546
Deferred charges - grants	22-A	872,685
Grants	20-A	3,189,641
	Above	<u>\$ 72,560,529</u>

Trust Fund

Exhibit

Trust Fund
Comparative Balance Sheet

	Reference	Balance, June 30	
		2006	2005
Assets			
<u>Animal Control Trust Fund:</u>			
Cash	1-B	\$ 14,354	\$ 12,673
Total		<u>\$ 14,354</u>	<u>\$ 12,673</u>
<u>Other Trust Fund:</u>			
Cash	1-B	\$ 4,797,216	\$ 4,835,008
Total		<u>\$ 4,797,216</u>	<u>\$ 4,835,008</u>
<u>Section 8 - Housing Assistance Program:</u>			
Cash	1-B	\$ 1,571,143	\$ 1,021,706
Total		<u>\$ 1,571,143</u>	<u>\$ 5,626,596</u>
<u>Community Development Block Grant Trust Fund:</u>			
Grant Receivable	3-B	\$ 564,636	\$ 678,574
Due from Section 8 - Housing Assistance Program	7-B	33,718	33,718
Total		<u>\$ 598,354</u>	<u>\$ 712,292</u>

	Reference	Balance, June 30	
		2006	2005
Liabilities and Reserves			
<u>Animal Control Trust Fund:</u>			
Due to Current	2-B	\$ -	\$ 148
Due to State of New Jersey	4-B	368	160
Reserve for Animal Control Expenditures	5-B	13,986	12,365
Total		<u>\$ 14,354</u>	<u>\$ 12,673</u>
<u>Other Trust Fund:</u>			
Reserve for Other Trust Fund Deposits	6-B	\$ 4,797,216	\$ 4,835,008
Total		<u>\$ 4,797,216</u>	<u>\$ 4,835,008</u>
<u>Section 8 - Housing Assistance Program:</u>			
Due to Community Development Block Grant Trust Fund	7-B	\$ 33,718	33,718
Reserve for Section 8 - Housing Assistance Program	9-B	1,537,425	925,988
Due to Current Fund	10-B	-	62,000
Total		<u>\$ 1,571,143</u>	<u>\$ 5,626,596</u>
<u>Community Development Block Grant Trust Fund:</u>			
Reserve for Community Development Block Grant	8-B	\$ 598,354	462,292
Due to Current Fund	11-B	-	250,000
Total		<u>\$ 598,354</u>	<u>\$ 712,292</u>

See accompanying notes.

General Capital Fund

Exhibits

City of Hoboken
County of Hudson, New Jersey
General Capital Fund

Balance Sheets

	Reference	June 30	
		2006	2005
Assets			
Cash	1-C, 2-C	\$ 5,219,559	\$ 118,039
Deferred charges - overexpenditure of ordinances	9-C	6,442	614,118
Due from Current Fund	10-C	804,585	866,501
Deferred charges to future taxation:			
Funded	3-C	49,317,690	50,474,969
Unfunded	4-C	20,194,503	6,894,503
		<u>\$ 75,542,779</u>	<u>\$ 58,968,130</u>
Liabilities, reserves and fund balance			
Improvement authorizations:			
Funded	6-C	\$ 933,404	\$ 703,195
Unfunded	6-C	7,237,327	1,238,970
Reserve for Encumbrances	6-C	354,031	133,742
Bond anticipation notes payable	7-C	17,655,000	6,255,000
General serial bonds	8-C	47,062,442	48,047,442
Green Acres Loans payable	11-C	2,132,881	2,280,686
Underground Storage Tank Loan payable	12-C	122,367	146,841
Reserve for Castle Point Project	13-C	-	28,885
Capital improvement fund	5-C	-	7,173
Fund balance	C-1	45,327	126,196
		<u>\$ 75,542,779</u>	<u>\$ 58,968,130</u>

There were bonds and notes authorized but not issued on June 30, 2006 and 2005 in the amounts of \$2,539,503 and \$639,503, respectively. (Schedule 14-C).

See accompanying notes.

City of Hoboken
County of Hudson, New Jersey
General Capital Fund

Statement of Fund Balance

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	C	\$ 126,196
Increased by:		
Premium on sale of bonds	1-C	10,000
Cancellation of reserve	13-C	<u>28,885</u>
		165,081
Decreased by:		
Appropriated to finance improvement authorizations	5-C	<u>119,754</u>
Balance, June 30, 2006	C	<u><u>\$ 45,327</u></u>

See accompanying notes.

Parking Utility Funds

Exhibits

City of Hoboken
County of Hudson, New Jersey
Parking Utility Fund

Balance Sheets

		June 30	
	Reference	2006	2005
Assets			
Operating Fund:			
Cash	1-D	\$ 1,511,550	\$ 1,838,323
Due from Current Fund	2-D		205,558
Prepaid interest	1-D	575,283	
Deferred charge	9-D	204,516	345,611
Total assets		\$ 2,291,349	\$ 2,389,492
Capital Fund:			
Fixed capital	3-D	\$ 42,957,185	\$42,637,288
Total assets		\$ 42,957,185	\$42,637,288
Liabilities, reserves and fund balance			
Operating Fund:			
Appropriation reserves	D-3		\$ 359,481
Security deposits	4-D	\$ 170,079	170,079
Accrued interest payable	5-D	784,583	707,068
Fund balance	D-1	1,336,687	1,152,864
Total liabilities and fund balance		\$ 2,291,349	\$ 2,389,492
Capital Fund:			
Bonds anticipation notes payable	6-D	\$ 5,175,000	\$ 5,280,000
Bonds payable	7-D	23,885,000	24,800,000
Reserve for amortization	8-D	13,897,185	12,557,288
Total liabilities, reserves and fund balance		\$ 42,957,185	\$42,637,288

There were no bonds and notes authorized but not issued at June 30, 2006 and 2005.

See accompanying notes.

City of Hoboken
County of Hudson, New Jersey
Parking Utility Fund

Statements of Operations and Changes in Fund Balance - Operating Fund

	Reference	Year ended June 30	
		2006	2005
Revenue and other income:			
Operating surplus anticipated	D-2	\$ 114,500	\$ 1,200,000
Parking Fees - Continuing Operations	D-2	7,887,433	7,453,960
Parking Fees - Midtown Garage	D-2	1,832,312	1,925,497
Parking Fees - 916 Garden St.	D-2	520,702	682,749
Permits	D-2	657,645	471,781
Coupons	D-2	176,201	148,221
Miscellaneous	D-2	1,593	3,118
Interest on Investments	D-2	31,952	59,389
Total revenues		<u>11,222,338</u>	<u>11,944,715</u>
Expenditures:			
Salaries and wages	D-3	1,446,790	1,410,122
Other expenses	D-3	3,177,380	3,742,810
Debt service	D-3	2,416,536	2,253,646
Statutory expenditures	D-3	181,300	235,750
Deferred charges	D-3	345,611	700,011
Surplus (General Budget)	D-3	3,483,399	3,847,278
Additional interest	5-D	77,515	
		<u>11,128,531</u>	<u>12,189,617</u>
Excess in revenue		93,807	(244,902)
Adjustments to income before fund balances:			
Expenditures included above which are deferred charges to budget of succeeding year:			
Expenditure without an appropriation	D-3	<u>204,516</u>	<u>244,902</u>
Statutory excess to surplus		298,323	-
Fund balance, beginning of year	D	<u>1,152,864</u>	<u>2,352,864</u>
		1,451,187	2,352,864
Decreased by utilization as anticipated revenue	D-2	<u>114,500</u>	<u>1,200,000</u>
Fund balance, end of year	D	<u>\$ 1,336,687</u>	<u>\$ 1,152,864</u>

See accompanying notes.

City of Hoboken
County of Hudson, New Jersey
Parking Utility Fund

Statement of Revenue - Operating Fund

Year ended June 30, 2006

	Reference	Anticipated		Excess or (Deficit)
		Budget	Realized	
Operating surplus anticipated	D-1	\$ 114,500	\$ 114,500	\$ -
Parking Fees - Continuing Operations	D-1,1-D	7,450,000	7,887,433	437,433
Parking Fees - Midtown Garage	D-1,1-D	1,925,000	1,832,312	(92,688)
Parking Fees - 916 Garden St.	D-1,1-D	680,000	520,702	(159,298)
Permits	D-1,1-D	470,000	657,645	187,645
Coupons	D-1,1-D	145,000	176,201	31,201
Miscellaneous	D-1,1-D	3,000	1,593	(1,407)
Interest on Investments	D-1,1-D	59,000	31,952	(27,048)
	D-3	<u>\$10,846,500</u>	<u>\$11,222,338</u>	<u>\$ 375,838</u>

See accompanying notes.

City of Hoboken
County of Hudson, New Jersey
Parking Utility Fund

Statement of Expenditures - Operating Fund

Year ended June 30, 2006

	<u>Budget</u> <u>Appropriations</u>	<u>Modified</u> <u>Budget</u>	<u>Paid or</u> <u>Charged</u>	<u>Overexpended</u>
Operating:				
Salaries and wages	\$ 1,446,790	\$ 1,446,790	\$ 1,446,790	
Other expenses	2,372,864	2,572,864	2,777,380	\$ 204,516
Other expenses-Group Health Benefits	600,000	400,000	400,000	
Debt service:				
Payment of bond principal	915,000	915,000	915,000	
Interest on bonds and notes	1,396,536	1,396,536	1,396,536	-
Payment of note principal	105,000	105,000	105,000	
Statutory Expenditures:				
Public Employee's Retirement System	58,900	58,900	58,900	
Social Security	122,400	122,400	122,400	-
Deferred charges:				
Expenditure without appropriation	345,611	345,611	345,611	
Surplus (General Budget)	3,483,399	3,483,399	3,483,399	
	<u>\$ 10,846,500</u>	<u>\$ 10,846,500</u>	<u>\$ 11,051,016</u>	<u>\$ 204,516</u>
	Reference	D-2	D-2	Below, D-1 D-1, 9-D
Cash disbursements	1-D		\$ 9,308,869	
Deferred charges	9-D		345,611	
Accrued interest	5-D		1,396,536	
	Above		<u>\$ 11,051,016</u>	

See accompanying notes.

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements

June 30, 2006

1. Summary of Significant Accounting Policies

A. Introduction

Incorporated as a city in 1855, the City of Hoboken is a municipality located in Hudson County, New Jersey. As a municipality, the City functions independently through a Mayor-Council form of government adopted by the electorate at a referendum held in November, 1952, pursuant to New Jersey Statutes Annotated (“N.J.S.A.”) Title 40:69A-31 through 40:69A-67.2. The governing body consists of nine elected council members, six of which represent each of the City's six wards, and three of which are elected “at-large.” The ward council members are elected to concurrent four year terms, which begin on June 30 of the year before a leap year. The at-large council members are elected with the mayor, to concurrent four year terms which begin on June 30 of the year after a leap year. The mayor does not vote on council matters. The purpose of the City is to provide general municipal services and conduct general municipal affairs, as provided for by the City's departments: Administration, Environmental Services, and Human Services. In July 2001, a fourth City department, Community Development, was created through the transfer of several divisions from the Administration and Human Services departments.

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

The financial statements of the City of Hoboken, New Jersey (the “City”) have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). 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.

B. Description of Funds

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 the resources available. The Division's principles of fund accounting require that resources be classified for

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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 equity, revenues and expenditures. Government 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. In addition, the Division also requires the establishment of the General Fixed Assets Account Group. The General Fixed Assets Account Group 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.

Under this method of accounting, the City accounts for its financial transactions through the following four separate funds and account group, which differ from the fund structure and reporting model required by GAAP.

Current Fund - Accounts for all revenues and expenditures applicable to the general operations of City departments and agencies. Federal and state grant awards are included in the Current Fund as the Federal and State Grant Fund.

Trust Funds - Account for assets held by the City in a trustee capacity or as an agent for individuals or other government agencies. Funds held by the City which have restrictions placed on the use of such funds are recorded in the Trust Funds.

General Capital Fund - Accounts for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

Parking Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the parking utility.

General Fixed Assets Account Group - Accounts for all fixed assets purchased by the Current Fund and the General Capital Fund.

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. Except where noted below, the modified accrual basis of accounting is used. The more significant differences are as follows:

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the City budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Under GAAP, the modified accrual basis of accounting requires that revenues be recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

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. Outstanding encumbrances at June 30 are reported as a cash liability in the financial statements and constitute part of the City's statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at June 30 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Under GAAP, the modified accrual basis of accounting requires that expenditures in the Current Fund be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due. Additionally, appropriation reserves are not established under GAAP.

Property Acquired for Taxes - Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved.

GAAP would require such property to be recorded at its fair value at the time of acquisition.

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

GAAP would not require the establishment of an offsetting reserve for interfund receivables.

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

General Fixed Assets - Fixed assets used in governmental operations (general fixed assets) would be accounted for in the General Fixed Assets Account Group. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems would not be capitalized. All fixed assets would be valued at historical cost or estimated historical cost if actual historical cost is not available, except for land which would be valued at estimated fair value. No depreciation would be provided for in the financial statements. Expenditures for construction in progress would be recorded in the General Capital Fund until such time as the construction is completed and put into operation. Fixed assets acquired through grants in aid or contributed capital would not be accounted for separately.

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Under GAAP, different accounting treatment would apply to certain items. For instance, construction in progress would be recorded as a capital asset in the Statement of Net Assets.

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

GAAP does not require the establishment of a reserve for amortization of fixed capital, whereas it does require the recognition of depreciation of property and equipment by the utility funds.

Reserve for Payment of Insurance Claims - Cash held by the municipality for the payment of future insurance claims is offset by a reserve in the Trust Fund.

Insurance claims incurred are not recorded as a liability but would be recorded as a liability under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid.

GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long term obligation in the Statement of Net Assets.

D. Reporting Entity

GASB Statement 14 establishes criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the City to be recorded separately. 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 the provisions of N.J.S. 40A:5-5.

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

The primary criterion for including activities within the City's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is a fiscal dependency by the organization on the City.

Based on the aforementioned criteria, the financial statements of the following entities would be shown as component units on the City's financial statements under GASB Statement 14. Financial statements for the entities listed below can be obtained from the respective entity's chief financial officer or secretary to the board.

Hoboken Housing Authority
Hoboken Library

E. Statutory-Basis Financial Statements

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

F. Budgets/Budgetary Control

As required by N.J.S.A. 40A:4-1 et seq., the Local Budget Law, the annual budget is introduced by resolution, submitted to the Division for approval, advertised, heard publicly at least 10 days later, and finally adopted. Amendments, if any, must be made prior to budget adoption, and go through a similar process as permitted by N.J.S.A. 40A:4-9. This process is supposed to begin no later than August 10 of the City's budget year and must take at least 28 days before the budget may be adopted. A temporary budget is permitted until the budget is

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

adopted. Budget revenues use the cash basis, and appropriations use the modified accrual basis of accounting. The legal level of budgetary control is established at individual appropriations. Transfers of appropriations may be made by City resolution only during May and June. Additional budget revenues and appropriations after adoption may only be made with Division approval pursuant to N.J.S.A. 40A:4-46, 53 or 54 (emergencies) or N.J.S.A. 40A:4-87 (grants awarded after budget adoption). A grant award by itself does not create legal spending authority for the City, and must be budgeted prior to the related grant expenditures being made.

The Local Budget Law also has numerous other unique requirements, such as a cap on the budget increase from one year to the next (based on the government price inflation of the State), and appropriation reserves (at June 30, unexpended balances of budget appropriations, unless canceled by resolution, are reserved). These appropriation reserves have similar form and constraints as the budget, with certain exceptions. For instance, appropriation reserve transfers may only be made by City resolution in July, August and September, and unexpended appropriation reserves lapse, creating an increase to fund balance.

The other funds included on the budget are not significant. Trust funds are only listed by title through a memorandum section, "Dedication by Rider," pursuant to N.J.S.A. 40A:4-39. Capital improvement activities are reflected in the Capital Budget section, but this inclusion is more of a planning tool, and does not create legal spending appropriations in the General Capital Fund, which appropriations must be created through ordinance.

Budgetary Basis of Accounting - Budgetary integration into the accounting system is employed as a management control device during the year. Substantial differences exist between GAAP and the City's budgetary basis of accounting as described in Note 1(C). A reconciliation between the two would not be meaningful or informative, and therefore is not provided herein.

G. Encumbrances

With respect to encumbrances, when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system, expenditures are recognized. Outstanding encumbrances at June 30 are reported as a cash liability in the financial statements.

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

H. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

I. Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the City, and that are due within one year.

J. Long-Term Obligations

General long-term debt is recognized as a liability of the General Capital Fund and Parking Utility Capital Fund.

K. Reserves (Other than Reserve for Receivables)

Reserves, other than “reserve for receivables” are considered as liabilities, and not as a reservation of fund balance.

L. Reserves for Receivables

Reserves for receivables are offsetting balance sheet account credits that are created to preserve the cash basis revenue recognition required by the Division's accounting principles.

M. 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).

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

2. Deposits and Investments

Deposits

State of New Jersey statutes permit the deposit of public funds in institutions located within the State and which are insured by the Federal Deposit Insurance Corporation (FDIC), the Saving Association Insurance Fund (“SAIF”), or by any other agencies of the United States that insures deposits, or the State of New Jersey Cash Management Fund.

Additionally, the City deposits public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at last equal to 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, is available to pay the full amount of their deposits to the Governmental Units.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

- The market value of the collateral must equal five percent of the average daily balance of public funds; or,
- If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve system and has capital funds of not less than \$25,000,000. The City has complied with all statutes and regulations applicable to deposits and investments.

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

2. Deposits and Investments (continued)

The carrying amount of the City's cash and cash equivalents as of June 30, 2006 was \$24,340,031, and the bank balance was \$24,987,834, of which \$601,220 was insured by the FDIC and the remaining \$24,477,113 was covered by a collateral pool maintained by the bank as required by New Jersey statutes in accordance with the New Jersey Governmental Unit Deposit Protection Act ("GUDPA").

As of June 30, 2005, the City implemented disclosure requirements of GASB Statement No. 40, *Deposit and Investment Disclosures*. GASB Statement No. 40 requires that the City disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the City would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities are not pledged to the depositor), collateralized with the securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the City.

The City does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. The City's deposits were fully collateralized by funds and held by the financial institution, but not in the name of the City. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

New Jersey Cash Management Fund

All investments in the New Jersey Cash Management Fund ("NJCMF") are governed by the regulations of the Investment Council, which prescribes specific standards designed to ensure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division 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.

Investments

New Jersey municipalities are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey municipalities.

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

2. Deposits and Investments (continued)

New Jersey statutes permit local governments to invest in the instruments listed below.

- Bonds or other obligations of the United States or obligations guaranteed by the United States.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the New Jersey Department of the Treasury, Division of Investments.
- Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- New Jersey Cash Management Fund.
- Repurchase agreements (repos) of fully collateralized securities, subject to certain conditions defined in the above statute.
- Obligations issued by (New Jersey) State government and its agencies as permitted by State laws.

As of June 30, 2006 and 2005, cash and cash equivalents of the City consisted of the following:

	2006	2005
Checking accounts	\$22,679,591	\$ 11,675,644
Savings accounts	1,064,531	3,069,530
Certificates of Deposit	586,408	633,718
NJ Cash Management Fund	9,501	41,291
Cash on hand	–	750
Total	\$24,340,031	\$ 15,420,933

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

3. Property Taxes Receivable and Property Tax Calendar

Property taxes receivable are recorded in the Current Fund as each semiannual tax levy billing is approved. At fiscal year-end, the receivables represent delinquent taxes.

Property taxes collected by the City are divided into three components: 1) the municipal portion for the City; 2) the school district portion for the Hoboken Board of Education; and 3) the county portion for the County of Hudson. The combined total of the three tax levy components is known as the general tax levy. The school district and county portions are required to be remitted by the City in full to the Hoboken Board of Education and County of Hudson, respectively. Any uncollected amount of the general tax levy becomes the burden of the City. New Jersey Statutes require municipalities within the State to make allowance for the uncollected amount of the general tax levy via appropriation in the municipal budget. This appropriation, Reserve for Uncollected Taxes, serves to increase the amount of the municipal portion of the general tax levy to an amount sufficient to allow for the estimated amount not expected to be collected during the fiscal year. The statutory lower limit of this estimate is based on a calculation which generally takes the prior year tax collection percentage and applies it to the amount required to be raised by municipal tax levy in order to support the municipal budget. There are certain exceptions to using the prior year tax collection rate as the calculation factor, such as a three-year average or a reserve for uncollected taxes exclusion, but these require a resolution approved by the City's governing body and approval by the Director of the Division of Local Government Services.

Taxes are levied every six months, with scheduled levy dates on June 14 and December 1 in accordance with Chapter 72 of the 1994 Laws of New Jersey. The taxes levied on June 14 are due one-half by August 1 and one-half by November 1. The taxes levied on December 1 are due one-half by February 1 and one-half by May 1. A ten-day grace period is allowed for payments of tax levy bills beyond the scheduled due dates. After the ten-day grace period has expired, the taxes are considered delinquent, and accrue interest from the scheduled due date at rates established by City resolution in accordance with New Jersey Statutes.

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

4. Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the City establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funded debt issued. Pursuant to New Jersey Statutes Annotated 40A:2-4, the City may levy taxes on all taxable property within its boundaries 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.

5. Long-Term Debt

Changes in Outstanding Debt

Transactions for the fiscal year ended June 30, 2006 are summarized as follows:

	Balance, June 30, 2005	Issued	Refunded/ Retired	Balance, June 30, 2006
General:				
General Serial and Term Bonds	\$48,047,442		\$ 985,000	\$47,062,442
Bond anticipation notes	6,255,000	\$17,655,000	6,255,000	17,655,000
Green Trust Loans	2,280,686		147,805	2,132,881
Underground Storage Tank Loan	146,841		24,474	122,367
Parking Utility:				
General Serial Bonds	24,800,000		915,000	23,885,000
Bond anticipation notes	5,280,000		105,000	5,175,000
Total	\$86,809,969	\$17,655,000	\$8,432,279	\$96,032,690

Bonds Payable/Local Bond Law

Bonds are authorized in accordance with N.J.S.A. 40A:2, the Local Bond Law, which governs the issuance of bonds to finance general municipal capital and utility expenditures. The general procedure for the authorization for issuance of City bonds is to introduce it as an ordinance, with submittal of a supplemental debt statement to the Division. The ordinance is then advertised, heard publicly at least 10 days after the introduction and 7 days after the advertisement, and finally adopted. Amendments, if any, that are made prior to adoption, go through a similar process, except that a supplemental debt statement may not have to be filed. The adopted ordinance is then advertised with a statement that there is a 20 day period in which the public may dispute the ordinance. At the end of the 20 day period, the ordinance becomes effective. N.J.S.A. 40A:2-7 permits certain exceptions to this procedure. All bonds

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

5. Long-Term Debt (continued)

issued by the City are general obligation bonds, backed by the full faith and credit of the City and retired in serial installments. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years, or be retired by the issuance of bonds.

Statutory Net Debt Percentage

The City's statutory net debt at June 30, 2006 and June 30, 2005 was 1.34% and 1.05%, respectively, of the average valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the City for the last three (3) preceding years (the Equalized Valuation Basis).

Summary of Municipal Debt

	June 30	
	2006	2005
Gross debt:		
Local school district debt:		
Type II loans issued	\$ 2,126,144	\$ 2,372,453
Type II bonds issued	259,000	519,000
Total local school district debt	2,385,144	2,891,453
General debt:		
Serial bonds issued	47,062,442	48,047,442
Loans payable	2,255,248	2,427,527
Promissory note payable - HCIA	822,325	935,429
Bond anticipation notes issued	17,655,000	6,255,000
General debt authorized but not issued by the City	2,539,503	639,503
Total general debt	70,334,518	58,304,901
Parking utility debt:		
Bonds issued	23,885,000	24,800,000
Bond anticipation notes issued	5,175,000	5,280,000
Total parking utility debt	29,060,000	30,080,000
Total gross debt	101,779,662	91,276,354
Less:		
Deduction for local school district debt	2,385,144	2,891,453
Deduction for general debt	7,382,442	7,382,442
Deduction for self-liquidating debt	29,060,000	30,080,000
Total net debt	\$ 62,952,076	\$ 50,922,459
Equalized valuation basis	\$ 5,711,418,003	\$4,841,359,285
Net debt divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended	1.10%	1.05%

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

5. Long-Term Debt (continued)

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 City for the last 3 preceding years.

Net debt as of June 30, 2006 and 2005 divided by equalized valuation basis per N.J.S.A. 40A:2-2., as amended did not exceed the 3.5% debt limitation allowed by N.J.S.A. 40A:2-6.

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

	June 30	
	2006	2005
3 1/2% of equalized valuation basis (municipal)	\$199,899,630	\$169,447,575
Net debt	62,952,076	50,922,459
Remaining borrowing power	<u>\$136,947,554</u>	<u>\$118,525,116</u>

Annual Requirements to Retire Permanent Debt Obligations - Principal and interest for all permanent debt (bonds and loans) outstanding at June 30, 2006 is as follows:

Fiscal Year	General		Parking Utility		Total
	Principal	Interest	Principal	Interest	
2007	\$ 1,530,250	\$ 2,331,159	\$ 950,000	\$ 1,150,566	\$ 5,961,975
2008	2,938,281	2,299,335	985,000	1,114,466	7,337,082
2009	3,066,372	2,197,523	1,020,000	1,077,036	7,360,931
2010	3,204,527	2,079,464	1,075,000	1,025,424	7,384,415
2011	3,357,741	1,947,002	1,125,000	971,029	7,400,772
2012-2016	19,821,914	7,091,963	6,415,000	4,008,822	37,337,699
2017-2021	10,831,929	2,072,851	8,320,000	2,254,025	23,478,805
2022-2026	3,099,234	637,966	3,995,000	293,913	8,026,113
2027-2031	1,060,999	5,349,001	-	-	6,410,000
2032-2033	406,443	2,723,557	-	-	3,130,000
	<u>\$49,317,690</u>	<u>\$28,729,821</u>	<u>\$23,885,000</u>	<u>\$11,895,281</u>	<u>\$113,827,792</u>

Hudson County Improvement Authority - (Promissory Note)

On December 21, 1989, the Mayor and City Council, acting as the Redevelopment Agency of the City of Hoboken, conveyed to Hudson Square North Associates L.P. Parcel F of the River Street Development area for consideration of \$1,023,770 received and a purchase

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

5. Long-Term Debt (continued)

money mortgage note of \$1,500,000. Using the mortgage note as collateral, the City obtained a loan in the amount of \$1,500,000 from the County's Affordable Housing Trust Fund. As of June 30, 2006 and 2005, the unpaid balance was \$822,325 and \$935,429, respectively, and is recorded as a liability in the current fund.

Sale/Leaseback Agreement

On June 29, 2005, the Hudson County Improvement Authority (the "Authority") issued \$8,445,000 aggregate principal amount of its Variable Rate Lease Revenue Bonds, Series 2005 (Hoboken DPW Garage Project) (the "2005 Bonds") for the purposes of acquiring the Department of Public Works Garage located on Garden Street and Observer Highway (the "Facilities") from the City and making various acquisitions for and improvements to the Facilities.

In connection with the issuance of the 2005 Bonds, the City and the Authority entered into a sale and lease purchase agreement dated June 1, 2005 (the "2005 Lease"), by which the City conveyed title to the Facilities to the Authority, and agreed to pay, subject to annual appropriation, certain rentals to the Authority for the use of the Facilities.

By ordinance of the City duly adopted on June 21, 2006, the City determined that it would be in the best interests of the City to authorize the sale of the Facilities by the Authority pursuant to the 2005 Lease and to cause the 2005 Bonds to be refinanced through the issuance and sale of certificates of participation representing proportionate interests in rentals to be paid by the City under a new lease purchase agreement between the City and NWF Leasing, Inc. dated June 29, 2006. The following is a schedule of the future minimum lease payments under this lease and the present value of the net minimum lease payments for the Current Fund at June 30, 2006:

Year ended June 30:	
2007	\$ 829,631
2008	1,194,248
2009	<u>13,840,000</u>
Total minimum lease payments	\$ 15,863,879
Less amount representing interest	<u>2,023,879</u>
Present value of future minimum lease payments	<u><u>\$ 13,840,000</u></u>

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

6. Fund Balance Appropriated

	June 30, 2006
Parking Utility Fund	
Fund balance	\$1,336,687
Appropriated and included as anticipated revenue in succeeding year's budget	887,000

The accounting principles and requirements prescribed by the Division do not provide for reservations or designations of fund equity.

7. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheets of the individual funds as noted.

	June 30	
	2006	2005
Current Fund:		
Deficit in operations	\$ 1,032,020	\$1,282,504
Overexpenditure of appropriations		160,963
Overexpenditure of appropriation reserves		16,096
Emergency authorization		750,000
Special emergency authorization	70,000	140,000
Total Current Fund	\$ 1,102,020	\$2,349,563
Federal and State Grant Fund:		
Expenditure with appropriation	\$ -	\$ 872,685
Total Federal and State Grant Fund	\$ -	\$ 872,685
Parking Utility Fund:		
Overexpenditure of appropriations	\$ 204,516	\$ 345,611
Total Parking Utility Fund	\$ 204,516	\$ 345,611

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

8. Pension Plans

City employees who are eligible for pension coverage are enrolled in one of three State Pension Plans. The State pension systems were established by the act of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State Legislature. The three State administered pension funds are: the Consolidated Police and Firemen's Pension Fund (CPFPPF); the Public Employees' Retirement System (PERS); and the Police and Firemen's Retirement System (PFRS). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments and benefits to plan members and beneficiaries. The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Township is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Due to the enactment of 1997 legislation, Chapter 114, P.L. 1997 and Chapter 115, P.L. 1997, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated. In addition, excess valuation assets were available to fund, in full or in part, the State of New Jersey's normal contribution for the fiscal years ended June 30, 2006 and 2005, excluding the contribution for postretirement medical benefits in the PERS.

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS and PFRS provide for employee contributions based on percentages 4.5% and 8.5% through December 31, 1999 and 3.0% and 8.5% thereafter, respectively, of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in the PERS and PFRS. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS, the employer contribution includes funding for post-retirement medical premiums.

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

8. Pension Plans (continued)

The City's contribution for pension expense for PERS, PFRS and CPFPPF combined, for the years ended June 30, 2006, 2005 and 2004 amounted to \$2,387,166, \$1,200,374 and \$466,030, respectively.

Year ended June 30	PERS	PFRS	CPFPPF
2006	\$164,910	\$2,222,256	
2005	76,821	1,123,553	
2004		465,383	\$647

9. Postretirement Medical Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required the Public Employees Retirement System (“PERS”) to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994, with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one-half of one percent of the active payroll.

10. Deferred Compensation Plan

The City offers its employees a Deferred Compensation Plan (the “Plan”) created in accordance with Section 457 of the Internal Revenue Code of 1986, as amended by the Small Business Job Protection Act of 1996. Under the legislation, all funds deferred under the Plan and any other assets or income of the Plan held in trust are for the exclusive benefit of the participating employees and their beneficiaries. The State incorporated this requirement into its amendment to N.J.S.A. 43:15B-5 on June 6, 1997, and also amended N.J.A.C. 5:37-1 et seq. to reflect the new requirements.

Effective June 17, 1998, the Division approved the City's amendment to its Plan in order to conform to the new requirements. Pursuant to the approved Plan as amended, the City irrevocably renounces all claims and rights which the City or any of its creditors may have previously retained to use, for their own benefit, amounts held under the Plan.

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

11. Related Obligation – North Hudson Sewerage Authority

In connection with the creation of the North Hudson Sewerage Authority (the “NHS A”), which was created in October 1996, through a consolidation between the Hoboken-Union City-Weehawken Sewerage Authority (the “HUCWSA”) and the West New York Municipal Utilities Authority (the “WNYMUA”), a service agreement between the City (together with the Hudson County municipalities of Union City, Weehawken, and West New York) and the NHS A was executed. The related obligation of the City with respect to the current service agreement pertains to service charges and annual charges.

In connection with this agreement, the NHS A will charge users of its system, service charges, for all sewage treated or disposed of by the NHS A and for all use and services to its system. Such service charges shall be established at rates estimated to be sufficient to provide for all amounts necessary to pay or provide for the expenses of operation and maintenance of the NHS A’s system and the principal and interest on any and all bonds as they become due, to maintain the amounts required to held in accordance with the bond resolution provisions.

According to the agreement, annual charges, if any, are assessed to and payable by the City in the same percentage as the most recent determination by the NHS A, of the allocation of the annual flow among the municipalities. The most recent determination by the NHS A of the allocation of the annual flow is as follows: (i) Hoboken 23%, (ii) Union City 36%, (iii) Weehawken 14% and (iv) West New York 27%.

Also as part of the agreement, on or before January 1 of each fiscal year, the NHS A will make an estimate of the amount of the annual charges, if any, which will become payable by the City for such fiscal year. On or before February 15 of each fiscal year, the City will pay to the NHS A the amount of any annual charges not paid relating to any prior fiscal year. The City will pay to the NHS A that part of the estimated amount of the annual charges for the current fiscal year in four equal installments on March 1, June 1, September 1 and November 1 of such fiscal year. As of June 30, 2006, the City had paid all installments due.

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

12. Contingent Liabilities

A. Compensated Absences (Unaudited)

The City has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date. Costs are recognized when paid, rather than in the period earned. It is estimated that the current cost of such unpaid compensation would be approximately \$16,698,439 as of June 30, 2006. This amount is not reported either as an expenditure or liability.

B. Grants

The City receives federal and state financial assistance in the form of grants and entitlements. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The City is subject to the requirements of the Single Audit Act Amendments of 1996, which mandated that all federal grant revenues and expenditures be audited in conjunction with the municipal audit. In addition, substantially all State grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors. As of June 30, 2006, the City estimates that no material liabilities will result from such audits.

C. Litigation

The City is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the City.

D. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to manage these risks, the City maintains commercial insurance coverage for property, liability and surety bonds. For 2006, the City obtained reinsurance coverage and umbrella coverage which limited the City risk retention to \$5,000 per occurrence and an aggregate limit of \$20,000,000 for general liability and automotive claims. The City is not aware of any claims pending that have a demand in excess of these coverages.

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

12. Contingent Liabilities (continued)

The City utilizes a self-insured risk management program for claims relating to workers' compensation. The City engaged an outside claims service administrator to serve as the fund administrator. Reserves are established by the City for estimated benefits and expenses for reported claims. The City charges to Current Fund operations all claims rendered during the year which will be paid from expendable available financial resources. The City paid claims for the years ended June 30, 2006 and 2005 in the amount of \$621,789 and \$333,557, respectively.

E. Tax Appeals

At June 30, 2006, there are approximately 79 tax appeals pending before the New Jersey Tax Court requesting a reduction of assessed valuation for years 2006 and prior. The aggregate assessed valuation of the properties under appeal totals approximately \$139,378,300. The City has not set up a reserve for this amount, but instead intends to issue additional refunding bonds and/or notes to pay for adverse judgments arising from tax appeal cases.

13. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2006:

	Interfund Receivable	Interfund Payable
Current Fund	\$ 276,846	\$ 804,585
Federal and State Grant Fund		276,846
Trust – Section 8 - Housing Assistance Program	–	–
Trust – Animal Control Trust Fund	–	–
Trust – Community Development Block Grant Trust Fund	–	–
General Capital Fund	804,585	–
Parking Utility – Operating Fund	–	–
	\$ 1,081,431	\$ 1,081,431

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

14. Subsequent Event

On July 8, 2006, the State of New Jersey enacted the Municipal Hospital Authority Law, which authorizes certain cities to establish municipal hospital authorities to acquire and operate urban hospitals.

In August 2006, the City passed an ordinance creating the Hoboken Municipal Hospital Authority (the "HMHA"). The creation of the HMHA was approved by the State's Local Finance Board on August 9, 2006 and is subject to the policies and procedures of the "Local Authorities Fiscal Control Law," P.L. 1983, c313.

The HMHA is an agency and instrumentality of the City that is governed by an eleven member board. The members are divided among four classes. Class I shall be the Mayor of the City or his designee. Class II shall be two hospital members appointed by the medical staff executive committee of the hospital. Class III shall be six public members, at least four of whom shall be residents of the City, but none of whom shall be officers or employees of the City or of the manager. The hospital's chief executive officer or designee thereof shall serve as a nonvoting Class IV member. The Commissioner of Community Affairs shall appoint one individual as a nonvoting Class IV member.

The purpose of the HMHA is to acquire the physical assets of St. Mary Hospital and to assume the operation of the hospital. As part of the acquisition, the HMHA will receive \$13 million from Bon Secours Health System, the owner of St. Mary Hospital which is to be used for operations.

The HMHA is expected to enter into a management agreement with a nonprofit corporation that will be given the responsibility to operate the hospital on behalf of the HMHA. The manager will assume the current operating agreements, including collective bargaining agreements, and employ the hospital employees.

In connection with the assumption of the operations of the hospital and with the approval of the Local Finance Board, HMHA will issue debt obligations to provide \$34 million of start-up working capital and \$18 million of the initial phase of \$52 million of capital improvements, including construction of a medical office complex, facility remodeling and equipment acquisition. The repayment of such debt will be guaranteed by the City.

It is anticipated that HMHA's acquisition of St. Mary Hospital and commencement of the management agreement with the nonprofit corporation will be on or about February 1, 2007.

City of Hoboken
Hudson County, New Jersey

Notes to Financial Statements (continued)

14. Subsequent Event (continued)

On December 21, 2006, the Local Finance Board approved the issuance of \$52 million of bonds to be guaranteed by the City of Hoboken. As required by statute, the Board also approved the management contract with the newly formed nonprofit organization that will manage the hospital's operations.

Additional Information

Current Fund

Schedules

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of Cash

Year ended June 30, 2006

	<u>Reference</u>	<u>Current Fund</u>	<u>Federal, State & County Grant Fund</u>
Balance, June 30, 2005	A	\$ 7,594,433	\$ -
Increased by receipts:			
Miscellaneous revenues not anticipated	A-2	171,409	
Taxes receivable	2-A	88,567,078	
State of NJ	5-A	33,747	
Revenue accounts receivable	7-A	46,808,331	
Interfunds	8-A	1,860,001	
Prepaid taxes	12-A	125,046	
Tax overpayments	13-A	765,550	
Various reserves	15-A	100,615	
Grant receivables	18-A		4,674,302
Raised in budget	22-A		872,685
Total receipts		<u>146,026,210</u>	<u>5,546,987</u>
Decreased by disbursements:			
Budget appropriations	A-3	66,910,342	
Interfunds	8-A	813,234	
Appropriation reserves	11-A	2,164,216	
Tax overpayments	13-A	957,353	
Various reserves	15-A	42,293	
Local district school tax	16-A	32,258,216	
County taxes	17-A	34,095,601	
Grant appropriations	A-3	872,685	1,150,004
Due from Current Fund	19-A		1,002,093
Other		80,952	
Total disbursements		<u>138,194,892</u>	<u>2,152,097</u>
Balance, June 30, 2006	A	<u>\$ 7,831,318</u>	<u>\$ 3,394,890</u>

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Year ended June 30, 2006

Year	Balance, June 30, 2005	2006 Levy	Added Taxes	Collections		State Share of Veterans and Senior Citizens, net	Tax Overpayments Applied	Transferred to Tax Title Liens	Canceled	Balance, June 30, 2006
				2005	2006					
2004	\$ 5				\$ 5					
2005	42,464				42,464					
	42,469				42,469					
2006		\$ 86,733,822	\$ 2,131,241	\$ 20,754	88,524,609	\$ 73,000	\$ 106,278	\$ 16,315	\$ 120,815	\$ 3,292
	\$ 42,469	\$ 86,733,822	\$ 2,131,241	\$ 20,754	\$ 88,567,078	\$ 73,000	\$ 106,278	\$ 16,315	\$ 120,815	\$ 3,292
Reference	A	Below	Below	A, 12-A	A-2, 1-A	5-A	13-A	3-A		A

		<u>Reference</u>
Analysis of 2006 property tax levy		
Tax yield:		
General purpose tax (abstract)	Above	\$ 86,733,822
Added and omitted taxes (54:4-63:1 et seq.)	Above	2,131,241
	Below	<u>\$ 88,865,063</u>
Tax levy:		
County taxes	17-A	\$ 32,624,386
County taxes - added	17-A	806,731
County taxes - open space	17-A	664,484
Local district school tax	16-A	31,750,000
	A-2	65,845,601
Local tax for municipal purposes	A-2	21,694,952
Add additional tax levied	A-2	1,324,510
	Above	<u>\$ 88,865,063</u>

		<u>Reference</u>
Analysis of 2006 revenues		
Collected in 2006	Above	\$ 88,524,609
Collected in 2005	Above	20,754
Overpayments applied	Above	106,278
Veterans and senior citizens, net	A-2	73,000
	A-1, A-2	<u>\$ 88,724,641</u>

Schedule 3-A

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of Tax Title Liens

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	A	\$ 436,939
Increased by transfer from taxes receivable	2-A	<u>16,315</u>
Balance, June 30, 2006	A	<u>\$ 453,254</u>

Schedule 4-A

Schedule of Property Acquired for Taxes at Assessed Valuation

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2006 and 2005	A	<u>\$ 2,806,900</u>

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of Veterans and Senior Citizens Per Chapter 20 P.L. 1971

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	A	\$ 26,478
Increased by:		
Deductions per tax duplicate:		
Senior citizens	2-A	25,750
Veterans	2-A	46,750
Deductions allowed by collector:		
Veterans	2-A	500
		<u>99,478</u>
Decreased by cash receipts	1-A	<u>33,747</u>
Balance, June 30, 2006	A	<u><u>\$ 65,731</u></u>

Schedule 6-A

Schedule of Mortgage Receivable

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	A	\$ 935,429
Decreased by principal payment received	14-A	<u>113,104</u>
Balance, June 30, 2006	A	<u><u>\$ 822,325</u></u>

City of Hoboken
County of Hudson, New Jersey
Current Fund

Schedule of Revenue Accounts Receivable

Year ended June 30, 2006

	Reference	Balance, June 30, 2005	Accrued	Received	Balance, June 30, 2006
Licenses:					
Alcoholic Beverages	A-2		\$ 268,240	\$ 268,240	
Other	A-2		166,865	166,865	
Fees and Permits	A-2		257,334	257,334	
Zoning Board of Adjustment Fees	A-2		205,311	205,311	
Planning Board Fees	A-2		56,839	56,839	
Rent Leveling Fees	A-2		49,188	49,188	
Fines and Costs:					
Municipal Court	A-2		3,733,379	3,582,074	\$ 151,305
Parking Tax	A-2		687,694	687,694	
Interest and Cost on Taxes	A-2		161,550	161,550	
Interest on Investments and Deposits	A-2		448,415	448,415	
Riverview Cablevision Associates	A-2		163,418	163,418	
Rents - City Owned Property	A-2		166,210	166,210	
Crosstown Bus Line	A-2		12,638	12,638	
SJP Properties - Block A - Phase I	A-2		947,332	947,332	
SJP Properties - Block A - Phase II	A-2		947,332	947,332	
Applied Development Co. - South Waterfront - Block C	A-2		1,235,072	1,235,072	
St. Mary's Hospital PILOT	A-2		40,179	40,179	
Grogan Marineview Plaza	A-2		522,058	522,058	
Clocktowers	A-2		57,977	57,977	
Marion Towers Associates	A-2		179,342	179,342	
Church Towers Urban Renewal	A-2		458,264	458,264	
Columbian Towers	A-2		106,071	106,071	
Columbian Arms	A-2		34,439	34,439	
Hudson Square North	A-2		51,823	51,823	
Willow Avenue Associates - 800 - 812 Willow Avenue	A-2		44,654	44,654	
Applied Housing - 1203-1219 Willow Avenue	A-2		244,790	244,790	
Applied Housing - 1201-1221 Washington Estates	A-2		411,375	411,375	
Applied Housing - 1200-1220 Hudson Estates	A-2		429,067	429,067	
Applied Housing - 1301-1309 Bloomfield Estates	A-2		128,730	128,730	
Applied Housing - Midway 500-508 Adams Street	A-2		197,952	197,952	
Applied Housing - Elysian Estates	A-2		32,032	32,032	
Applied Housing - Church Square	A-2		125,399	125,399	
Applied Housing - Eastview Associates	A-2		39,951	39,951	
Applied Housing - Westview Associates	A-2		90,080	90,080	
Applied Housing - Northvale I - 911-923 Clinton Street	A-2		367,634	367,634	
Applied Housing - Northvale II - 901-919 Clinton Street	A-2		372,404	372,404	
Applied Housing - Northvale IIIA	A-2		100,188	100,188	
Applied Housing - Northvale III B - 1106-1014 Clinton Street	A-2		92,457	92,457	
Applied Housing - Northvale IV - 58 11th Street	A-2		14,631	14,631	
Pilot Payment 1300 Grand Street	A-2		801,995	801,995	
Pilot Payment 1200 Grand Street	A-2		472,472	472,472	
New Jersey Transit - Transport of New Jersey	A-2		2,764,288	2,764,288	
Hudson Square North-Mortgage Receivable	A-2		55,754	55,754	
Consolidated Municipal Property Tax Relief Aid	A-2		13,353,618	13,353,618	
Legislative Initiative Municipal Block Grant	A-2		151,261	151,261	
Energy Receipts Tax	A-2		2,076,457	2,076,457	
Homeland Security Assistance	A-2		140,000	140,000	
Uniform Construction Code Fees	A-2		1,838,404	1,838,404	
Hoboken Housing Authority - Public Safety	A-2		585,000	585,000	
Hoboken Board of Education - Public Safety	A-2		72,704	72,704	
Capital Surplus	A-2		83,369	83,369	
Reserve, Outside-Duty Police Administration	A-2		140,000	140,000	
Sinatra Park Concession	A-2		42,000	42,000	
Sale of Municipal Garage	A-2		5,000,000	5,000,000	
Anticipated Parking Utility Operating Surplus	A-2		3,500,000	3,500,000	
Taxi Auction	A-2		2,234,000	2,234,000	
			\$ -	\$ 46,959,636	\$ 46,808,331
					\$ 151,305
Reference	A	A-2	1-A	A	

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of Interfunds

Year ended June 30, 2006

	Balance, June 30, 2005	Cash Receipts	Cash Disbursements	Non-Cash	Balance, June 30, 2006
Trust-Animal Control Fund	\$ 148	\$ 148			\$ -
Parking Utility	(205,558)		\$ 205,558		-
General Capital Fund	(866,501)	545,760	607,676		(804,585)
Federal, State and County Grant Fund	421,834	1,002,093		\$ 857,105	276,846
Section 8-Housing Assistance Program	62,000	62,000			-
Community Development Block Grant Trust Fund	250,000	250,000			-
	<u>\$ (338,077)</u>	<u>\$ 1,860,001</u>	<u>\$ 813,234</u>	<u>\$ 857,105</u>	<u>\$ (527,739)</u>
Reference	Below	1-A	1-A	Below	Below
Interfunds receivable	A \$ 733,982				\$ 276,846
Interfunds payable	A, A-1 (1,072,059)				(804,585)
	Above <u>\$ (338,077)</u>				<u>\$ (527,739)</u>

Analysis of non-cash activities

Federal & State Grant Fund:

Cancelation of receivables

Cancelation of appropriations

Reference

19-A	\$ (685,546)
19-A	1,542,651
Above	<u>\$ 857,105</u>

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of Water Liens Receivable

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2006 and 2005	A	<u>\$ 46,261</u>

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of Deferred Charges

Year ended June 30, 2006

	Balance, June 30, 2005	Added in FY 2006	Raised in FY 2006 Budget	Canceled	Balance, June 30, 2006
Overexpenditure of Appropriations	\$ 160,963		\$ 160,963		\$ -
Deficit in Operations	1,282,504	\$ 1,031,260	1,281,744		1,032,020
Overexpenditure of Appropriation Reserves	16,096		16,096		-
Emergency Authorization (40A:4-47)	750,000		750,000		-
Special Emergency Authorization- Preparation of a Master Plan (40A:4-55)	140,000		69,743	\$ 257	70,000
	<u>\$ 2,349,563</u>	<u>\$ 1,031,260</u>	<u>\$ 2,278,546</u>	<u>\$ 257</u>	<u>\$ 1,102,020</u>
Reference	A	A-1, A-3, 11-A	A-3	A-3	A

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of 2005 Appropriation Reserves

Year ended June 30, 2006

	<u>Balance, June 30, 2005</u>		Balance After Transfers	Cash Disbursed	Balance Lapsed
	Appropriation Reserves	Encumbered			
Operations within "Caps"					
Mayor's Office					
Salaries and Wages	\$ 295		\$ 95		\$ 95
Other Expenses	478		178	\$ 55	123
City Council					
Salaries and Wages	726		26		26
Other Expenses	552	\$ 3,290	3,442	3,417	25
City Clerk's Office					
Salaries and Wages	1,110		110		110
Other Expenses	332	1,127	1,459	1,127	332
Other Expenses-Legal Advertising		7,782	8,230	7,839	391
Other Expenses-Codification of Ordinances	2,403		203		203
Salaries and Wages-Elections	37		37		37
Other Expenses-Elections (Emergency \$100,000)	155	35,013	94,768	92,007	2,761
Business Administrator's Office					
Salaries and Wages	57		57		57
Other Expenses	935	541	1,176	826	350
Purchasing					
Salaries and Wages	3,591		591		591
Other Expenses	1	20	21	21	-
Personnel and Health Benefits					
Salaries and Wages	222		222		222
Other Expenses	11	399	410	399	11
Constituent Services					
Salaries and Wages	95		95		95
Other Expenses	5,960		60		60
Revenue and Finance Director					
Salaries and Wages	427		427		427
Other Expenses	639	317	468	329	139
Annual Audit					
Other Expenses	6,854		6,854		6,854
Accounts and Control					
Salaries and Wages	311		311		311
Other Expenses	1,073		173		173
Payroll					
Salaries and Wages	214		214		214
Other Expenses	159		159		159
Tax Collections					
Salaries and Wages	271		271		271
Other Expenses	2,058	5,691	5,849	5,691	158
Information Technology					
Salaries and Wages	949		49		49
Zoning Administration					
Salaries and Wages	125		125		125
Other Expenses	686	216	402	69	333
Uniform Construction Code					
Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Salaries and Wages	34		34		34
Other Expenses	200	29	229	29	200
Corporation Counsel					

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of 2005 Appropriation Reserves

Year ended June 30, 2006

	<u>Balance, June 30, 2005</u>		Balance After Transfers	Cash Disbursed	Balance Lapsed
	Appropriation Reserves	Encumbered			
Salaries and Wages	273		273		273
Other Expenses	21	2,386	2,707	1,758	949
Other Expenses - Special Counsel	105,123	92,136	170,359	156,056	14,303
Other Expenses - Expert Witness and Appraisal	5,000		-		-
Office of the Tax Assessor					
Salaries and Wages	170		170		170
Other Expenses	257	1,484	1,641	834	807
Department of Human Services					
Director's Office					
Salaries and Wages	872		72		72
Other Expenses	245	366	611	223	388
Rent Leveling					
Salaries and Wages	3,112		12		12
Other Expenses	2,067	1,608	4,125	4,117	8
Housing Inspections					
Salaries and Wages	22		22		22
Other Expenses	90		90		90
Transportation					
Salaries and Wages	23		23		23
Other Expenses	717	1,458	2,175	1,129	1,046
Health					
Salaries and Wages	3,173		98		98
Other Expenses	19	9,936	29,805	27,949	1,856
Senior Citizens					
Salaries and Wages	21		21		21
Other Expenses	560	807	2,167	782	1,385
Hispanic and Minority Affairs					
Salaries and Wages	1		1		1
Other Expenses	281	43	324	43	281
Recreation and Cultural Affairs					
Salaries and Wages	10,008		5,208		5,208
Other Expenses	3,170	23,128	72,698	63,449	9,249
Department of Environmental Services					
Director's Office					
Salaries and Wages	1,210		209		209
Other Expenses	991	527	1,018	527	491
Parks					
Salaries and Wages			10		10
Other Expenses	114	10,886	15,272	13,867	1,405
Public Property					
Salaries and Wages	20		20		20
Other Expenses	85	14,598	23,783	21,832	1,951
Streets and Roads					
Other Expenses	1,442	496	1,938	1,453	485
Signal and Traffic					
Salaries and Wages	5		5		5
Other Expenses		8,912	9,127	9,067	60
Central Garage					
Salaries and Wages	11		11		11
Other Expenses	4,412	25,865	32,977	28,995	3,982
Sanitation					

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of 2005 Appropriation Reserves

Year ended June 30, 2006

	<u>Balance, June 30, 2005</u>		Balance After Transfers	Cash Disbursed	Balance Lapsed
	Appropriation Reserves	Encumbered			
Salaries and Wages	17		17		17
Other Expenses	211,795	80,000	255,045	252,350	2,695
Department of Community Development					
Director's Office					
Salaries and Wages	74		74		74
Other Expenses	24,950	8,809	15,759	13,156	2,603
Grants Management					
Salaries and Wages	1,021		21		21
Other Expenses	934		34		34
Waterfront Development					
Other Expenses			122,864	119,793	3,071
Planning Board					
Salaries and Wages	111		111		111
Other Expenses	417	1,690	3,907	3,625	282
Zoning Board of Adjustment					
Other Expenses	702	1,126	10,228	9,964	264
Historic Preservation Committee					
Other Expenses	67		67	42	25
Department of Public Safety					
Police					
Salaries and Wages			35		35
Other Expenses	963	30,721	40,184	39,883	301
Fire					
Salaries and Wages (Emergency \$300,000)	214		214		214
Other Expenses	81,076	32,655	113,731	106,899	6,832
Office of Emergency Management					
Salaries and Wages	88		88		88
Other Expenses	2,000		500		500
Unclassified					
Alcoholic Beverage Control Board					
Salaries and Wages	200		200		200
Other Expenses	5,000		30		30
Settlement of Claims Against City	8,000		8,000		8,000
Towing/Storage of Abandoned Vehicles	1,480		-		-
NJ Right to Know	20,000		20,000	19,570	430
Engineering	42	4,387	4,429	4,387	42
Municipal Dues and Memberships	2,173	3	176		176
Celebration of Public Events	7,450	19,705	27,155	19,855	7,300
Postage	70		70		70
Office Machines	3,544	740	884	740	144
Stationary and Office Supplies	27	2,188	2,215	2,188	27
Electricity	54,211		19,711	19,386	325
Street Lighting	52,044		47,044	46,935	109
Gasoline	19,813		19,813	19,771	42
Fuel	5		5		5
Water and Sewer	1,810		310		310
Communications	22,850	6,291	28,141	27,479	662
Telecommunications Equipment	2,133		633	483	150
Master Plan			42,779	7,489	35,290
Statutory Expenditures					
Social Security System	73		73		73

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of 2005 Appropriation Reserves

Year ended June 30, 2006

	<u>Balance, June 30, 2005</u>		Balance After Transfers	Cash Disbursed	Balance Lapsed
	Appropriation Reserves	Encumbered			
Unemployment Compensation	101,279		69,067	29,073	39,994
Municipal Court					
Salaries and Wages	122		122		122
Other Expenses	640	30,469	34,209	32,324	1,885
Public Defender					
Salaries and Wages	697		697		697
Other Expenses	1,125		1,125	375	750
Maintenance - Free Public Library					
Salaries and Wages	38,692		-		-
Other Expenses	105,363	110,824	138,195	138,195	-
Insurance: N.J.S.A. 40A:4-45.3					
General Liability	12,495		12,495	7,737	4,758
Workers Compensation	21,443		21,443	7,235	14,208
Employee Group Health	782,377	60	782,437	782,434	3
Police/Fireman's Retirement	5,263		-		-
Public Employees Retirement	175		175		175
Prior year encumbrances		8,958	8,958	8,958	-
	<u>\$ 1,769,500</u>	<u>\$ 587,687</u>	<u>\$ 2,357,187</u>	<u>\$ 2,164,216</u>	<u>\$ 192,971</u>
	A	A		1-A	A-1

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of Prepaid Taxes

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	A	\$ 20,754
Increased by cash received	1-A	<u>125,046</u> 145,800
Decreased by applied to 2006 taxes	2-A	<u>20,754</u>
Balance, June 30, 2006	A	<u><u>\$ 125,046</u></u>

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of Tax Overpayments

Year ended June 30, 2006

	<u>Reference</u>	<u>Total</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Balance, June 30, 2005	A	\$ 1,844,268		\$ 888,541	\$ 955,727
Increased by:					
Cash received	1-A	\$ 765,550	\$ 765,550		
Tax appeal judgements	A-1	139,207	91,548	47,659	
		<u>2,749,025</u>	<u>857,098</u>	<u>936,200</u>	<u>955,727</u>
Decreased by:					
Overpayments applied	2-A	106,278	36,461	69,817	
Cash disbursed	1-A	957,353		1,626	955,727
		<u>957,353</u>		<u>1,626</u>	<u>955,727</u>
Balance, June 30, 2006	A	<u>\$ 1,685,394</u>	<u>\$ 820,637</u>	<u>\$ 864,757</u>	<u>\$ -</u>

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of Promissory Note Payable - HCIA

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	A	\$ 935,429
Decreased by principal payment	A-3, 6-A	<u>113,104</u>
Balance, June 30, 2006	A	<u><u>\$ 822,325</u></u>

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of Various Reserves

Year ended June 30, 2006

	Balance, June 30, 2005	Increased by Cash Receipts	Decreased by Cash Disbursed	Balance, June 30, 2006
Reserve for:				
Ragamuffin Parade	\$ 5,700			\$ 5,700
Maintenance of Free Public Library with State Aid	26,563	\$ 31,505	\$ 26,563	31,505
911 Relief Fund	49,248			49,248
D.A.R.E.	8,614			8,614
Sinatra Park	37,708	2,033	15,730	24,011
Public Assistance	8,714			8,714
PILOT-County Share Master Plan	113,268	67,077		67,077
	<u>\$ 329,644</u>	<u>\$ 100,615</u>	<u>\$ 42,293</u>	<u>\$ 308,137</u>
Reference	A	1-A	1-A	A

City of Hoboken
Hudson County, New Jersey
Current Fund

Schedule of Local District School Tax

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	A	\$ 508,216
Increased by levy - fiscal year 2006	A-1, 2-A	<u>31,750,000</u> 32,258,216
Decreased by payments	1-A	<u>32,258,216</u>
Balance, June 30, 2006	A	<u><u>\$ -</u></u>

Schedule of County Taxes Payable

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	A	\$ -
Increased by:		
County tax levy	2-A	32,624,386
Open space tax levy	2-A	664,484
Added and omitted taxes	2-A	<u>806,731</u>
	A-1	<u>34,095,601</u>
Decreased by payments	1-A	<u>34,095,601</u>
Balance, June 30, 2006	A	<u><u>\$ -</u></u>

City of Hoboken
Hudson County, New Jersey
Federal, State and County Grant Fund

Schedule of Grants Receivable

Year ended June 30, 2006

Purpose	Balance, June 30, 2005	2006 Budget Revenue Realized	Received	Cancelled	Transferred to Unappropriated Reserves	Balance, June 30, 2006
Anti gang initiative grant		\$ 15,000	\$ 15,000			\$ -
Comprehensive Program for the Elderly - FY2003	\$ 115,474		126,856		\$ 11,382	-
Benefits screening			4,330		4,330	-
BOJA - Bulletproof Vest Partnership Grant	1,300		1,300			-
Byrne Formula Block Grant-Safe Schools & Communities	10,000		25,767		15,767	-
Caregivers grant			131,151		131,151	-
City clocks			106,950		106,950	-
Clean Communities - FY2004	31,837	35,734	67,571			-
Click it or ticket		4,000				4,000
COPS in School - 2002	227,234	127,919	355,153			-
COPS More	19,690		19,690			-
COPS More - 2002	195,861		195,861			-
Domestic Violence	7,500			\$ 7,500		-
DOT Local Aid Centers of Places "Hoboken Signage"	50,000		26,906	23,094		-
Downtown revitalization			220,695		220,695	-
Drunk, drive, & lose			4,000		4,000	-
Fire safety uniform			56,923		56,923	-
Hudson County Admin Annex			7,350		7,350	-
Hudson County Open Space		2,000,000	2,000,000			-
Hudson place			113,250		113,250	-
Information assistance			7,130		7,130	-
Law Enforcement Block Grant	23,565		14,200	9,365		-
Law enforcement home security			140,000		140,000	-
Municipal Alliance on Alcohol & Drug Abuse	67,262	46,543	42,001	25,261		46,543
NJ 2003 Body Armor Replacement Fund	(5,549)		12,563		18,112	-
NJ Historic Trust - City Hall	76,684			76,684		-
NJDCA Safe Kids Playground Initiative Grant	5,000		5,000			-
NJDEP Municipal Stormwater Regulation Program	20,619		20,000	619		-
NJDEP - 2002 Tree Planting Grant	2,250			2,250		-
Pedestrian safety			25,997		25,997	-
Police UASI grant			26,857		26,857	-
Public Health Priority Funding	36,361	6,212	10,968	31,605		-
Recycling Tonnage	96,000	117,320	213,320			-
Roadway improvements program		300,811				300,811
Safe school and community			25,000		25,000	-
Section 8 Housing Administration Costs		125,000	125,000			-
Speed aggressive grant			7,500		7,500	-
State Local Cooperative Housing Inspection Program	67,548		67,548			-
Statewide Livable Communities - Library Aid ADA	75,000		75,000			-
Statewide Livable Communities - Library Aid Improvements	50,000		50,000			-
Summer Food Service Program	33,005	29,000	34,031	27,974		-
Traffic highway safety			4,000		4,000	-
Uniform Fire Safety Act	88,828		88,828			-
Urban Park Grant - Church Square Park	101,212		50,606	50,606		-
Sinatra Drive	580,588		150,000	430,588		-
	<u>\$ 1,977,269</u>	<u>\$ 2,807,539</u>	<u>\$ 4,674,302</u>	<u>\$ 685,546</u>	<u>\$ 926,394</u>	<u>\$ 351,354</u>
Reference	A	A-2, 19-A	1-A	19-A	21-A	A

City of Hoboken
Hudson County, New Jersey
Federal, State and County Grant Fund

Schedule of Interfunds (Receivable)/Payable
Federal, State and County Grant Fund

Year ended June 30, 2006

	<u>Reference</u>	<u>Current Fund</u>
Balance, June 30, 2005	A	\$ 421,834
Increased by:		
Cancellation of appropriations	8-A	<u>1,542,651</u>
		1,964,485
Decreased by:		
Cancellation of receivables	8-A	685,546
Disbursed to Current Fund	1-A, 8-A	<u>1,002,093</u>
Balance, June 30, 2006	A	<u><u>\$ 276,846</u></u>

City of Hoboken
Hudson County, New Jersey
Federal, State and County Grant Fund

Schedule of Appropriated Reserves

Year ended June 30, 2006

Purpose	Balance, June 30, 2005		Transferred from 2006 Budget Appropriation	Cash Disbursed	Cancelled	Balance, June 30, 2006	
	Reserved	Encumbered				Encumbered	Reserved
Federal:							
COPS in School - 2002	\$ 631,776			\$ 631,776			\$ -
COPS in School - 2006			\$ 127,919	127,919			-
COPS More - 2000							-
COPS More - 2002		\$ 32,099		32,099			-
COPS Tech		22,994		22,994			-
Section 8 Housing Assistance Admin Costs			125,000				125,000
Local Law Enforcement Block Grant - 2001	1,860	\$ 640		2,500			-
Local Law Enforcement Block Grant 2003	37,530			31,809	\$ 5,721		-
Safe School and Communities		516		516			-
Summer Food Service	39,202		29,000	29,000	39,202		-
Urban Park Grant - Church Square Park	101,212				101,212		-
Subtotal	811,580	56,249	281,919	878,613	146,135	-	125,000
State:							
BOJA - 2003 Bulletproof Vest Partnership Grant	7,819			7,819			-
BOJA - 2004 Bulletproof Vest Partnership Grant	11,997			11,997			-
NJ 2001 Body Armor Replacement Fund	4,727	15,613		20,340			-
Clean Communities Program - 2001	39,640				39,640		-
Clean Communities Program - 2003	4,138			3,000	1,138		-
Clean Communities Program - 2004	33,068				33,068		-
Clean Communities Program - 2005	33,068				33,068		-
Clean Communities Program - 2006			35,734	2,500		\$ 3,336	29,898
Domestic Violence	2,669	800	10,000	12,669			800
Domestic Violence Response Team Subgrant	6			6			-
Click-it-or-ticket			4,000	4,000			-
DOT Local Aid Centers of Places "Hoboken Signage"	50,000				50,000		-
Municipal Alliance Program	56,262		46,543		56,262		46,543
Municipal Alliance Program-City Match	11,522				11,522		-
National Endowment for the Humanities	100				100		-

City of Hoboken
Hudson County, New Jersey
Federal, State and County Grant Fund

Schedule of Appropriated Reserves

Year ended June 30, 2006

Purpose	Balance, June 30, 2005		Transferred from 2006 Budget Appropriation	Cash Disbursed	Cancelled	Balance, June 30, 2006	
	Reserved	Encumbered				Encumbered	Reserved
NJDEP-2002 Tree Planting Grant	7,625				7,625		-
NJDEP Municipal Stormwater Regulation Program	20,619				20,619		-
Roadway improvements program			300,811				300,811
NJ Dept. of Community Affairs Direct Aid:							-
State Local Cooperative Housing Inspection Program	53,000				53,000		-
Lighting North Park	540				540		-
NJ Historic Trust - City Hall	127,013				127,013		-
Fire Department Grant	26				26		-
NJ Cultural Arts	4,838				4,838		-
NJ Transportation Trust Fund Authority Act:							-
Washington / 14th Street Project	53,330				53,330		-
Henderson & Observer	16,854				16,854		-
Public Health Priority Funding 2001	5,066				5,066		-
Public Health Priority Funding 2003	7,148				7,148		-
Public Health Priority Funding 2006			6,212	6,212			-
Public Safety Police 2001	23,963			13,569	10,394		-
Recycling Tonnage	67,733		117,320		185,053		-
Statewide Livable Communities-Library Aid-ADA	75,000			74,997	3		-
Statewide Livable Communities-Library Aid-ADA Improvem	50,000				50,000		-
Tobacco Age of Sale Enforcement Grant	1,800				1,800		-
Youth & Family Services - Elder Program	2,816				2,816		-
PAL - Anti-Gang			15,000	15,000			-
Monument Renovation			75,000	17,177	57,823		-
Hudson River Waterfront/Castle Point Project			150,000		150,000		-
Alcohol Education Rehabilitation Fund			453		453		-
Drunk Driving Enforcement Fund			22,929		22,929		-
Adult Day Care '03 -			2,945		2,945		-
COPS Tech			22,921		22,921		-
NJDOT Roadway - 5th & Clinton			32,390		32,390		-
Office Smart Growth			15,000		15,000		-

City of Hoboken
 Hudson County, New Jersey
 Federal, State and County Grant Fund

Schedule of Appropriated Reserves

Year ended June 30, 2006

Purpose	Balance, June 30, 2005		Transferred from 2006 Budget Appropriation	Cash Disbursed	Cancelled	Balance, June 30, 2006	
	Reserved	Encumbered				Encumbered	Reserved
Operation New Adventure			35,000		35,000		-
Stormwater			15,464	7,131	8,333		-
Subtotal	772,387	16,413	907,722	196,417	1,118,717	3,336	378,052
County:							
Comprehensive Program for the Elderly:							
Home Support and Day Care	46,640				46,640		-
Home Support and Day Care - 2002	60,799				60,799		-
Hudson County Open Space Grant			2,000,000				2,000,000
Comprehensive Program for the Elderly - 2003	77,500				77,500		-
Home Support and Day Care - 2003 City Match	10,240				10,240		-
Home Support and Day Care - 2005	77,500				77,500		-
Home Support and Day Care - 2005 - City Match	5,120				5,120		-
Hazmat Donations-Fire Department	111,590			74,974			36,616
Subtotal	389,389	-	2,000,000	74,974	277,799	-	2,036,616
	\$ 1,973,356	\$ 72,662	\$ 3,189,641	\$ 1,150,004	\$ 1,542,651	\$ 3,336	\$ 2,539,668
Reference	A	A	A-3, 19-A	1-A	19-A	A	A

City of Hoboken
Hudson County, New Jersey
Federal, State and County Grant Fund

Schedule of Unappropriated Reserves

Year ended June 30, 2006

Purpose	Balance, June 30, 2005	Increased by Cash Received	Anticipated as Revenue	Balance, June 30, 2006
Monument Renovation	\$ 75,000		\$ 75,000	\$ -
Hudson River Waterfront/Castle Point Project	150,000		150,000	-
Domestic Violence	10,000		10,000	-
Alcohol Education Rehabilitation Fund	453		453	-
Drunk Driving Enforcement Fund	22,929		22,929	-
Adult Day Care '03 -	2,945		2,945	-
COPS Tech	22,921		22,921	-
NJDOT Roadway - 5th & Clinton	32,390		32,390	-
Office Smart Growth	15,000		15,000	-
Operation New Adventure	35,000		35,000	-
Stormwater	15,464		15,464	-
Computer program for the elderly		\$ 11,382		11,382
Hudson County Admin Annex		7,350		7,350
Fire Safety Uniform		56,923		56,923
Byrne Formula Block Grant-Safe Schools &		15,767		15,767
NJ 2003 Body Armor Replacement Fund		18,112		18,112
Benefits Screening		4,330		4,330
Information Assistance		7,130		7,130
Highway Traffic Safety		4,000		4,000
Speed Aggressive Grant		7,500		7,500
Drunk, Drive, & Lose		4,000		4,000
Police UASI Grant		26,857		26,857
Safe School and Community		25,000		25,000
Law Enforcement Home Security		140,000		140,000
City Clocks		106,950		106,950
Hoboken Pedestrian Safety		25,997		25,997
Downtown Revitalization		220,695		220,695
Hudson Place		113,250		113,250
Caregivers Grant		131,151		131,151
	\$ 382,102	\$ 926,394	\$ 382,102	\$ 926,394
Reference	A	18-A	A-2	A

City of Hoboken
Hudson County, New Jersey
Federal, State and County Grant Fund

Schedule of Deferred Charges - Expenditure without Appropriation

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	A	\$ 872,685
Decreased by raised in FY 2006 Budget	1-A, A-3	<u>872,685</u>
Balance, June 30, 2006	A	<u><u>\$ -</u></u>

Trust Fund

Schedules

City of Hoboken
Hudson County, New Jersey
Trust Fund

Schedule of Cash - Treasurer

Year ended June 30, 2006

	Reference	Animal Control Fund	Trust Other Fund	Section 8 - Housing Assistance Program
Balance, June 30, 2005	B	\$ 12,673	\$ 4,835,008	\$ 1,021,706
Increased by cash receipts:				
Community Development Block Grant receivable	3-B			560,938
State license fees collected	4-B	1,333		
Dog license fees	5-B	6,792		
Other Trust Fund deposits	6-B		26,035,326	
Reserve for Section 8 - Housing Assistance Program	9-B			2,597,108
Reserve for Section 8 - Housing Assistance Program-Interest	9-B			41,884
		<u>20,798</u>	<u>30,870,334</u>	<u>4,221,636</u>
Decreased by cash disbursements:				
Reserve for Dog License Expenditures	5-B	5,171		
Due to State of New Jersey	4-B	1,125		
Due to Current Fund	2-B	148		
Disbursements of Other Trust Fund deposits	6-B		26,073,118	
Reserve for Community Development Block Grant	8-B			310,938
Section 8 - Housing Assistance Program expenditures	9-B			2,027,555
Due to Current Fund	10-B			62,000
Due to Current Fund	11-B			250,000
				<u>250,000</u>
Balance, June 30, 2006	B	<u>\$ 14,354</u>	<u>\$ 4,797,216</u>	<u>\$ 1,571,143</u>

City of Hoboken
Hudson County, New Jersey
Trust Fund
Animal Control Trust Fund

Schedule of Due to Current Fund

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	B	\$ 148
Decreased by cash disbursed	1-B	<u>148</u>
Balance, June 30, 2006	B	<u><u>\$ -</u></u>

City of Hoboken
Hudson County, New Jersey
Trust Fund
Community Development Block Grant Trust Fund

Schedule of Community Development Block Grant Receivable

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	B	\$ 678,574
Increased by Current Year Grant Award	8-B	<u>447,000</u> 1,125,574
Decreased by cash received by the Section 8 - Housing Assistance Program	1-B, 7-B	<u>560,938</u>
Balance, June 30, 2006	B	<u><u>\$ 564,636</u></u>

City of Hoboken
Hudson County, New Jersey
Trust Fund
Animal Control Trust Fund

Schedule of Due to State of New Jersey

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	B	\$ 160
Increased by State License Fees Collected	1-B	<u>1,333</u> 1,493
Decreased by Fees Remitted to State Treasurer	1-B	<u>1,125</u>
Balance, June 30, 2006	B	<u><u>\$ 368</u></u>

Schedule 5-B

Schedule of Reserve for Animal Control Expenditures

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	B	\$ 12,365
Increased by cash received	1-B	<u>6,792</u> 19,157
Decreased by cash disbursed	1-B	<u>5,171</u>
Balance, June 30, 2006	B	<u><u>\$ 13,986</u></u>

City of Hoboken
Hudson County, New Jersey
Trust Fund
Other Trust Fund

Schedule of Reserve for Other Trust Fund Deposits

Year ended June 30, 2006

Description	Balance, June 30, 2005	Increase	Decrease	Balance, June 30, 2006
Affordable housing (Wanaque)	\$ 509,634	\$ 1,111	\$ 225,000	\$ 285,745
Amount due to outside lienholders	163,215	1,377,777	1,279,562	261,430
Block B South Waterfront Exclusivity	101,459	98,336	7,313	192,482
Community Resource		35,382	90	35,292
Crosstown Bus	223	12,620	12,843	-
Demarest RCA		451,252	450,000	1,252
Developers escrow deposits	733,728	911,897	734,190	911,435
Division of Cultural Affairs	44,488	181,331	156,747	69,072
Fire dedicated penalties	632		632	-
Fire education	138,518	84,868	109,486	113,900
Fire regular penalties	(4,454)	64,961	35,394	25,113
Girl's softball	81			81
Green Township RCA Escrow	81,422	83,040	80,000	84,462
Hoboken 150th Anniversary	95,618	8,093	58,651	45,060
Hurricane Relief		501		501
Law Enforcement Trust	38,521	220,731	166,527	92,725
Miscellaneous deposits	3,313	136		3,449
Municipal Superiors Associations	10,516		1,132	9,384
NJ Unemployment	1,659		1,659	-
North Haledon RCA	494,309	15,022	225,000	284,331
Northwest Redevelopment Escrow		123,014	123,014	-
Parking Offenses Adjudication Act	451,277	105,099		556,376
Payroll Agency	384,294	19,746,335	19,441,986	688,643
PBA Outside Employment Admin.	32,167	1,326		33,493
PILOTS	11,676		10,747	929
Police Athletic League	6,804	1,347	21	8,130
Police Athletic League-Hockey	3,333	6,667	9,998	2
Police Department Investigative	1,101		300	801
Police Department Memorial Fund	66,432			66,432
Police 5K Run		9,497		9,497
Police outside employment	38,601	1,084,804	983,453	139,952
September 11th Memorial Fund	231,651	31,619	46,688	216,582
Shade Tree Commission	421	3,150	95	3,476
TAM Restaurant	5,248	18		5,266
Tax sale premiums	1,041,801	686,608	1,143,243	585,166
Umpires fees	8,101	8,042	6,716	9,427
URSA Development Group	13,211	336		13,547
Workers' compensation insurance	126,008	680,406	762,631	43,783
	<u>\$ 4,835,008</u>	<u>\$ 26,035,326</u>	<u>\$ 26,073,118</u>	<u>\$ 4,797,216</u>
Reference	B	1-B	1-B	B

City of Hoboken
Hudson County, New Jersey
Trust Fund
Community Development Block Grant Trust Fund

Schedule of Due from
Section 8 - Housing Assistance Program

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2006 and 2005	B	\$ <u>33,718</u>

Schedule 8-B

Schedule of Reserve for Community Development Block Grant

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	B	\$ 462,292
Increased by Current Year Grant Award	3-B	<u>447,000</u> 909,292
Decreased by payments made by Section 8 - HAP	1-B, 7-B	<u>310,938</u>
Balance, June 30, 2006	B	\$ <u>598,354</u>

City of Hoboken
Hudson County, New Jersey
Trust Fund
Section 8 - Housing Assistance Program

Schedule of Reserves for Section 8 - Housing Assistance Program

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	B	\$ 925,988
Increased by:		
Interest on bank deposits	1-B	41,884
Program receipts	1-B	<u>2,597,108</u>
		3,564,980
Decreased by:		
Program expenditures	1-B	<u>2,027,555</u>
Balance, June 30, 2006	B	<u><u>\$ 1,537,425</u></u>

City of Hoboken
Hudson County, New Jersey
Trust Fund
Section 8 - Housing Assistance Program
Schedule of Due to Current Fund

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2006 and 2005	B	\$ 62,000
Decreased by cash disbursed	1-B	<u>62,000</u>
Balance, June 30, 2006 and 2005	B	<u><u>\$ -</u></u>

Community Development Block Grant Trust Fund
Schedule of Due to Current Fund

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2006 and 2005	B	\$ 250,000
Decreased by cash disbursed	1-B	<u>250,000</u>
Balance, June 30, 2006 and 2005	B	<u><u>\$ -</u></u>

General Capital Fund

Schedules

City of Hoboken
County of Hudson, New Jersey
General Capital Fund

Schedule of Capital Cash

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	C	\$ 118,039
Increased by:		
Interfund repayment from Current Fund	10-C	61,916
Proceeds from issuance of Bond Anticipation Notes	7-C	11,400,000
Budget Appropriation:		
Deferred Charges	9-C	607,676
Capital Improvement Fund	5-C	620,000
Premium on BANs	C-1	10,000
		<u>12,817,631</u>
Decreased by disbursements:		
Improvement authorizations	6-C	<u>7,598,072</u>
Balance, June 30, 2006	C	<u><u>\$ 5,219,559</u></u>

City of Hoboken
County of Hudson, New Jersey
General Capital Fund

Schedule of Analysis of Capital Cash

Description	Balance, June 30	
	2006	2005
Fund balance	\$ 45,327	\$ 126,196
Capital improvement fund		7,173
Deferred charges	(6,442)	(614,118)
Due from Current Fund	(804,585)	(866,501)
Reserve for Castle Point Park		28,885
Reserve for Encumbrances	354,031	133,742
Improvement authorizations		
7/15/1992 Acquire Fire Apparatus	162,410	210,880
11/15/1993 Reconstruction and Renovation of Certain Piers	1,021,295	1,021,295
12/20/1995 Refunding Bond Ordinance tax overpayment refunds	(267,836)	(267,836)
10/9/1997 Creation of North Park	(371,667)	(371,667)
10/9/1997 Creation of Castle Point Park	364,917	386,007
3/18/1997 Multi-Service Center	9,645	10,445
3/18/1998 Elysian Park	106	106
4/1/1998 Improvement to City Hall	296,050	2,978
6/7/2000 Removal and Closure of Storage Tanks in and by the City of Hoboken	64,368	106,471
5/30/2002 Multi-Parks		134,296
5/30/2002 Various projects and improvements		69,687
Underground storage tanks	1,317	
Police Headquarters	60,000	
Acquisition of Fire Engines	7,902	
12/15/2005 Land Parcel Acquisition	184,627	
12/15/2005 Improvements of Buildings and Parks	3,329,453	
12/15/2005 Acquisition of Vehicles and Equipment	668,641	
6/16/2006 Various Road Improvements	100,000	
	\$ 5,219,559	\$ 118,039
Reference	C	C

City of Hoboken
 County of Hudson, New Jersey
 General Capital Fund

Schedule of Deferred Charges to Future Taxation - Funded

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	C	\$50,474,969
Decreased by:		
2006 Budget Appropriation		
payments related to:		
General Serial Bonds	8-C	985,000
Green Acres Loan	11-C	147,805
Underground Storage Tank Loan	12-C	<u>24,474</u>
Balance, June 30, 2006	C	<u><u>\$49,317,690</u></u>

City of Hoboken
County of Hudson, New Jersey
General Capital Fund

Schedule of Deferred Charges to Future Taxation - Unfunded

Year ended June 30, 2006

Ordinance Date	Description	Balance, June 30, 2005	Increased by 2006 Authorization	Balance, June 30, 2006	Analysis of Balance		
					Expenditures	Bond Anticipation Notes	Unexpended Improvement Authorizations
7/15/1992	Fire Apparatus	\$ 296,600		\$ 296,600		\$ 296,600	
10/7/1992	Public Safety Facility	2,000		2,000		2,000	
11/15/1993	Reconstruction and Renovation of Certain Piers	968,900		968,900		968,900	
10/9/1997	Creation of North Park	371,667		371,667	\$ 371,667		
12/20/1995	Refunding Bond Ordinance providing for payment of amounts owing to others for taxes paid	267,836		267,836	267,836		
5/30/2002	Various Improvements	4,987,500		4,987,500		4,987,500	
12/15/2005	Land Parcel Acquisition		\$ 7,000,000	7,000,000			7,000,000
12/15/2005	Improvements of Buildings and Parks		3,300,000	3,300,000			3,300,000
12/15/2005	Acquisition of Vehicles and		1,100,000	1,100,000		1,100,000	
6/16/2006	Various Road Improvements		1,900,000	1,900,000			\$ 1,900,000
		<u>\$ 6,894,503</u>	<u>\$ 13,300,000</u>	<u>\$ 20,194,503</u>	<u>\$ 639,503</u>	<u>\$ 17,655,000</u>	<u>\$ 1,900,000</u>
Reference		C	6-C	C	14-C	7-C	6-C

City of Hoboken
County of Hudson, New Jersey
General Capital Fund

Schedule of Capital Improvement Fund

Year ended June 30, 2006

	<u>Reference</u>	
Balance June 30, 2005	C	\$ 7,173
Increased by:		
Budget appropriation	1-C	<u>620,000</u>
		627,173
Decreased by improvement authorizations funded	6-C	<u>627,173</u>
Balance June 30, 2006	C	<u><u>\$ -</u></u>

City of Hoboken
 County of Hudson, New Jersey
 General Capital Fund

Schedule of Improvement Authorizations

Year ended June 30, 2006

Ordinance Date	Purpose	Amount	Balance, June 30, 2005		Fund Balance	2006 Authorizations Funded by		Deferred Charges to Future Taxation Unfunded	Expended	Transfers/ Adjustments	Encumbered	Balance, June 30, 2006	
			Funded	Unfunded		Encumbered	Capital Improvement Fund					Funded	Unfunded
7/15/1992	Acquisition of fire apparatus	\$ 900,000		\$ 210,880						\$ (48,470)		\$	\$ 162,410
11/15/1993	Reconstruction and renovations of certain piers	4,200,000	\$ 52,395	968,900								\$	\$ 52,395 968,900
10/9/1997	Creation of Castle Point Park	750,000	386,007			\$ 3,180		\$ 21,090		(3,180)			364,917
3/18/1998	Multi-Service Center	57,550	10,445					800					9,645
3/18/1998	Elysian Park	11,300	106										106
4/1/1998	Improvements -City Hall	156,000	2,978			13 \$ 76,927				216,145	\$ 13		296,050
6/7/2000	Removal and closure of underground storage tanks in and by the City of Hoboken	244,735	106,471					2,236		(39,867)			64,368
5/30/2002	Various Projects and Improvements:												
	City Hall	770,011				48,931				(48,931)			-
	Underground Storage Tanks	1,317		1,317									-
	Police Headquarters	210,000	10,500	49,500									10,500 49,500
	Acquisition of Fire Engines	1,932		1,932						5,970			5,970 1,932
	Acquisition of Equipment & Vehicles	26,435				43,769				(42,377)	1,392		-
	Integrated Computer	32,863				4,849				(4,849)			-
	Improvements to City Parks	8,176		6,441						(1,441)	5,000		-
9/18/2002	Green Acres Funding:												
	Multi-Parks	2,000,000	134,293			33,000			134,293	(33,000)			-
12/15/2005	Land Parcel Acquisition	7,350,000					\$ 350,000	\$ 7,000,000	7,165,373				184,627
12/15/2005	Improvements of Buildings and Parks	3,465,000					165,000	3,300,000	130,773		4,774		29,453 3,300,000
12/15/2005	Acquisition of Vehicles and Equipment	1,155,000					42,827	12,173 1,100,000	143,507		342,852		668,641
6/16/2006	Various Road Improvements	2,000,000						100,000					100,000 1,900,000
			\$ 703,195	\$ 1,238,970	\$ 133,742	\$ 119,754	\$ 627,173	\$ 13,300,000	\$ 7,598,072	\$ -	\$ 354,031	\$ 933,404	\$ 7,237,327
Reference			C	C	C	C-1	5-C	4-C	1-C		C	C	C

City of Hoboken
County of Hudson, New Jersey
General Capital Fund

Schedule of Bond Anticipation Notes Payable

Year ended June 30, 2006

Purpose	Original Date	Issue Amount	Maturity Date	Amount	Interest Rate	Balance, June 30, 2005	Increase	Decrease	Balance, June 30, 2006
Bond Anticipation Notes, Series 2004A	12/15/04	\$ 6,255,000	12/15/05	\$ 6,255,000	2.75%	\$ 6,255,000		\$ 6,255,000	
Bond Anticipation Notes, Series 2005B	12/15/05	6,255,000	9/15/06	6,255,000	4.25%		\$ 6,255,000		\$ 6,255,000
Bond Anticipation Notes, Series 2006A	01/30/06	8,100,000	9/15/06	8,100,000	4.00%		8,100,000		8,100,000
Bond Anticipation Notes, Series 2006B	04/18/06	3,300,000	9/18/06	3,300,000	4.50%		3,300,000		3,300,000
						\$ 6,255,000	\$ 17,655,000	\$ 6,255,000	\$ 17,655,000
					Reference	C	Below	Below	C

Analysis of balance:

Cash receipts	1-C	\$ 11,400,000	
Renewal		6,255,000	\$ 6,255,000
	Above	\$ 17,655,000	\$ 6,255,000

City of Hoboken
County of Hudson, New Jersey
General Capital Fund

Schedule of Serial Bonds

Year ended June 30, 2006

Purpose	Original Date	Issue Amount	Maturities of Bonds Outstanding		Interest Rate	Balance, June 30, 2005	Decreased by Budget Appropriation	Balance, June 30, 2006
			Date	Amount				
Early Retirement Pension Refunding Bonds	08/01/03	\$ 7,382,000	04/01/08	\$ 10,000	5.45%			
			04/01/09	25,000	5.45%			
			04/01/10	50,000	5.45%			
			04/01/11	80,000	5.45%			
			04/01/12	105,000	5.45%			
			04/01/13	140,000	5.45%			
			04/01/14	185,000	6.00%			
			04/01/15	225,000	6.00%			
			04/01/16	275,000	6.00%			
			04/01/17	295,000	6.00%			
			04/01/18	330,000	6.00%			
			04/01/19	360,000	6.50%			
			04/01/20	380,000	6.50%			
			04/01/21	440,000	6.50%			
			04/01/22	475,000	6.50%			
			04/01/23	525,000	6.50%			
			04/01/24	580,000	6.50%			
			04/01/25	660,000	6.50%			
			04/01/26	775,000	6.50%			
			04/01/27	217,820	7.14%			
			04/01/28	213,756	7.14%			
04/01/29	212,557	7.14%						
04/01/30	209,767	7.14%						
04/01/31	207,099	7.14%						
04/01/32	204,501	7.14%						
04/01/33	201,942	7.14%						
					\$ 7,382,442		\$ 7,382,442	
Qualified General Improvement Refunding Bonds, Tax Exempt Series 2003A	11/01/03	2,845,000	02/01/07	1,355,000	2.125%	2,340,000	\$ 985,000	1,355,000
Qualified General Improvement Refunding Bonds, Taxable Series 2003B	11/01/03	38,325,000	02/01/08	2,750,000	3.57%			
			02/01/09	2,860,000	3.97%			
			02/01/10	2,970,000	4.26%			
			02/01/11	3,090,000	4.76%			
			02/01/12	3,250,000	4.96%			
			02/01/13	3,415,000	5.12%			
			02/01/18	19,990,000	5.33%			
					38,325,000		38,325,000	
					\$ 48,552,442	\$ 985,000	\$ 47,062,442	
					Reference	C	3-C	C

City of Hoboken
County of Hudson, New Jersey
General Capital Fund

Schedule of Deferred Charges

Year ended June 30, 2006

	Balance, June 30 2005	Raised in FY 2006 Budget	Balance, June 30 2006
Overexpenditure of capital ordinances	\$ 614,118	\$ 607,676	\$ 6,442
	<u>\$ 614,118</u>	<u>\$ 607,676</u>	<u>\$ 6,442</u>
	C	1-C	C

Schedule 10-C

City of Hoboken
County of Hudson, New Jersey
General Capital Fund

Schedule of Due from Current Fund

Year ended June 30, 2006

	<u>Reference</u>	
Balance June 30, 2005	C	\$ 866,501
Increased by cash received	1-C	<u>61,916</u>
Balance June 30, 2006	C	<u><u>\$ 804,585</u></u>

Schedule 11-C

City of Hoboken
County of Hudson, New Jersey
General Capital Fund

Schedule of Green Acres Loans Payable

Year ended June 30, 2006

	<u>Reference</u>	
Balance June 30, 2005	C	\$ 2,280,686
Decreased by payment	3-C	<u>147,805</u>
Balance June 30, 2006	C	<u><u>\$ 2,132,881</u></u>

City of Hoboken
County of Hudson, New Jersey
General Capital Fund

Schedule of Underground Storage Tank Removal Loan Payable

Year ended June 30, 2006

	<u>Reference</u>	
Balance June 30, 2005	C	\$ 146,841
Decreased by payment	3-C	<u>24,474</u>
Balance June 30, 2006	C	<u><u>\$ 122,367</u></u>

Schedule 13-C

Schedule of Reserve for Castle Point Project

Year ended June 30, 2006

	<u>Reference</u>	
Balance June 30, 2005	C	\$ 28,885
Decreased by cancellation	C-1	<u>28,885</u>
Balance June 30, 2006	C	<u><u>\$ -</u></u>

City of Hoboken
County of Hudson, New Jersey
General Capital Fund

Schedule of Bonds and Notes Authorized but Not Issued

Year ended June 30, 2006

Purpose	Ordinance Date	Balance, June 30, 2005	Increased by 2006 Authorizations	Balance, June 30, 2006
Refunding Bond Ordinance for Payments Owing to Others for taxes paid	12/20/95	\$ 267,836		\$ 267,836
Creation of North Park	10/07/97	371,667		371,667
Various road improvements	06/16/06		\$ 1,900,000	1,900,000
		<u>\$ 639,503</u>	<u>\$ 1,900,000</u>	<u>\$ 2,539,503</u>
		C	4-C	4-C, C

Parking Utility Funds

Schedules

City of Hoboken
County of Hudson, New Jersey
Parking Utility Fund

Schedule of Cash Receipts and Disbursements

Year ended June 30, 2006

	<u>Reference</u>	<u>Operating Fund</u>
Balance, June 30, 2005	D	\$ 1,838,323
Increased by receipts:		
Parking Fees - Continuing Operations	D-2	7,887,433
Parking Fees - Midtown Garage	D-2	1,832,312
Parking Fees - 916 Garden St.	D-2	520,702
Permits	D-2	657,645
Coupons	D-2	176,201
Miscellaneous	D-2	1,593
Interest on Investments	D-2	31,952
Due from Current	2-D	<u>205,558</u>
		13,151,719
Decreased by disbursements:		
Appropriation expenditures	D-3	9,308,869
Appropriation reserves	D	359,481
Prepaid interest	D	575,283
Accrued interest	5-D	<u>1,396,536</u>
Balance, June 30, 2006	D	<u><u>\$ 1,511,550</u></u>

City of Hoboken
County of Hudson, New Jersey
Parking Utility Fund

Schedule of Due from Current Fund

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	D	\$ 205,558
Decreased by cash received	1-D	<u>205,558</u>
Balance, June 30, 2006	D	<u><u>\$ -</u></u>

Schedule 3-D

Schedule of Fixed Capital

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	D	\$ 42,637,288
Increased by additions	8-D	<u>319,897</u>
Balance, June 30, 2006	D, Below	<u><u>\$ 42,957,185</u></u>

Analysis of balance:

Land	\$ 6,286,565
Garage buildings	7,652,632
Garage rehabilitation	4,405,230
Garage buildings - Midtown	16,033,275
Garage buildings - 916 Garden St.	7,317,729
Garage equipment	277,934
Observer Highway improvements	483,898
Offstreet parking	72,414
Parking meters	125,035
Auto & other equipment	195,748
Furniture and office equipment	106,725
Above	<u><u>\$ 42,957,185</u></u>

City of Hoboken
County of Hudson, New Jersey
Parking Utility Fund

Schedule of Security Deposits

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2006 and 2005	D	<u>\$ 170,079</u>

Schedule of Accrued Interest Payable

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	D	\$ 707,068
Increased by:		
Budget appropriation	D-3	1,396,536
Interest charged to operations	D-1	<u>77,515</u>
		2,181,119
Decreased by cash disbursement	1-D	<u>1,396,536</u>
Balance, June 30, 2006	D	<u>\$ 784,583</u>

Analysis of accrued interest at June 30, 2006:

	<u>Outstanding Principal</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Interest</u>
General Obligation Bonds, Series 2002	\$ 23,885,000	3.8%	1/1/2006	6/30/2006	\$ 575,283
Bond Anticipation Note	5,175,000	5.6%	12/15/2005	6/30/2006	<u>209,300</u>
					<u>\$ 784,583</u>

City of Hoboken
 County of Hudson, New Jersey
 Parking Utility Fund

Schedule of Bond Anticipation Notes Payable

Year ended June 30, 2006

Improvement Description	Original Issue		Maturities of Bonds Outstanding -		Interest Rate	Balance, June 30, 2005	Increases	Decreases	Balance, June 30, 2006
	Date	Amount	Date	Amount					
Parking Utility Bond Anticipation Notes, Series 2004A	12/15/2004	\$ 5,280,000	12/15/2005	\$ 5,280,000	4.00%	\$ 5,280,000		\$ 5,280,000	\$ -
Parking Utility Bond Anticipation Notes, Series 2005A	12/15/2005	5,175,000	09/15/2006	5,175,000	5.60%		\$ 5,175,000		5,175,000
						<u>\$ 5,280,000</u>	<u>\$ 5,175,000</u>	<u>\$ 5,280,000</u>	<u>\$ 5,175,000</u>
					Reference	D	Below	Below	D
			Renewal				\$ 5,175,000	\$ 5,175,000	
			Cash disbursed		D-3			105,000	
							<u>\$ 5,175,000</u>	<u>\$ 5,280,000</u>	
							Above	Above	

City of Hoboken
County of Hudson, New Jersey
Parking Utility Fund

Schedule of Serial Bonds Payable

Year ended June 30, 2006

Improvement Description	Original Issue		Maturities of Bonds Outstanding -		Interest Rate	Balance, June 30, 2005	Decreased by Principal Paid	Balance, June 30, 2006
	Date	Amount	Date	Amount				
Parking Utility General Obligation Bonds, Series 2002	1/1/2003	\$26,530,000	01/01/2007	\$ 950,000	3.80%	\$ 24,800,000	\$ 915,000	\$ 23,885,000
			01/01/2008	985,000	3.80			
			01/01/2009	1,020,000	5.06			
			01/01/2010	1,075,000	5.06			
			01/01/2011	1,125,000	5.06			
			01/01/2012	1,185,000	5.06			
			01/01/2013	1,250,000	5.06			
			01/01/2014	1,270,000	4.00			
			01/01/2015	1,320,000	5.25			
			01/01/2016	1,390,000	5.25			
			01/01/2017	1,460,000	5.25			
			01/01/2018	1,540,000	5.25			
			01/01/2019	1,690,000	4.75-5.00			
			01/01/2020	1,770,000	4.75-5.00			
			01/01/2021	1,860,000	4.75-5.00			
			01/01/2022	1,950,000	4.75-5.00			
		01/01/2023	2,045,000	4.75-5.00				
						<u>\$ 24,800,000</u>	<u>\$ 915,000</u>	<u>\$ 23,885,000</u>
					Reference	D	8-D	D

City of Hoboken
County of Hudson, New Jersey
Parking Utility Fund

Schedule of Reserve for Amortization

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	D	\$ 12,557,288
Increased by:		
Bond principal paid	7-D	915,000
Note principal paid	6-D	105,000
Additions to fixed capital	3-D	<u>319,897</u>
Balance, June 30, 2006	D	<u><u>\$ 13,897,185</u></u>

Schedule 9-D

Schedule of Deferred Charges

Year ended June 30, 2006

	<u>Reference</u>	
Balance, June 30, 2005	D	\$ 345,611
Increased by overexpenditure of appropriations	D-3	<u>204,516</u> 550,127
Decreased by amount raised in budget	D-3	<u>345,611</u>
Balance, June 30, 2006	D	<u><u>\$ 204,516</u></u>

Supplementary Information
Relating to Expenditures of
Federal and State Awards

City of Hoboken
County of Hudson

Schedule 1

Schedule of Expenditures of Federal Awards

Year ended June 30, 2006

Federal Grantor/Pass Through Grantor Program Title	Fund	Federal CFDA/ Grant Number	Program Award	Cumulative Expenditures at June 30, 2005	2006 Expenditures	Cumulative Expenditures at June 30, 2006
Department of Housing and Urban Development:						
Direct:						
Section 8 Housing Assistance Program	Trust	14.856	\$ 6,763,713	\$ 3,198,733	\$ 2,027,555	\$ 5,226,288
Total Direct Programs			6,763,713	3,198,733	2,027,555	5,226,288
Passed through Hudson County Department of Finance and Administration:						
Community Development Block Grant - 1992	Trust	14.218	51,559	22,500	29,059	51,559
Community Development Block Grant - 1999	Trust	14.218	168,000	108,000	60,000	168,000
Community Development Block Grant - 2000	Trust	14.218	235,890	77,643	75,000	152,643
Community Development Block Grant - 2001	Trust	14.218	595,420	409,435	41,668	451,103
Community Development Block Grant - 2003	Trust	14.218	551,392	351,892		351,892
Community Development Block Grant - 2004	Trust	14.218	453,521	407,739	45,782	453,521
Community Development Block Grant - 2005	Trust	14.218	447,000		309,429	309,429
Total Pass-Through Programs			2,502,782	1,377,209	560,938	1,938,147
Total U.S. Department of Housing and Urban Development			9,266,495	4,575,942	2,588,493	7,164,435
Department of Justice						
Direct:						
Public Safety Partnership and Community Policing Grants						
COPS in Schools	Current	16.710	759,695		759,695	759,695
Subtotal Public Safety Partnership and Community Policing Grants			759,695	-	759,695	759,695
Local Law Enforcement Block Grant - 2001	Current	16.592	39,874	38,014	1,860	39,874
Local Law Enforcement Block Grant - 2003	Current	16.592	26,183	7,420	18,763	26,183
Local Law Enforcement Block Grant - 2005	Current	16.592	5,626		5,626	5,626
Total Direct Programs			831,378	45,434	785,944	831,378
Department of Agriculture:						
Passed through the NJ Department of Agriculture						
Summer Food Service	Current	10.559	29,000		29,000	29,000
Total Federal Assistance			\$ 10,126,873	\$ 4,621,376	\$ 3,403,437	\$ 8,024,813

N/A -not available

See notes to schedules of expenditures of federal and state awards.

City of Hoboken
County of Hudson

Schedule 2

Schedule of Expenditures of State Awards

Year ended June 30, 2006

State Program- Program Title	Fund	Program	Program Number	Program Award	Cumulative Expenditures at June 30, 2005	2006		Cumulative Expenditures at June 30, 2006
						Receipts	Expenditures	
Department of Community Affair								
	Current	Domestic Violence	N/A	\$ 7,500	\$ 4,831		\$ 1,869	\$ 6,700
	Current	Domestic Violence	N/A	10,006			10,006	10,006
	Current	Monument Renovation	N/A	17,177			17,177	17,177
	Current	Public Safety Police	N/A	13,569			13,569	13,569
	Current	Statewide Livable Communities Local Library Aid	04-2319-00	75,000		\$ 75,000	74,997	74,997
Total Department of Community Affair				123,252	4,831	75,000	117,618	122,449
Department of Environmental Protection								
	Current	Clean Communities Program-2003	N/A	7,828	4,828		3,000	7,828
	Current	Clean Communities Program-2006	N/A	35,734		35,734	5,836	5,836
	Current	Stormwater	WQ04-260	7,131			7,131	7,131
Total Department of Environmental Protection				50,693	4,828	35,734	15,967	20,795
Department of Health and Senior Services								
Direct								
	Current	Public Health Priority Funding	N/A	6,212		6,212	6,212	6,212
Total Department of Health and Senior Services - Direct Program				6,212	-	6,212	6,212	6,212
Department of Law and Public Safety								
	Current	Body Armor Replacement Program	00-BA-0905	13,297	5,478	1,300	7,819	13,297
	Current	Body Armor Replacement Program	00-BA-0905	11,997			11,997	11,997
	Current	Body Armor Replacement Program	00-BA-0905	15,000	10,273	12,563	4,727	15,000
	Current	Click-it-or-ticket		4,000		4,000	4,000	4,000
	Current	Anti Gang Initiative	N/A	15,000		15,000	15,000	15,000
Total Department of Law and Public Safety				59,294	15,751	32,863	43,543	59,294
Total State Assistance				\$ 239,451	\$ 25,410	\$ 149,809	\$ 183,340	\$ 208,750

N/A -not available

See notes to schedules of expenditures of federal and state awards.

City of Hoboken
Hudson County, New Jersey

Notes to Schedules of Expenditures of
Federal and State Awards

June 30, 2006

1. General

The accompanying schedules of expenditures of federal and state awards present the activity of all federal award programs and all restricted state financial assistance programs of the City. All federal financial awards received directly from federal agencies, as well as expenditures of federal awards passed through other government agencies, are included on the schedule of expenditures of federal awards. All restricted state financial assistance received directly from state agencies, as well as restricted state financial assistance passed through other government agencies, are included on the schedule of expenditures of state awards. All local matching and interest income pertaining to or derived from federal awards and restricted state financial assistance are also presented in the accompanying financial schedules. Tax relief state financial assistance and other unrestricted state financial assistance programs are excluded from the schedule of expenditures of state awards, in accordance with New Jersey OMB Circular 04-04.

2. Basis of Accounting

The accompanying schedules of federal and state awards are presented using the basis of accounting as described in Note 1C. to the City's financial statements.

3. Relationship to the Financial Statements

Amounts reported in the accompanying financial schedules agree with amounts reported in the City's financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in the financial statements of the City.

4. Other

The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

City of Hoboken
Hudson County, New Jersey

Notes to Schedules of Expenditures of
Federal and State Awards (continued)

5. Subrecipient Awards

During 2006, federal and state awards were granted to subrecipients as follows:

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Subrecipient	Subrecipient Awards
U.S. Department of Housing and Urban Development:			
Community Development Block Grant	14.218	Day Care 100	\$ 34,262
	14.218	H.O.P.E.S. Head Start	51,166
	14.218	Nuestros Ninos	45,623
	14.218	Mile Square Day Care	83,882
	14.218	Hoboken Family Planning	25,064
	14.218	Boys and Girls Club	16,504
	14.218	United Cerebral Palsy	2,000
Total federal awards to subrecipients			<u>\$258,501</u>

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited the statutory-basis financial statements of the City of Hoboken (the “City”), County of Hudson, New Jersey as of and for the year ended June 30, 2006, and have issued our report thereon dated December 28, 2006 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services and which was qualified because a statement of general fixed assets is not presented in the financial statements. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City’s ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items #06-GAS-1 through #06-GAS-2.

A material weakness based on auditing standards generally accepted in the United States as established by the American Institute of Certified Public Accountants is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited

may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item #06-GAS-2 to be a material weakness.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as items #06-GAS-1 through 2. We also noted certain additional matters that we have reported to the City's administration in the accompanying comments and recommendations section of this report.

This report is intended solely for the information and use of the City's administration and City Council and for filing with the Division of Local Government Services, Department of Community Affairs, State of New Jersey, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

December 28, 2006

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

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

Compliance

We have audited the compliance of the City of Hoboken (the “City”), County of Hudson, New Jersey with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The City’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City’s administration. Our responsibility is to express an opinion on the City’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination on the City’s compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The administration of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City's administration, City Council and for filing with the Division of Local Government Services, Department of Community Affairs, State of New Jersey, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

December 28, 2006

Schedule of Findings and Questioned Costs

City of Hoboken
Hudson County, New Jersey

Schedule of Findings and Questioned Costs

Year ended June 30, 2006

Part I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	Unqualified (See Below*)
Internal control over financial reporting:	
Material weakness(es) identified?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reportable condition(s) identified not considered to be material weaknesses?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> None Reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Federal Awards Section

Dollar threshold used to determine between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Internal control over major programs:	
Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Reportable condition(s) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None Reported
Type of auditor's report on compliance for major programs.	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Identification of major programs:

	CFDA Number(s)	Name of Federal Program or Cluster
Federal	14.856	Housing Assistance Program – Section 8

* The auditors' report is unqualified as presented in conformity with the accounting practices prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is an other comprehensive basis of accounting other than accounting principles generally accepted in the United States. In accordance with SAS 77, we issued an adverse opinion on the financial statements as they pertain to accounting principles generally accepted in the United States.

City of Hoboken
County of Hudson, New Jersey

Schedule of Findings and Questioned Costs

Year ended June 30, 2006

Part II - Schedule of Financial Statement Findings

[This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.]

Note: For each finding listed in Section II or III herein, an indication is made as to whether the condition constitutes a "Financial Statement Qualification", "Material Noncompliance", "Reportable Condition", "Instance of Noncompliance Required to be Reported" and/or "Material Weakness".

Finding #06-GAS-1:

Criteria or Specific Requirement:

One of the five major elements of internal control is "Information and Communication", which includes a financial reporting system that should accomplish the following:

1. Identify and record all valid transactions.
2. Provide, on a timely basis, sufficient detailed information about transactions to permit proper classification for financial reporting.
3. Allow transactions to be recorded at their proper monetary value in the financial statements.
4. Provide sufficient information to permit recording of transactions in the proper accounting period.
5. Properly present the transactions and related disclosures in the financial statements.

Condition:

1. Maintenance of the general ledger related to property taxes and grants needs improvement. Adjustments were required to post some events, reclassify accounts, correct entries, and update information. (*Reportable Condition*)

City of Hoboken
County of Hudson, New Jersey

Schedule of Findings and Questioned Costs

Year ended June 30, 2006

Part II - Schedule of Financial Statement Findings (continued)

Questioned Costs:

None.

Effect:

The overall effect on the City's internal control with respect to the deficiencies described above is that the City has a material weakness, which is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Cause:

The City did not emphasize the importance of maintaining an accurate, up to date general ledger.

Recommendation:

The following recommendations should be adhered to, and corresponding corrective action should be taken to the following items pertaining to the City's accounting records:

1. Continuing efforts should be exerted to maintain the general ledger for every fund and to keep it accurate and updated for all events and the data should be complete and carefully recorded in order to facilitate timely preparation of the financial statements.

Finding #06-GAS-2:

Criteria or Specific Requirement:

Each quarter, the Tax Collector provides a third party billing company with the respective quarter's tax levy in order for the company to print the tax bills. The company then remits a confirmation of the billings to the Tax Collector for approval before the bills are remitted to the City.

City of Hoboken
County of Hudson, New Jersey

Schedule of Findings and Questioned Costs

Year ended June 30, 2006

Part II - Schedule of Financial Statement Findings (continued)

Condition and Effect:

During fiscal year 2006, tax billings were approximately \$2.6 million less than the amount of the required portion of the tax levy that was supposed to be billed. As this error was not identified until the City's annual financial statements were prepared, the City will not be able to recover this shortfall in the billings until fiscal year 2007. (*Material Weakness; Reportable Condition*)

Cause:

In the case noted above, the Tax Collector did not carefully review the billing documentation and the error occurred.

Recommendation:

We suggest the Tax Collector carefully review and approve the third party billing confirmation before the bills are printed and mailed.

Comments Section

City of Hoboken
Hudson County, New Jersey

Comments

June 30, 2006

An audit of the financial accounts and transactions of the City of Hoboken, in the County of Hudson, New Jersey (the "City") for the fiscal year ended June 30, 2006, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transactions of the Tax Collector, Treasurer, the activities of the Mayor and Council, and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Cash on hand was counted and balances of cash, cash equivalents and investments were reconciled with independent certifications obtained directly from the depositories.

Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

Our audit was made in accordance with auditing standards generally accepted in the United States and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Contracts and Agreements Required to be Advertised, Disqualification of Bidder - N.J.S.A. 40A:11-4

N.J.S. 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 [40A:11-3], shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

City of Hoboken
Hudson County, New Jersey

Comments (continued)

If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$29,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed \$29,000 within the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the Corporation Counsel's opinion shall be sought before a commitment is made.

The system of records did not provide for an accumulation of payments by categories of materials or supplies, or related work or labor. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$29,000 "for the performance of any work or the furnishing of labor materials and supplies or the hiring of teams or vehicles," other than where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-5.

Collection of Interest on Delinquent Taxes, Assessments and Utility Charges

N.J.S. 54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Governing Body adopted the following resolution authorizing interest to be charged on delinquent taxes:

"WHEREAS, N.J.S.A. 54:4-67 authorizes the Governing Body of a Municipality to fix the rate of interest to be charged for non-payment of taxes on or before the date when they would become delinquent, and may provide that no interest shall be charged if payment of any installment is made within the tenth calendar day following the date upon which the same became payable;

City of Hoboken
Hudson County, New Jersey

Comments (continued)

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF HOBOKEN that the rate of interest to be charged on delinquent taxes shall be 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500, to be calculated from the date the tax was payable until the date of actual payment.

BE IT FURTHER RESOLVED by the Municipal Council of the City of Hoboken that the taxes shall be considered delinquent if not paid within the tenth calendar day following the date upon which the same became payable.

The Governing Body also adopted the following resolution:

WHEREAS, N.J.S.A. 54:4-67 permits municipalities to charge interest on delinquent taxes in excess of \$10,000, where the taxpayer fails to pay the delinquency prior to the end of the calendar year, at a rate of six percent (6%) of the delinquency; and

WHEREAS, the Tax Collector has recommended the adoption of same as being in the best interest of the City of Hoboken;

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF HOBOKEN that the Tax Collector is hereby authorized to charge interest of six percent (6%) on any parcel of land with a delinquency in excess of \$10,000 which is not satisfied by the end of the calendar year.

Tax Sale

The last tax sale was held on June 21, 2006 and was complete.

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

City of Hoboken
Hudson County, New Jersey

Comments (continued)

The following comparison is made of the number of tax title liens receivable on June 30, 2006, 2005 and 2004:

<u>Year</u>	<u>Number of Liens</u>
2006	51
2005	50
2004	51

Comparative Schedule of Tax Rate Information

	2006	2005	2004
Tax rate	\$3.434	\$3.287	\$3.217
Apportionment of tax rate:			
Municipal	\$0.976	\$0.832	\$0.783
County	1.237	1.220	1.226
Local school	1.221	1.211	1.207
Type I School District		0.024	0.001
Year	Assessed Valuation		
2006	\$2,723,040,818		
2005	2,581,437,395		
2004	2,341,208,216		

Comparison of Tax Levies and Collections

Year	Tax Levy	Cash Collections	Percentage of Collection
2006	\$88,865,063	\$88,861,771	99.99
2005	82,598,886	82,556,422	99.95
2004	80,064,039	79,979,859	99.90

City of Hoboken
Hudson County, New Jersey

Comments (continued)

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison on June 30, 2006, 2005 and 2004, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2006	\$453,254	\$ 3,292	\$456,546	0.51
2005	436,939	42,469	479,408	0.58
2004	408,855	52,779	461,634	0.58

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on June 30, 2006, 2005 and 2004 on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2006	\$2,806,900
2005	2,806,900
2004	2,806,900

City of Hoboken
Hudson County, New Jersey

Comments (continued)

Officials in Office and Surety Bonds

Name	Title	Amount of Bond
David Roberts	Mayor	
Theresa Castellano	Councilwoman – 1 st Ward	
Richard Del Boccio	Councilman – 2 nd Ward	
Michael Russo	Councilwoman – 3 rd Ward	
Chris Campos	Councilman – 4 th Ward	
Michael Cricco	Councilman – 5 th Ward	
Angelo Giacchi	Councilman – 6 th Ward	
Carol Marsh	Councilwoman at Large	
Ruben Ramos, Jr.	Councilman at Large	
Anthony Soares	Councilman at Large	
Richard England	Acting Business Administrator, Director – Department of Administration	*
George DeStefano	Chief Financial Officer	*
Cassandra Wilday	Director – Department of Environmental Services	*
Carmelo Garcia	Director – Department of Human Services	*
Fred Bado	Director – Department of Community Development	*
James Farina	Municipal Clerk	*
Louis Picardo	Tax Collector	***
Joseph S. Sherman	Corporation Counsel	*
Richard England	Purchasing Agent	*
Sal Bonnacorsi	Tax Assessor	*
Kimberly Glatt	Municipal Judge/Magistrate	**
Roseann Gohde	Municipal Court Director	**

* The City has a blanket public officer bond of \$100,000 for all city employees.

** The Municipal Court has a \$270,000 blanket surety bond for all court personnel.

*** The City has a 750,000 surety bond for the Tax Collector.

Comments and Recommendations

City of Hoboken
Hudson County, New Jersey

Comments and Recommendations

June 30, 2006

Comment #1: *Construction Department Cash Receipts*

We noted that the Construction Department submits its cash collections to the Division of Finance on a weekly basis.

Cash collections should be remitted to the Division of Finance and deposited with the bank within 48 hours of receipt.

Comment #2: *Formalize Computer Access*

The City does not have a formal procedure to document that access to the network is granted, changed, or removed properly.

To ensure that access to the network is properly authorized, we suggest that formal communication be made between department directors and the Information Technology personnel for all new employees, terminated or retired employees and internal transfers that require changes in access level.

Comment #3: *Review of Asset Appraisal Report*

The City hired an appraisal company to prepare a listing of the City's assets as well as appraise each asset's value. Based on our inquiry of the Administration, a formal review of the report received from the appraisal company was not performed. The report was accepted as prepared.

We suggest the City designate an employee to review the appraisal report to ensure the accuracy and completeness of the asset listing. *(Repeat of prior year recommendation #3)*

Comment #4: *Interfund Balance*

Interfund receivable and payable balances remain at year end.

The City should minimize interfund activity during the year and liquidate all interfunds at the end of each fiscal year. *(Repeat of prior year recommendation #5)*

City of Hoboken
Hudson County, New Jersey

Comments and Recommendations (continued)

Comment #5: *Current and Trust Fund Reserves*

The following reserves for expenditures were established in the Trust Fund without corresponding riders in accordance with N.J.S.A. 40A:4-39:

Trust Fund

Affordable Housing (Wanaque)
Division of Cultural Affairs
Girl's softball
North Haledon RCA
Police Athletic League
Police Department Memorial Fund
Recreation-Basketball
Shade Tree Commission
Umpires Fees
Workers' compensation insurance

Spending reserves should be established by riders. *(Repeat of prior year recommendation #10)*

Comment #6: *Section 8 – Housing Assistance Program*

As the administrator of the Section 8 Program, the City is required to perform inspections of the HUD-subsidized units to identify deficiencies in the unit's physical condition. These inspections were performed, however the inspection reports for Elaires Corp. (Uplift) and Elysian are maintained at the respective sites and not at the City.

As the City is ultimately responsible for the documentation related to the inspections, the inspection reports should be maintained at the City. *(Repeat of prior year recommendation #11)*

City of Hoboken
Hudson County, New Jersey

Comments and Recommendations (continued)

Comment #7: Grants Management- Lack of Formal Procedures

There is no formal process in place for the Grants Management Department to report grant activity to the Administrator and Finance Division. We also noted that the Grants Management Department does not maintain a centralized file of all grant agreements.

We suggest the City perform a Business Process Improvement Review of the Grants Management Department to identify the current practices and develop procedures to enhance the controls over reporting and compliance monitoring.

In addition, the City should prepare a detailed policies and procedures grants manual. This document should describe the necessary steps to record all grant activity, maintenance of grant documents and reporting of grant application activity to the Administrator as well as Department Heads that are responsible for compliance with the respective grant.

Reporting to the Administrator and respective Department Heads should include, but not limited to:

- status and activity of all awarded grants on a monthly basis
- all outstanding grant applications as well as new grant awards
- any prospective grant applications
- compliance with both State and Federal compliance requirements including the proper monitoring and oversight necessary or documentation as to who is responsible for oversight
- any supplemental awards or amendments
- all communication with the Department that has received the grant including an understanding use of the funds, time period and compliance requirements

(Repeat of prior year recommendation #12)