

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

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2007**

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 HUDSON COUNTY, NEW JERSEY  
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CITY OF HOBOKEN  
HUDSON COUNTY, NEW JERSEY  
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## INDEPENDENT AUDITOR'S REPORT

The 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, 2007 and for the year ended June 30, 2007, 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 audit. The statutory-basis financial statements of the City as of and for the year ended June 30, 2006 were audited by other auditors whose report thereon dated December 28, 2006, expressed an unqualified opinion on those statements in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, 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 and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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, 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 second 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, 2007 or the results of its operations or changes in its fund balances for the year ended June 30, 2007.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City as of June 30, 2007, and the results of its operations and the changes in its fund balances for the year ended June 30, 2007 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 a report 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 audits.

Our audits were performed for the purpose of forming an opinion 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 are not a required part of the statutory-basis financial statements of the City. Such supplementary information has been subjected to the auditing procedures applied in the audit of the 2007 statutory-basis financial statements and, in our opinion, are fairly stated in all material respects in relation to the 2007 statutory-basis financial statements taken as a whole.

Garbarini & Co. P.C. CPA's

By: Paul C. Garbarini, CPA  
Registered Municipal Accountant  
License No. 120

Carlstadt, New Jersey

## **Financial Statements**

**Current Fund**

**Exhibits**

**CITY OF HOBOKEN  
CURRENT FUND**

A

**COMPARATIVE BALANCE SHEETS**

	<u>Reference</u>	<b>At June 30,</b>	
<b><u>ASSETS</u></b>		<b><u>2007</u></b>	<b><u>2006</u></b>
Current Fund:			
Cash	A-4	\$ 21,525,522	\$ 7,831,318
Change Fund		750	750
		21,526,272	7,832,068
Other Receivables:			
Due from State of New Jersey - Seniors / Veterans Deductions	A-8	57,700	65,731
Receivable and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	2,082	3,292
Tax Title Liens Receivable	A-6	469,752	453,254
Property Acquired for Taxes - Assessed Valuation	A-7	2,806,900	2,806,900
Revenue Accounts Receivable	A-9	145,209	151,305
Mortgage Receivable	A-11	766,571	822,325
Water Liens	A-12	44,306	46,261
Interfund Receivable	A-10	364,741	276,846
	Contra	4,599,561	4,560,183
Deferred Charges	A-13	2,533,920	1,102,020
Total Current Assets		28,717,453	13,560,002
Federal and State Grants Fund:			
Cash	A-4	2,321,069	3,394,890
Grants Receivable	A-22	1,190,250	351,354
Due From Capital Fund	A-27	1,132,596	
Urban Development Action Grant Receivable	A-26	2,650,000	
Total Federal and State Grant Fund		7,293,915	3,746,244
<b>TOTAL ASSETS</b>		<b>\$ 36,011,368</b>	<b>\$ 17,306,246</b>

See Accompanying Notes to Financial Statements.

**CITY OF HOBOKEN  
CURRENT FUND**

A

**COMPARATIVE BALANCE SHEETS**

	<u>Reference</u>	<u>At December 31,</u>	
		<u>2007</u>	<u>2006</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE:</u></b>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3, A-14	\$ 539,996	\$ 1,755,008
Reserve for Encumbrances	A-3, A-14	550,656	915,828
Tax Anticipation Note Payable	A-15	17,000,000	
Prepaid Taxes	A-16	152,039	125,046
Interfunds Payable	A-10	106,442	804,585
Tax Overpayments	A-17	1,039,371	1,685,394
Promissory Note Payable - HICA	A-18	766,571	822,325
Various Reserves	A-19	369,951	312,137
		20,525,026	6,420,323
Reserve for Receivables	Contra	4,599,561	4,560,183
Fund Balance	A-1	3,592,866	2,579,496
Total Liabilities, Reserves and Fund Balance - Current Fund		28,717,453	13,560,002
Federal, State and County Grant Fund:			
Appropriation Reserves	A-24	3,509,366	2,539,668
Unappropriated Reserves	A-25	633,584	926,394
Reserve for Encumbrances	A-24	177,414	3,336
Reserve for Urban Development Action Grant	A-26	2,650,000	
Due to Current Fund	A-23	323,551	276,846
Total Federal, State and County Grant Fund		7,293,915	3,746,244
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 36,011,368</b>	<b>\$ 17,306,246</b>

See Accompanying Notes to Financial Statements.

**CITY OF HOBOKEN  
CURRENT FUND**

A-1

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**

	<u>Reference</u>	<b>For the Years Ended December 31,</b>	
<b><u>REVENUE AND OTHER INCOME REALIZED:</u></b>		<u>2007</u>	<u>2006</u>
Fund Balance Utilized	A-2	\$ 2,000,000.00	\$ 400,000.00
Miscellaneous Revenue Anticipated	A-2	46,170,112.00	49,997,972.00
Receipts from Delinquent Taxes	A-2	5,829.00	58,784.00
Receipts from Current Taxes (Net of Added Taxes Anticipated)	A-2	100,330,854.00	88,724,641.00
Non-Budget Revenues	A-2	802,970.00	171,409.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	448,615.00	192,971.00
Unexpended Balance of Appropriations	A-3	13,694.00	
Adjustment to Cash Balance @ June 30, 2006	A-4	25,893.00	
Canceled Prior Year Grants Expended Prior Year	A-10	926,394.00	
Canceled Tax Overpayments	A-17	1,070,475.00	
Interfunds Returned			733,982.00
Total Revenue and Other Income Realized		<u>151,794,836.00</u>	<u>140,279,759.00</u>
<b><u>EXPENDITURES:</u></b>			
Budget Appropriations	A-3	79,560,479.00	75,049,365.00
Local District School Tax	A-20	33,450,000.00	31,750,000.00
County Taxes	A-21	35,088,113.00	34,095,601.00
Appropriation Difference (Net)	A-4	564.00	
Interfund Advances	A-10	323,551.00	276,846.00
Prior Year Tax Returned Check Voided	A-4	10,098.00	
Prior Year Seniors Disallowed	A-5	4,480.00	
Reinstatement of Grants Canceled Prior Year	A-10	756,170.00	
Reinstatement of O & M Trust Fund Canceled Prior Year	A-10	1,232,354.00	
Reinstatement of Fire Department Hazmat Trust	A-10	223,045.00	
Tax Appeals Judgments	A-17	25,314.00	139,207.00
Total Expenditures		<u>150,674,168.00</u>	<u>141,311,019.00</u>
Excess / (Deficit) in Revenues		1,120,668.00	(1,031,260.00)
<b><u>ADJUSTMENTS TO INCOME BEFORE FUND BALANCES:</u></b>			
Expenditures Included Above Which are Deferred			
Charges to Budget of Succeeding Year:			
Deficit in Operations			1,031,260.00
Overexpenditure of Appropriations	A-13	617,702.00	-
Emergency Appropriations	A-13	<u>1,275,000.00</u>	-
Total Expenditures		<u>1,892,702.00</u>	<u>1,031,260.00</u>
Statutory Excess / (Deficit) to Surplus		3,013,370.00	-
Fund Balance, Beginning of Year	A	<u>2,579,496.00</u>	<u>2,979,496.00</u>
		5,592,866.00	2,979,496.00
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>2,000,000.00</u>	<u>400,000.00</u>
Fund Balance, End of Year	A	<u>\$ 3,592,866.00</u>	<u>\$ 2,579,496.00</u>

See Accompanying Notes to Financial Statements.

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-2

**STATEMENT OF 2007 REVENUES**

	<u>Reference</u>	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	A-1	\$ 2,000,000	\$ 2,000,000	-
Miscellaneous Revenues:				
LOCAL REVENUES				
Licenses:				
Alcoholic Beverages	A-9	268,240	264,456	(3,784)
Other	A-9	166,865	167,764	899
Fees and Permits	A-9	257,334	265,270	7,936
Zoning Board of Adjustment Fees	A-9	205,311	147,095	(58,216)
Planning Board Fees	A-9	56,839	31,153	(25,686)
Rent Leveling Fees	A-9	49,188	42,722	(6,466)
Fines and Costs:	A-9			
Municipal Court	A-9	3,605,670	3,788,055	182,385
Parking Tax	A-9	887,694	846,864	(40,830)
Interest and Costs on Taxes	A-9	161,550	323,788	162,238
Interest on Investments and Deposits	A-9	598,415	1,068,902	470,487
Riverview Cablevision Associates	A-9	163,418	173,113	9,695
Rents - City Owned Property	A-9	166,210	261,126	94,916
Crosstown Bus Line	A-9	12,638	9,109	(3,529)
SJP Properties - Block A - Phase I	A-9	947,332	936,000	(11,332)
SJP Properties - Block A - Phase II	A-9	947,332	936,000	(11,332)
SJP Properties/Applied - Block B	A-9	252,971	-	(252,971)
Applied Development Co. - South Waterfront - Block C	A-9	1,235,072	1,235,072	-
St. Mary's Hospital PILOT	A-9	40,000	40,000	-
PATH - NJ Transit	A-9	-	2,892	2,892
Grogan Marineview Plaza	A-9	522,058	622,769	100,711
Clocktowers	A-9	57,977	120,031	62,054
Marion Towers Associates	A-9	179,342	183,533	4,191
Church Towers Urban Renewal	A-9	458,264	463,094	4,830
Columbian Towers	A-9	106,071	114,573	8,502
Columbian Arms	A-9	34,438	27,464	(6,974)
Hudson Square North	A-9	51,823	108,037	56,214
Willow Avenue Associates - 800-812 Wilson Avenue	A-9	44,655	74,478	29,823
Applied Housing - 1203-1219 Willow Avenue	A-9	244,790	240,359	(4,431)
Applied Housing - 1201-1221 Washington Estates	A-9	411,375	389,078	(22,297)
Applied Housing - 1200-1220 Hudson Estates	A-9	429,067	360,474	(68,593)
Applied Housing - 1301-1309 Bloomfield Estates	A-9	128,730	143,024	14,294
Applied Housing - Midway 500-508 Adams Street	A-9	197,952	201,114	3,162
Applied Housing - Elysian Estates	A-9	32,032	47,118	15,086
Applied Housing - Church Square	A-9	125,399	104,798	(20,601)
Applied Housing - Eastview Associates	A-9	39,952	114,225	74,273
Applied Housing - Westview Associates	A-9	90,080	192,701	102,621
Applied Housing - Northvale I - 911-923 Clinton Street	A-9	367,634	361,755	(5,879)
Applied Housing - Northvale II - 901-919 Clinton Street	A-9	372,404	339,443	(32,961)
Applied Housing - Northvale III A	A-9	100,188	47,973	(52,215)
Applied Housing - Northvale III B - 1106-1014 Clinton Street	A-9	92,457	41,846	(50,611)
Applied Housing - Northvale IV - 58 11th Street	A-9	14,631	14,425	(206)
Pilot Pay 1300 Grand Street	A-9	904,947	683,203	(221,744)
Pilot Pay 1200 Grand Street	A-9	1,075,876	897,898	(177,978)
Hudson Square North - Mortgage Receivable	A-9	55,754	55,754	-

See Accompanying Notes To Financial Statements.

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-2

**STATEMENT OF 2007 REVENUES**

	<u>Reference</u>	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Miscellaneous Revenues (Continued):				
Consolidated Municipal Property Tax Block Grant	A-9	13,260,177	13,260,177	-
Legislative Municipal Block Grant Aid	A-9	151,261	151,261	-
Energy Receipts Tax	A-9	2,169,897	2,169,897	-
Extraordinary Aid	A-9	150,000	150,000	-
Homeland Security Assistance Aid	A-9	140,000	140,000	-
Uniform Construction Code Fees	A-9	1,838,404	1,288,021	(550,383)
Hoboken Housing Authority - Public Safety	A-9	540,000	540,000	-
Hoboken Board of Education - Public Safety	A-9			-
Public Health Priority Funding	A-9	6,212	6,212	-
Summer Food Service Program	A-9	25,910	25,910	-
CDBG - Administrative Costs	A-9	100,000	100,000	-
SFY 2007 Roadway Improvement Project	A-9	450,000	450,000	-
UASI Rescue Training	A-9	15,320	15,320	-
Body Armor Replacement Fund	A-9	14,359	14,359	-
NFL Youth Football Grant	A-9	8,000	8,000	-
Walk Safe Hoboken/Pedestrian	A-9	18,000	18,000	-
Roadway Improvement Project - 8th Street	A-9	390,000	390,000	-
State Local Cooperative Housing Inspection Program	A-9	64,000	64,000	-
Recycling Tonnage	A-9	117,320	117,320	-
Hoboken Justice Assistance Grant	A-9	14,431	14,431	-
1118 Adams Street Urban Renewal	A-9	2,250,000	2,250,000	-
Save the Youth - 2007 Grant	A-9	197,446	197,446	-
September 11, 2001 Memorial	A-9	110,000	110,000	-
Hazardous Discharge Site Remediation	A-9	19,893	19,893	-
Secure our Schools Grant	A-9	134,634	134,634	-
Secure our Schools Grant - HBOE Match	A-9	134,635	134,635	-
Capital Surplus	A-9	276,846	276,846	-
Added Assessments	A-9	1,120,510	1,128,759	8,249
Reserve, Outside-Duty Police Administration	A-9	140,000	140,000	-
Sinatra Park Concession	A-9	42,000	35,000	(7,000)
Uniform Fire Safety Act	A-9	73,558	56,443	(17,115)
Anticipated Parking Utility Operating Surplus	A-9	5,358,059	4,775,000	(583,059)
SJP Properties Block A Phase 2	A-9	1,500,000	1,500,000	-
Total Miscellaneous	A-1	46,990,847	46,170,112	(820,735)
Receipts From Delinquent Taxes	A-1, Below		5,829	5,829
Amt. to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes Including				
Reserve for Uncollected Taxes	Below	28,832,265	31,948,077	3,115,812
NON BUDGET REVENUES	A-1, Below	-	802,970	802,970
BUDGET TOTALS	A-3	\$ 77,823,112	\$ 80,926,988	\$ 3,103,876

See Accompanying Notes To Financial Statements.

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-2

**STATEMENT OF REVENUES**

**ANALYSIS OF REALIZED REVENUE**

Allocation of Current Tax Collections:		
Current Tax Revenue	A-5	\$ 101,459,613.00
Less: Added Assessments Anticipated as Revenue	Above	<u>(1,128,759)</u>
Taxes Receivable	A-1	\$ 100,330,854.00
Less: Allocated to School and County Taxes	A-5	(68,538,113.00)
Add: Appropriation for Uncollected Taxes	A-3	<u>155,336</u>
Amount for Support of Municipal Budget Appropriations	Above	<u><u>\$ 31,948,077</u></u>
Receipt from Delinquent Taxes:		
Delinquent Taxes	Above	\$ 5,829
Tax Title Liens		
<hr/>		
Amount for Support of Municipal Budget Appropriations	Above	<u><u>\$ 5,829</u></u>

**ANALYSIS OF NON-BUDGETED REVENUES**

Unanticipated PILOTS		\$153,859
Miscellaneous Bank Fee Refunds		370
Tax Anticipation Note Premium		2,720
Dividend- Prudential Bond		3,429
Deposit Return Chargebacks/ Adjustments		32
Department of Transportation- Prior Year Expended Grant		605,120
Public Safety Police		12,929
Hoboken Historic		1,250
Telephone Commissions		5,000
Tax Searches		1,470
Variances- Tax Office		640
Duplicate Bills		6,380
Lien Calculations		4,319
Duplicate Tax Sale Certificate		3,500
Misc- Restitution Payment		<u>1,952</u>
Total Non-Budgeted Revenues	A-1, A-4	<u><u>\$802,970</u></u>

See Accompanying Notes to Financial Statements.

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-3

STATEMENT OF EXPENDITURES

<u>Expenditures</u>	<u>Ref.</u>	<u>APPROPRIATIONS</u>		<u>Paid or Charged</u>	<u>EXPENDED</u>		<u>Canceled</u>
		<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"							
GENERAL GOVERNMENT FUNCTIONS:							
Mayor's Office							
Salaries and Wages		\$ 168,000	\$ 168,000	\$ 167,205	\$ -	\$ 795	\$
Other Expenses		95,000	95,000	37,620	15,842	41,538	
City Council							
Salaries and Wages		206,200	207,700	207,431		269	
Other Expenses		8,500	7,000	6,831		169	
City Clerk's Office							
Salaries and Wages		445,000	415,500	415,313		187	
Other Expenses		7,000	8,000	7,007	523	470	
Other Expenses - Legal Advertising		28,000	27,000	23,157	3,474	369	
Other Expenses - Codification of Ordinances		10,000	11,000	5,763	4,889	348	
Salaries and Wages - Elections		30,000	45,210	45,209		1	
Other Expenses - Elections (Emergency \$100,000)		50,000	150,000	108,080	13,121	28,799	
Business Administrator's Office							
Salaries and Wages		316,500	319,000	318,603		397	
Other Expenses		40,000	38,000	37,149	536	315	
Purchasing							
Salaries and Wages		112,300	112,900	112,841		59	
Other Expenses		3,500	3,500	1,643	923	934	
Personnel and Health Benefits							
Salaries and Wages		208,500	205,000	204,724		276	
Other Expenses		2,500	2,500	1,504		996	
Constituent Services							
Salaries and Wages		164,000	163,800	163,715		85	
Other Expenses		5,000	5,000	4,250	469	281	
Zoning Administration							
Salaries and Wages		95,000	89,000	88,854		146	
Other Expenses		2,400	2,900	1,869	120	911	
Uniform Construction Code Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)							
Salaries and Wages		700,000	674,000	673,887		113	
Other Expenses		938,000	387,000	363,513	23,007	480	
Corporation Counsel							
Salaries & Wages		407,800	416,810	416,803		7	
Other Expenses		23,000	25,500	24,747	710	43	
Other Expenses - Special Counsel		850,000	1,125,000	820,785	13,661	290,554	
Other Expenses - Expert Witness and Appraisal		19,000	11,700	3,500	8,105	95	
Revenue and Finance Director							
Salaries & Wages		235,000	233,000	232,939		61	
Other Expenses		328,000	323,500	320,732	2,617	151	
Annual Audit							
Other Expenses		115,000	115,000	114,991		9	

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See Accompany Notes to Financial Statements.

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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**STATEMENT OF EXPENDITURES**

<u>Expenditures</u>	<u>Ref.</u>	<u>APPROPRIATIONS</u>		<u>Paid or Charged</u>	<u>EXPENDED</u>		<u>Canceled</u>
		<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS WITHIN "CAPS" (cont'd)							
GENERAL GOVERNMENT FUNCTIONS:							
Accounts and Control							
Salaries & Wages		\$ 75,300	\$ 75,300	\$ 75,214	\$ -	\$ 86	
Other Expenses		2,500	2,500	405	1,500	595	
Payroll							
Salaries & Wages		87,000	86,500	86,184		316	
Other Expenses		500	500	15	35	450	
Tax Collections							
Salaries & Wages		310,000	308,890	308,884		6	
Other Expenses		40,000	30,600	28,150	2,380	70	
Information Technology							
Salaries & Wages		83,100	83,600	83,534		66	
Other Expenses		2,000	2,000	1,997		3	
Office of the Tax Assessor							
Salaries & Wages		312,300	310,300	310,242		58	
Other Expenses		25,000	24,000	15,892	7,804	304	
Department of Human Services							
Director's Office							
Salaries & Wages		173,000	173,000	172,980		20	
Other Expenses		2,500	2,500	1,694	535	271	
Rent Leveling							
Salaries & Wages		182,600	177,050	177,040		10	
Other Expenses		52,000	56,000	47,176	8,813	11	
Housing Inspections							
Salaries & Wages		85,300	85,300	84,848		452	
Other Expenses		2,500	2,500	1,474	293	733	
Transportation							
Salaries & Wages		237,100	238,500	238,490		10	
Other Expenses		7,000	7,000	6,514	121	365	
Health							
Salaries & Wages		474,500	459,700	459,682		18	
Other Expenses		115,000	104,500	93,737	10,627	136	
Senior Citizens							
Salaries & Wages		368,000	382,200	382,156		44	
Other Expenses		26,000	21,500	18,851	2,533	116	
Hispanic and Minority Affairs							
Salaries & Wages						-	
Other Expenses		3,500	700	471	208	21	
Recreation and Cultural Affairs							
Salaries & Wages		680,000	779,050	779,029		21	
Other Expenses		375,000	375,000	371,146	3,683	171	

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See Accompany Notes to Financial Statements.

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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**STATEMENT OF EXPENDITURES**

<u>Expenditures</u>	<u>Ref.</u>	<u>APPROPRIATIONS</u>		<u>Paid or Charged</u>	<u>EXPENDED</u>		<u>Canceled</u>
		<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS WITHIN "CAPS" (cont'd)							
Department of Environmental Services							
Director's Office							
Salaries & Wages		\$ 530,000	\$ 518,700	\$ 518,604	\$ -	\$ 96	
Other Expenses		2,500	2,500	1,468	831	201	
Parks							
Salaries & Wages		748,000	713,500	713,456		44	
Other Expenses		125,000	121,900	117,893	3,943	64	
Public Property							
Salaries & Wages		705,000	775,000	774,647		353	
Other Expenses		210,000	210,000	202,007	6,536	1,457	
Streets and Roads							
Other Expenses		60,000	70,500	574,502	98,785	(602,787)	
Signal and Traffic							
Salaries & Wages		-	-			-	
Other Expenses		-	-	(125)		125	
Central Garage							
Salaries & Wages		147,000	163,560	163,556		4	
Other Expenses		210,000	206,900	162,566	34,258	10,076	
Sanitation							
Salaries & Wages		1,667,000	1,653,450	1,653,413		37	
Other Expenses		3,000,000	2,951,700	2,950,444	945	311	
Department of Community Development							
Director's Office							
Salaries & Wages		167,900	171,900	171,525		375	
Other Expenses		123,000	123,000	120,881	1,950	169	
Grants Management							
Salaries & Wages		94,100	70,100	69,679		421	
Other Expenses		2,000	2,000	1,375	390	235	
Waterfront Development							
Other Expenses		50,000	54,950	52,835	2,079	36	
Planning Board							
Salaries & Wages		93,300	90,300	89,681		619	
Other Expenses		60,000	44,500	44,293	45	162	
Zoning Board of Adjustment							
Other Expenses		84,650	84,650	83,750		900	
Historical Preservation Committee							
Other Expenses		400	800	303	408	89	
						-	

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See Accompany Notes to Financial Statements.

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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**STATEMENT OF EXPENDITURES**

<u>Expenditures</u>	<u>Ref.</u>	<u>APPROPRIATIONS</u>		<u>Paid or Charged</u>	<u>EXPENDED</u>		<u>Canceled</u>
		<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS WITHIN "CAPS" (cont'd)							
Department of Public Safety							
Police							
Salaries and Wages (Emergency \$350,000)		\$ 12,960,000	\$ 13,621,200	\$ 13,621,154	\$ -	\$ 46	
Other Expenses		450,000	450,000	441,608	8,385	7	
Acquisition of Police Vehicles		18,000	13,000	11,973	867	160	
Fire							
Salaries and Wages (Emergency \$300,000)		13,120,000	13,231,300	13,243,706		(12,406)	
Other Expenses		258,000	258,000	224,236	28,270	5,494	
Uniform Fire Safety Act (c.383, PL 1938)							
Salaries and Wages		73,558	73,558	73,558		-	
Office of Emergency Management							
Salaries and Wages		92,000	104,375	104,374		1	
Other Expenses		2,000	2,000	1,643		357	
Municipal Court							
Salaries and Wages		917,000	928,250	928,229		21	
Other Expenses		120,000	120,000	97,154	17,347	5,499	
Public Defender							
Salaries and Wages		60,500	60,500	60,350		150	
Other Expenses		3,000	3,000	2,425	450	125	
Insurance (N.J.S.A. 40A:4-45.3(00))							
General Liability		700,000	705,000	681,163	4,250	19,587	
Workers Compensation		550,000	550,000	549,562		438	
Employee Group Health		9,950,000	10,850,000	10,850,000		-	
Unclassified							
Alcoholic Beverage Control Board							
Salaries and Wages		7,100	7,100	7,000		100	
Other Expenses		15,000	11,500	11,351		149	
Volunteer Ambulance (NJSA 40:5-2)		40,000	40,000	40,000		-	
North Hudson Regional Council of Mayors							
Other Expenses		56,692	56,692	56,690		2	
Claims Against City		75,000	75,000	74,956		44	
Towing & Storage of Abandoned Vehicles		2,000	(1,500)	(1,547)		47	
Unemployment Compensation Insurance		70,000	47,500	47,371		129	
NJ Right To Know		5,000	-	-		-	
Engineering		120,000	120,000	119,362		638	
Municipal Dues and Memberships		12,215	10,715	10,111	331	273	
Celebration Of Public Events		55,720	52,420	49,433	2,964	23	
Postage		120,000	106,500	106,157		343	
Office Machines		55,000	48,500	48,426		74	
Stationary and Office Supplies		5,000	5,000	4,764		236	
Electricity		420,000	420,000	419,610		390	
Street Lighting		455,000	433,000	432,277		723	
Gasoline		237,000	237,000	235,243		1,757	
Fuel		25,000	26,500	26,115		385	
Water and Sewer		15,000	2,000	1,869		131	
Communications		210,000	210,000	209,963		37	
Telecommunication Equipment		10,000	10,000	8,340	450	1,210	
Master Plan - Redevelopment		25,000	52,950	52,911		39	
<b>Total Operations within "CAP"</b>		<b>58,724,535</b>	<b>60,147,180</b>	<b>59,994,760</b>	<b>340,013</b>	<b>(187,593)</b>	<b>-</b>

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See Accompany Notes to Financial Statements.

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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**STATEMENT OF EXPENDITURES**

<u>Expenditures</u>	<u>Ref.</u>	<u>APPROPRIATIONS</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>
OPERATIONS WITHIN "CAPS" (cont'd)							
Salary Adjustment		\$ 1,504,399	\$ 1,288,254	\$ 1,265,654		\$ 22,600	
Contingent		4,000	4,000	3,947		53	
<b>Total Operations Including Contingent within "CAPS"</b>		60,232,934	61,439,434	61,264,361	340,013	(164,940)	-
Detail:							
Salaries and Wages		37,465,400	38,318,545	38,325,181	-	(6,636)	-
Other Expenses		22,767,534	23,120,889	22,939,180	340,013	(158,304)	-
(E) Deferred Charges and Statutory Expenditures-							
Municipal within "CAPS"							
<u>(2) STATUTORY EXPENDITURES:</u>							
Deferred Charges:							
Deficit in Operations		427,423	427,423	427,423		-	
Overexpended Improvement Authorization		6,442	6,442	6,442		-	
Statutory Expenditures:							
Contribution to:							
Social Security System (O.A.S.I.)		942,000	1,010,500	1,010,467		33	
Total Deferred Charges and Statutory Expenditures							
		1,375,865	1,444,365	1,444,332	-	33	-
<b>(H-1) TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>		61,608,799	62,883,799	62,708,693	340,013	(164,907)	-

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See Accompany Notes to Financial Statements.

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-3

**STATEMENT OF EXPENDITURES**

<u>Expenditures</u>	<u>Ref.</u>	<u>APPROPRIATIONS</u>		<u>Paid or Charged</u>	<u>EXPENDED</u>		
		<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<b>(A) Operations - Excluded from "CAPS"</b>							
<b><u>GENERAL GOVERNMENT</u></b>							
Maintenance- Free Public Library							
Salaries and Wages		\$ 838,000	\$ 798,000	\$ 795,339	\$ -	\$ 2,661	\$ -
Other Expenses		762,000	802,000	515,100	210,643	76,257	-
Social Security			-			-	
Police/Firemen's Retirement		3,698,858	3,698,858	3,696,931		1,927	
Public Employees Retirement		363,719	363,719	363,719		-	
Hoboken Housing Authority							
Police Salaries and Wages		540,000	540,000	540,000		-	
Hoboken Board of Education							
Police Salaries and Wages						-	
Judgements		130,000	130,000	130,000		-	
		<u>6,332,577</u>	<u>6,332,577</u>	<u>6,041,089</u>	<u>210,643</u>	<u>80,845</u>	<u>-</u>
<b><u>PUBLIC AND PRIVATE REVENUES OFF-SET BY REVENUES</u></b>							
Summer Food Service		25,910	25,910	25,910		-	
UASI Rescue Training		15,320	15,320	15,320		-	
Public Health Priority Fund		6,212	6,212	6,212		-	
Section 8 Housing Admin. Cost		100,000	100,000	100,000		-	
Body Armor Replacement Fund		14,359	14,359	14,359		-	
NFL Youth Football Grant		8,000	8,000	8,000		-	
Walk Safe - Hoboken/Pedestrian		18,000	18,000	18,000		-	
Hoboken Justice Assistance Grant		14,431	14,431	14,431		-	
1118 Adams Street Urban Renewal		2,250,000	2,250,000	2,250,000		-	
Save the Youth		197,446	197,446	197,446		-	
September 11, 2001 Memorial		110,000	110,000	110,000		-	
Hazardous Discharge Site Remediation		19,893	19,893	19,893		-	
Secure Our Schools Grant		269,269	269,269	269,269		-	
SFY 2007 Roadway Improvement Project		450,000	450,000	450,000		-	
8th Street Roadway Improvements		390,000	390,000	390,000		-	
Recycling Tonnage		117,320	117,320	117,320		-	
Grant Match		20,000	20,000	20,000		-	
State Local Cooperative Housing Inspection Program		64,000	64,000	64,000		-	
		<u>4,090,160</u>	<u>4,090,160</u>	<u>4,090,160</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operations - Excluded from "CAPS"</b>		<u>10,422,737</u>	<u>10,422,737</u>	<u>10,131,249</u>	<u>210,643</u>	<u>80,845</u>	<u>-</u>
Detail:							
Salaries and Wages		-	-	-	-	-	-
Other Expenses		10,422,737	10,422,737	10,131,249	210,643	80,845	-

(Continued Next Page)

See Accompany Notes to Financial Statements.

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-3

**STATEMENT OF EXPENDITURES**

<u>Expenditures</u>	<u>Ref.</u>	<u>APPROPRIATIONS</u>		<u>Paid or Charged</u>	<u>EXPENDED</u>		
		<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
OPERATIONS EXCLUDED FROM "CAPS" (Cont'd)							
<b>(C) Capital Improvement Fund - Excluded from "CAPS"</b>							
Capital Improvement Fund - Down Pmt on Improvements		\$ 100,000	\$ 100,000	\$ 91,135	\$ -	\$ 8,865	\$ -
<b>(D) Municipal Debt Service</b>							
Payment of Bond Principal		1,355,000	1,355,000	1,355,000		-	
Payment of Bond Anticipation Notes and Capital Notes		225,000	225,000	215,000		-	10,000
Interest on Bonds		2,289,252	2,289,252	2,289,262		(10)	
Interest on Notes		464,200	464,200	463,753		-	447
Notes Payable - Hudson County Improvement Authority		915,631	915,631	918,130		(2,499)	
Loan Repayment for Principal and Interest		192,684	192,684	189,437		-	3,247
Underground Storage Tanks		24,474	24,474	24,474		-	
		<u>5,466,241</u>	<u>5,466,241</u>	<u>5,455,056</u>	<u>-</u>	<u>(2,509)</u>	<u>13,694</u>
<b>(E) Deferred Charges - Municipal - Excluded from "CAPS"</b>							
<b>Special Emergency Authorizations- 5 years (N.J.S. 40A:4-55)</b>							
		<u>70,000</u>	<u>70,000</u>	<u>70,000</u>		<u>-</u>	<u>-</u>
<b>Local District School Purposes Excluded from "CAPS"</b>							
Type I District School Debt							
Payment - Bond Principal						-	
Interest on Bonds						-	
Total Local District School Purposes Excluded from "CAPS"		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>(H-2) TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"</b>							
		<u>16,058,978</u>	<u>16,058,978</u>	<u>15,747,440</u>	<u>210,643</u>	<u>87,201</u>	<u>13,694</u>
<b>(L) Subtotal General Appropriations</b>							
		<u>77,667,777</u>	<u>78,942,777</u>	<u>78,456,133</u>	<u>550,656</u>	<u>(77,706)</u>	<u>13,694</u>
<b>(M) Reserve for Uncollected Taxes</b>							
	A-2	<u>155,336</u>	<u>155,336</u>	<u>155,336</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL GENERAL APPROPRIATIONS</b>							
		<u>\$ 77,823,113</u>	<u>\$ 79,098,113</u>	<u>\$ 78,611,469</u>	<u>\$ 550,656</u>	<u>\$ (77,706)</u>	<u>\$ 13,694</u>
	<u>Ref.</u>	<u>A-2</u>	<u>Below</u>	<u>Below</u>	<u>A</u>	<u>A, Below</u>	<u>A-1</u>
<b><u>Analysis of Paid or Charged</u></b>							
Cash Disbursements	A-4			\$ 72,200,075	Overexpended	\$ (617,702)	
Non Cash State Aid- Debt Service	A-9			3,270,631	Reserved	539,996	
Budget Refunds	A-4			(1,327,278)	Above	<u>\$ (77,706)</u>	
Reserve for Uncollected Taxes	Above, A-2			155,336			
General Capital Deferred Charge	A-10			6,442			
Deferred Charges	A-13			497,423			
Grants	A-10			<u>3,808,840</u>			
	Above			<u>\$ 78,611,469</u>			
Adopted Budget	A-2		\$ 77,823,113				
Emergency Authorization	A-13		<u>1,275,000</u>				
Modified Budget	Above		<u>\$ 79,098,113</u>				

See Accompany Notes to Financial Statements.

**Trust Fund**

**Exhibits**

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

**COMPARATIVE BALANCE SHEET**

				<b>B</b>					
				<b>Balance, June 30</b>					
<u>Reference</u>	<u>2007</u>	<u>2006</u>					<u>Reference</u>	<u>2007</u>	<u>2006</u>
<b><u>ASSETS</u></b>				<b><u>LIABILITIES AND RESERVES</u></b>					
<u>Animal Control Trust Fund:</u>				<u>Animal Control Trust Fund:</u>					
Cash	B-1	\$ 23,045	\$ 14,354	Due to Current Fund	B-2	\$ 5,769	\$ -		
				Due to State of New Jersey	B-4	234	368		
				Reserve for Animal Control Expenditures	B-5	17,042	13,986		
Total		<u>\$ 23,045</u>	<u>\$ 14,354</u>	Total		<u>\$ 23,045</u>	<u>\$ 14,354</u>		
<u>Other Trust Fund:</u>				<u>Other Trust Fund:</u>					
Cash	B-1	\$ 4,669,170	\$ 4,797,216	Reserve for Other Trust Fund Deposits	B-6	\$ 4,669,170	\$ 4,797,216		
Total		<u>\$ 4,669,170</u>	<u>\$ 4,797,216</u>	Total		<u>\$ 4,669,170</u>	<u>\$ 4,797,216</u>		
<u>Section 8 - Housing Assistance Program:</u>				<u>Section 8 - Housing Assistance Program:</u>					
Cash	B-1	\$ 1,324,219	\$ 1,571,143	Due to Community Development Block Grant Trust Fund	B-7	\$ 19,526	\$ 33,718		
				Due to Current Fund	B-10	35,421			
				Due to Grantor - Section 8 Housing Assistance	B-11	\$ 47,711			
				Res. for Sect 8 - Housing Assistance Program-Excess	B-9	1,221,561	1,537,425		
Total		<u>\$ 1,324,219</u>	<u>\$ 1,571,143</u>	Total		<u>\$ 1,324,219</u>	<u>\$ 1,571,143</u>		
<u>Community Development Block Grant Trust Fund:</u>				<u>Community Development Block Grant Trust Fund:</u>					
Grant Receivable	B-3	\$ 412,951	\$ 564,636	Reserve for Community Development Block Grant	B-8	\$ 432,477	\$ 598,354		
Due from Section 8 - Housing Assistance Program	B-7	19,526	33,718						
Total		<u>\$ 432,477</u>	<u>\$ 598,354</u>	Total		<u>\$ 432,477</u>	<u>\$ 598,354</u>		

See Accompanying Notes

## **General Capital Fund**

### **Exhibits**

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

**COMPARATIVE BALANCE SHEET**

		June 30,	
	Reference	2007	2006
<b>ASSETS</b>			
Cash	C-1, C-2	\$ 4,550,595	\$ 5,219,559
Deferred Charges - Overexpenditure of Ordinances	C-10	-	6,442
Due from Current Fund	C-11	106,442	804,585
Deferred Charges to Future Taxation:			
Funded	C-3	47,870,429	49,317,690
Unfunded	C-4	19,979,503	20,194,503
<b>TOTAL ASSETS</b>		<u>\$ 72,506,969</u>	<u>\$ 75,542,779</u>
 <b>LIABILITIES, RESERVE AND FUND BALANCE</b>			
Improvement Authorization:			
Funded	C-7	\$ 655,304	\$ 933,404
Unfunded	C-7	4,785,913	7,237,327
Reserve for Encumbrances	C-7	177,454	354,031
Due to Grant Fund	C-12	1,132,595	-
Bond Anticipation Notes Payable	C-8	17,440,000	17,655,000
General Serial Bonds	C-9	45,707,442	47,062,442
Green Acres Loans Payable	C-13	2,065,094	2,132,881
Underground Storage Tank Loan Payable	C-14	97,893	122,367
Capital Improvement Fund	C-5	-	-
Reserve for Hazmat Funds Due from Grant	C-12	17,630	-
Reserve for Payment of BAN's - ADA Library	C-6	100,000	-
Reserve for Green Acres - 1600 Adams Street	C-1	200,000	-
Fund Balance	C-1A	127,644	45,327
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>		<u>\$ 72,506,969</u>	<u>\$ 75,542,779</u>

*There were bonds and notes authorized but not issued on June 30, 2007 and 2006 in the amounts of \$2,539,503 and \$2,539,503, respectively (Schedule C-15).*

See Accompanying Notes

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

**Statement of Fund Balance**

Year Ended June 30, 2007

	<u>Reference</u>	
Balance, June 30, 2006	C	\$ 45,327
Increased by:		
Premium on Sale of Bonds	C-1	82,317
		127,644
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-5	-
		-
Balance, June 30, 2007	C	\$ 127,644

See Accompanying Notes

**Parking Utility Funds**

**Exhibits**

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

**COMPARATIVE BALANCE SHEET**

		<b>June 30,</b>	
	<b>Reference</b>	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>			
Operating Fund			
Cash	D-4	\$ 1,690,181	\$ 1,511,550
Prepaid Interest	D-3		575,283
Deferred Charge	D-5	158,731	204,516
Total Assets		\$ 1,848,912	\$ 2,291,349
Capital Fund:			
Fixed Capital	D-6	\$ 42,957,185	\$ 42,957,185
<b>TOTAL ASSETS</b>		<b>\$ 42,957,185</b>	<b>\$ 42,957,185</b>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Operating Fund			
Appropriation Reserves	D-3	\$ 244,337	-
Security Deposits	D-7	233,776	\$ 170,079
Accrued Interest Payable	D-8	784,441	784,583
Fund Balance	D-1	586,358	1,336,687
Total Liabilities and Fund Balance		\$ 1,848,912	\$ 2,291,349
Capital Fund:			
Bonds Anticipation Notes Payable	D-9	\$ 5,000,000	\$ 5,175,000
Bonds Payable	D-10	22,935,000	23,885,000
Reserve for Amortization	D-11	15,022,185	13,897,185
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 42,957,185</b>	<b>\$ 42,957,185</b>

*There were no bonds and notes authorized but not issued at June 30, 2007 and 2006.*

See Accompanying Notes

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

**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - OPERATING FUND**

	<u>Reference</u>	<b>June 30,</b>	
		<u>2007</u>	<u>2006</u>
<b>REVENUE AND OTHER INCOME:</b>			
Fund Balance Utilized	D-2	\$ 1,041,096	\$ 114,500
Revenues Anticipated	D-4	11,969,978	11,107,838
Cancellation of Appropriation	D-3	715,709	
		<u>\$ 13,726,783</u>	<u>\$ 11,222,338</u>
<b>EXPENDITURES:</b>			
Budget Appropriations	D-3	\$ 13,436,016	<u>\$ 11,128,531</u>
		<u>\$ 13,436,016</u>	
Excess (Deficit) in Revenue		290,767	93,807
Deferred Charges to Succeeding Year	D-5	-	204,516
		<u>290,767</u>	<u>298,323</u>
Fund Balance, Beginning of Year	D	1,336,687	1,451,187
Decreased by:			
Utilization as Anticipated Revenue	D-2	<u>1,041,096</u>	<u>114,500</u>
Fund Balance, End of Year	D	<u>\$ 586,358</u>	<u>\$ 1,336,687</u>

See Accompanying Notes

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

**Statement of Revenues - Operating Fund**

Year Ended June 30, 2007

	<u>Reference</u>	<u>Anticipated</u>		<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Realized</u>	
Operating Surplus Anticipated	D-1	\$ 1,041,096	\$ 1,041,096	\$ -
Parking Fees - Continuing Operations	D-1	8,791,920	8,557,497	(234,423)
Parking Fees - Midtown Garage	D-1	2,150,500	1,770,020	(380,480)
Parking Fees - 916 Garden Street	D-1	320,000	297,327	(22,673)
Permits	D-1	627,500	730,251	102,751
Coupons	D-1	325,000	382,147	57,147
Miscellaneous	D-1	5,000	555	(4,445)
Interest on Investments	D-1	25,000	58,181	33,181
St. Mary Rental Agreement	D-1	150,000	174,000	24,000
	D-3	<u>\$ 13,436,016</u>	<u>\$ 13,011,074</u>	<u>\$ (424,942)</u>

See Accompanying Notes

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

**Statement of Expenditures - Operating Fund**

Year Ended June 30, 2007

	<u>Budget</u> <u>Appropriations</u>	<u>Modified</u> <u>Budget</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserve</u>	<u>Cancelled</u>
Operating:					
Salaries and Wages	\$ 1,676,500	\$ 1,804,800	\$ 1,804,784	\$ 16	\$ -
Other Expenses	2,400,000	2,704,200	2,460,051	244,149	-
Other Expenses - Group Health Benefits	660,000	477,500	477,328	172	-
Capital Projects	250,000	-	-	-	-
Debt Service:					
Payment of Bond Principal	950,000	950,000	950,000	-	-
Interest on Bonds	1,150,566	1,150,566	1,150,566	-	-
Interest on Notes	350,000	350,000	217,350	-	132,650
Payment of Note Principal	175,000	175,000	175,000	-	-
Statutory Expenditures:					
Public Employee's Retirement System	87,500	87,500	87,500	-	-
Social Security	133,875	133,875	133,875	-	-
Unemployment Compensation	40,000	40,000	40,000	-	-
Deferred Charges:					
Expenditure without Appropriation	204,516	204,516	204,516	-	-
Surplus (General Budget)	5,358,059	5,358,059	4,775,000	-	583,059
	<u>\$ 13,436,016</u>	<u>\$ 13,436,016</u>	<u>\$ 12,475,970</u>	<u>\$ 244,337</u>	<u>\$ 715,709</u>
<b>Reference</b>	D-2	D-2	Below	D	D-1
Cash Disbursements	D-4		\$ 11,696,313		
Prepaid Interest	D		575,283		
Deferred Charges	D-5		204,516		
Accrued Interest	D-7		(142)		
Above			<u>\$ 12,475,970</u>		

See Accompanying Notes

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007

**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 established 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 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.

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

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

***B. Description of Funds (continued)***

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.

***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 are 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 pay liabilities of the current period.*

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

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

***C. Basis of Accounting (Continued)***

*Expenditures* – Expenditures are recorded in the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with 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 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.

*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.

*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.*

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

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

***C. Basis of Accounting (Continued)***

*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.

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.

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

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

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 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.

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

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

***F. Budgets/Budgetary Control (continued)***

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.

***H. Cash, Cash Equivalents and Investments***

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with maturities 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 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.

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

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

***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).

**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  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

**2. Deposits and Investments**

The carrying amount of the City's cash and cash equivalents as of June 30, 2007 was \$36,519,687, and the bank balance was \$ 36,473,200, of which \$400,000 was insured by the FDIC and the remaining \$36,073,200 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 counter party, 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.

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.

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

**2. Deposits and Investments (continued)**

- 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, 2007 and 2006, cash and cash equivalents of the City consisted of the following:

	<u>2007</u>	<u>2006</u>
Current Fund	\$ 23,846,591	\$ 11,226,958
Trust Fund	6,016,434	6,382,713
Capital Fund	4,550,595	5,219,559
Parking Utility Fund	1,690,181	1,511,550
Total	<u>\$ 36,103,801</u>	<u>\$ 24,340,780</u>
Municipal Court*	<u>\$ 426,107</u>	<u>\$ 410,001</u>
Total Cash	<u>\$ 36,529,908</u>	<u>\$ 24,750,781</u>

\*Municipal Court audit is under separate cover.

**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 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.

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

**3. Property Taxes Receivable and Property Tax Calendar (continued)**

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.

**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, 2007 are summarized as follows:

	<b>Balance, June 30 2006</b>	<b>Issued</b>	<b>Refunded/ Retired</b>	<b>Balance June 30 2007</b>
General:				
General Serial and Term Bonds	\$ 47,062,442		\$ 1,355,000	45,707,442
Bond Anticipation Notes	17,655,000		215,000	17,440,000
Green Trust Loans	2,132,881	84,066 *	151,853	2,065,094
Underground Storage Tank Loan	122,367		24,474	97,893
Parking Utility:				
General Serial Bonds	23,885,000		950,000	22,935,000
Bond Anticipation Notes	5,175,000		175,000	5,000,000
<b>Total</b>	<b>\$ 96,032,690</b>	<b>\$ 84,066</b>	<b>\$ 2,871,327</b>	<b>\$ 93,245,429</b>

\* Balance of Green Trust Loans adjusted to equal state-provided amortization schedules.

**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.

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

**5. Long-Term Debt (continued)**

**Bonds Payable/Local Bond Law**

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 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, 2007 and June 30, 2006 was .905% and 1.102%, 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**

	2007	2006
Gross Debt:		
Local school district debt:		
Type II loans issued		2,126,144
Type II bonds issued	1,814,825	259,000
Total Local School District Debt	1,814,825	2,385,144
General Debt:		
Serial bonds issued	97,707,442	47,062,442
Loans payable	2,162,987	2,255,248
Promissory note payable - HCIA	766,571	822,325
Bond anticipation notes issued	17,440,000	17,655,000
General debt authorized but not issued by the City	2,539,503	2,539,503
Total General Debt	120,616,503	70,334,518
Parking Utility Debt:		
Bonds issued	22,935,000	23,885,000
Bond anticipation notes issued	5,000,000	5,175,000
Total Parking Utility Debt	27,935,000	29,060,000
Total Gross Debt	150,366,328	101,779,662
Less:		
Deduction for local school district debt	1,814,825	2,385,144
Deduction for general debt	59,382,442	7,382,442
Deduction for self-liquidating debt	27,935,000	29,060,000
Total net debt	61,234,061	62,952,076
Equalized valuation basis	6,769,324,438	5,711,418,003
Net debt divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended	0.905%	1.102%

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

**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, 2007 and 2006 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	
	2007	2006
3 1/2% of Equalized Valuation Basis (municipal)	\$ 236,926,355	\$ 199,899,630
Net Debt	61,234,061	62,952,076
Remaining Borrowing Power	<u>\$ 175,692,294</u>	<u>\$ 136,947,554</u>

*Annual Requirements to Retire Permanent Debt Obligations* – Principal and interest for all permanent debt (bonds and loans) outstanding at June 30, 2007 is as follows:

Fiscal Year	General		Parking Utility		Total
	Principal	Interest	Principal	Interest	
2008	\$ 2,939,379	\$ 2,300,989	\$ 985,000	\$ 1,114,466	\$ 7,339,834
2009	3,067,493	2,199,155	1,020,000	1,077,036	7,363,684
2010	3,205,669	2,081,075	1,075,000	1,025,424	7,387,168
2011	3,358,908	1,948,588	1,125,000	971,029	7,403,525
2012	3,522,741	1,793,839	1,185,000	914,104	7,415,684
2013-2017	20,877,936	6,086,533	6,690,000	3,705,468	37,359,937
2018-2022	6,826,885	1,500,483	8,810,000	1,837,675	18,975,043
2023-2027	2,821,795	1,580,686	2,045,000	99,513	6,546,994
2028-2032	1,047,680	6,790,000	-	-	7,837,680
2033	201,942	1,610,000	-	-	1,811,942
	<u>\$ 47,870,428</u>	<u>\$ 27,891,348</u>	<u>\$ 22,935,000</u>	<u>\$ 10,744,715</u>	<u>\$ 109,441,491</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 money mortgage note of \$1,500,000 from the County's Affordable Housing Trust Fund. As of June 30, 2007 and 2006, the unpaid balance was \$ 822,325 and \$ 766,571, respectively, and is recorded as a liability in the current fund.

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

**5. Long-Term Debt (continued)**

*Hoboken Municipal Hospital Authority*

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.

On December 21, 2006, the Local Finance Board approved the issuance of debt obligations to provide \$34 million of startup 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. Repayment of the debt is guaranteed by the City.

**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.

CITY OF HOBOKEN  
 NOTES TO FINANCIAL STATEMENTS (continued)  
 YEAR ENDED JUNE 30, 2007

**5. Long-Term Debt (continued)**

**Sale/Leaseback Agreement (continued)**

The bonds were refinanced in the amount of \$13,840,000 to include the acquisition of the police garage. It is the City's intention to pay the certificates of participation in full upon the sale of the DPW and police garages. 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, 2007:

Year Ended June 30:		
2008	\$	1,194,248
2009		13,840,000
Total minimum lease payments	\$	<u>15,034,248</u>
Less amount representing interest		<u>1,194,248</u>
Present value of future minimum lease payments	\$	<u>13,840,000</u>

**6. Fund Balance Appropriated**

**Parking Utility Fund**

	<b>June 30, 2007</b>
Fund Balance	\$ 586,358
Appropriated and included as anticipated revenue in succeeding year's budget	\$ - *

\* The 2007-08 budget as of December 7, 2007 has not been adopted.

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

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

**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.

	<b>June 30</b>	
	<b>2007</b>	<b>2006</b>
Current Fund:		
Deficit in operations	\$ 604,597	\$ 1,032,020
Overexpenditures of appropriations	617,702	-
Overexpenditures of accounts payable	36,621	-
Emergency authorization	1,275,000	-
Special emergency authorization	-	70,000
Total Current Fund	\$ 2,533,920	\$ 1,102,020
 Federal and State Grant Fund:		
Expenditure with appropriation	-	\$ -
Total Federal and State Grant Fund	\$ -	\$ -
 Parking Utility Fund		
Overexpenditure of appropriation reserves	\$ 158,731	\$ 204,516
Total Parking Utility Fund	\$ 158,731	\$ 204,516

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

**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 City 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, 2007 and 2006, 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 the 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.

The City's contribution for pension expense for PERS, PFRS and CPFPPF combined, for the years ended June 30, 2007, 2006 and 2005 amounted to \$4,060,650, \$2,387,166, and \$1,200,374, respectively.

<u>Year ended June 30</u>	<u>PERS</u>	<u>PFRS</u>	<u>CPFPPF</u>
2007	\$ 363,719	\$ 3,696,931	\$ -
2006	164,910	2,222,256	-
2005	76,821	1,123,553	-

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

**9. Post-retirement 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.

**11. Related Obligation – North Hudson Sewerage Authority**

In connection with the creation of the North Hudson Sewerage Authority (the “NHSA”), 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 NHSA 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 NHSA will charge users of its system, service charges, for all sewerage treated or disposed of by the NHSA 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 NHSA’s system and the principal and interest on any and all bonds as they become due, to maintain the amounts required to be held in accordance with the bond resolution provisions.

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

**11. Related Obligation – North Hudson Sewerage Authority (continued)**

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 NHSA, of the allocation of the annual flow among the municipalities. The most recent determination by the NHSA 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 NHSA 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 NHSA the amount of any annual charges not paid relating to any prior fiscal year. The City will pay to the NHSA 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, 2007, the City had paid all installments due.

**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, 2007. 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, 2007, the City estimates that no material liabilities will result from such audits.

**C. Litigation**

The City is involved in certain legal proceedings, the resolution and impact on the financial statements of which, individually or in the aggregate, in the opinion of management as advised by legal counsel, would not be significant to the accompanying financial statements.

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

**12. Contingent Liabilities (Continued)**

**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.

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, 2007 and 2006 in the amount of \$ 550,000 and \$ 621,789, respectively.

**E. Tax Appeals**

At June 30, 2007, there are approximately 54 tax appeals pending before the New Jersey Tax Court requesting a reduction of assessed valuation for years 2007 and prior. The aggregate assessed valuation of the properties under appeal totals approximately \$127,128,500. 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, 2007:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 364,741	\$ 106,442
Federal and State Grant Fund	1,132,596	323,551
Trust - Section 8 - Housing Assistance Program	-	19,526
Trust - Animal Control Trust Fund	-	5,769
Trust - Community Develop. Block Grant Trust Fund	19,526	35,421
General Capital Fund	106,442	1,132,596
Parking Utility - Operating Fund	-	-
	<u>\$ 1,623,305</u>	<u>\$ 1,623,305</u>

CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED JUNE 30, 2007

**14. Parking Utility Fund**

The City's parking garages and surface lots are located at 315 Hudson, 215 Hudson, 131 Hudson, 916 Garden, Hoboken University Hospital, and 300 Willow Street, which is under temporary management.

The City has contracted with Central Parking Systems to manage, operate, and collect and deposit fees for the Parking Utility. The City contracted with United Textile Fabricators for coin collection services and deposit of the City's monies for 2006 and on a month-to-month basis for 2007. Collections for fiscal year 2007 were \$660,894, compared to \$991,316 for fiscal year 2006, representing in a decrease of \$330,422, or 33%.

During the quarter ended December 31, 2006 and during 2007, the parking garage located at 916 Garden Street experienced software and mechanical problems, making the garage unusable. Courtesies, such as loaner vehicles, were supplied to customers for vehicles that could not be retrieved. Unitronics was engaged in July of 2006 to retrofit the mechanical equipment and update the computer hardware and software for the garage. The City has agreed to compensate Unitronics for legal fees related to their dealings with Robotics, the previous hardware and software vendor.

Robotic has filed a claim against the City, if successful; the judgment would likely exceed one million dollars (\$1,000,000). However, the City has filed a counterclaim for approximately three million eight hundred thousand dollars (\$3,800,000) alleging the software was faulty and was negligent in its operation and maintenance in the garage.

**Current Fund**

**Schedules**

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-4

**SCHEDULE OF CASH**

	<u>Reference</u>	<u>Current Fund</u>	<u>Federal State &amp; County Grant Fund</u>
Balance June 30, 2006	A	\$ 7,831,318	\$ 3,394,890
Increased by Cash Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	802,970	
Budget Refunds	A-3	1,327,278	
Due from State of New Jersey for			
Senior Citizens' and Veterans' Deductions	A-8	67,046	
Taxes Receivable	A-5	100,148,142	
Adjustment to Cash Balance @June 30, 2006	A-1	25,893	
Revenue Accounts Receivable	A-9	38,930,446	
Interfunds	A-10	1,230,945	
Tax Anticipation Notes	A-15	17,000,000	
Prepaid Taxes	A-16	152,039	
Tax Overpayments	A-17	1,252,096	
Various Reserves	A-19	65,134	
Grant Receivable	A-22		3,051,289
Unappropriated Grants Received	A-25		539,024
Transfer to Grant Fund	A-23		289,041
Hazmat Receipts Due to Capital Fund	A		17,630.00
Total Receipts		161,001,989	3,896,984
		168,833,307	7,291,874
Decreased by Cash Disbursements			
Budget Appropriations	A-3	72,200,075	
Appropriation Reserves	A-14	2,222,221	
Appropriation Difference	A-1	564	
Prior Year Tax Returned Checks Voided	A-1	10,098	
Refunds- Revenue Accounts Receivable	A-9	1,125	
Interfunds	A-10	3,382,936	
Deferred Charged- Accounts Payable	A-13	36,621	
Tax Overpayments	A-17	852,958	
Principle Payment- HCIA Note Payable	A-18	55,754	
Various Reserves	A-19	7,320	
Local District School Tax	A-20	33,450,000	
County Taxes	A-21	35,088,113	
Grants Expended Current Fund	A-23		
Grant Appropriations	A-24		4,571,460
Transfer to Current Fund	A-23		399,345
Total Disbursements		147,307,785	4,970,805
Balance, June 30, 2007	A	\$ 21,525,522	\$ 2,321,069

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-5

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

Year	Balance <u>06/30/06</u>	2007 <u>Tax Levy</u>	Added <u>Taxes</u>	Collections <u>2006</u>	2007	Senior Citizens and Veterans <u>Deductions</u>	Adjustments/ <u>Cancellations</u>	Transfer To <u>Tax Title Liens</u>	Balance <u>06/30/07</u>
2006	\$ 3,292	\$ -	\$ -	\$ -	\$ 5,829	\$ -	\$ (3,497)	\$ -	\$ 960
	3,292	-	-	-	5,829	-	(3,497)	0	960
2007		100,012,088	1,764,742	125,046	101,271,072	63,495	299,597	16,498	1,122
	\$ 3,292	\$ 100,012,088	\$ 1,764,742	\$ 125,046	\$ 101,276,901	\$ 63,495	\$ 296,100	\$ 16,498	\$ 2,082
Reference	A	Below	Below	A-16	Below	A-8	Below	A-6	A

Cash Receipts- Taxes	A-4	\$ 100,148,142
Cash Receipts- Added Taxes	A-2	1,128,759
Total	Above	<u>\$ 101,276,901</u>
Prepaid Taxes	Above	125,046
Senior & Veterans Deductions	Above	63,495
Less Prior Year Taxes		<u>(5,829)</u>
Current Year Tax Revenue	A-2	<u>\$ 101,459,613</u>

ANALYSIS OF 2007 PROPERTY TAX LEVY

TAX YIELD

Reference				
General Property Tax		\$ 99,966,725		Prior Year Seniors Disallowed Reduction Due to Tax Appeals Canceled /Added
Additional Utility Tax		45,363		
Added Taxes (54:4-63.1et.seq.)	Above		\$100,012,088	Total
	Above		1,764,742	Above
	Below	<u>\$101,776,830</u>		<u>\$ 296,100</u>

TAX LEVY

County Taxes	A-21	\$ 33,662,267
County Open Space Tax	A-21	789,904
Due County for Added Taxes	A-21	635,942
Local District School Tax	A-20	<u>33,450,000</u>
	A-2	\$ 68,538,113
Amount to be Raised by Taxes	A-2	\$ 28,832,265
Local Tax for Municipal Purpose Levied		<u>4,406,452</u>
		\$ 33,238,717
	Above	<u>\$ 101,776,830</u>

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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**SCHEDULE OF TAX TITLE LIENS**

	<u>Reference</u>	
Balance June 30, 2006	A	\$ 453,254
Increased by:		
Transfer from Taxes Receivable	A-5	<u>16,498</u>
Balance June 30, 2007	A	<u>\$ 469,752</u>

A-7

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION**

	<u>Reference</u>	
Balance June 30, 2006	A	<u>\$ 2,806,900</u>
Balance June 30, 2007	A	<u>\$ 2,806,900</u>

CITY OF HOBOKEN  
 CURRENT FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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**SCHEDULE OF DUE FROM STATE OF NEW JERSEY FOR  
 SENIOR CITIZENS AND VETERANS DEDUCTIONS (CHAPTER. 20, P.L. 1971)**

	<u>Reference</u>		
Balance June 30, 2006	A		\$ 65,731
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizen's Deductions	Below	20,875	
Veteran's Deductions	Below	45,250	
Deductions Allowed by Tax Collector:			
Senior Citizen's Deductions	Below		
Veteran's Deductions	Below	1,250	
			67,375
			133,106
Decreased by:			
Deductions Disallowed by Tax Collector:			
Senior Citizen's Deductions	Below	3,880	
Prior Year Senior Citizen's Deductions	A-1	4,480	
Cash Receipts	A-4	67,046	
			75,406
Balance June 30, 2007	A		\$ 57,700

**Calculation of Amount Realized**

Senior Citizens	Above	\$20,875	
Veterans	Above	45,250	
Senior Citizens & Veterans Deductions Allowed	Above	1,250	
			67,375
Less: Current Year/Seniors & Veterans Disallowed	Above		3,880
Realized as Tax Revenue	A-5		\$63,495

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance June 30, <u>2006</u>	Accrued in <u>2007</u>	Received in <u>2007</u>	Balance June 30, <u>2007</u>
<u>Reference</u>	<u>2006</u>	<u>2007</u>	<u>2007</u>	<u>2007</u>
Licenses:				
Alcoholic Beverages		264,456	264,456	\$ -
Other		167,764	167,764	-
Fees and Permits		265,270	265,270	-
Zoning Board of Adjustment Fees		147,095	147,095	-
Planning Board Fees		31,153	31,153	-
Rent Leveling Fees		42,722	42,722	-
Fines and Costs:				
Municipal Court	151,305	3,782,059	3,788,055	145,309
Parking Tax		846,864	846,864	-
Interest and Costs on Taxes		323,788	323,788	-
Interest on Investments and Deposits		1,068,902	1,068,902	-
Riverview Cablevision Associates		173,113	173,113	-
Rents - City Owned Property		261,126	261,126	-
Crosstown Bus		9,109	9,109	-
SJP Properties - Block A - Phase I		936,000	936,000	-
SJP Properties - Block A - Phase II		936,000	936,000	-
SJP Properties/Applied - Block B		-	-	-
Applied Development Co. - South Waterfront - Block C		1,235,072	1,235,072	-
St. Mary's Hospital PILOT		40,000	40,000	-
PATH - NJ Transit		2,892	2,892	-
Grogan Marineview Plaza		622,769	622,769	-
Clocktowers		120,031	120,031	-
Marion Towers Associates		183,533	183,533	-
Church Towers Urban Renewal		463,094	463,094	-
Columbian Towers		114,573	114,573	-
Columbian Arms		27,464	27,464	-
Hudson Square North		108,037	108,037	-
Willow Avenue Associates - 800-812 Wilson Avenue		74,478	74,478	-
Applied Housing - 1203-1219 Willow Avenue		240,359	240,359	-
Applied Housing - 121-1221 Washington Estates		389,078	389,078	-
Applied Housing - 1200-1220 Hudson Estates		360,474	360,474	-
Applied Housing - 1301-1309 Bloomfield Estates		143,024	143,024	-
Applied Housing - Midway 500-508 Adams Street		201,114	201,114	-
Applied Housing - Elysian Estates		47,118	47,118	-
Applied Housing - Church Square		104,798	104,798	-
Applied Housing - Eastview Associates		114,225	114,225	-
Applied Housing - Westview Associates		192,701	192,701	-
Applied Housing - Northvale I - 911-923 Clinton Street		361,755	361,755	-
Applied Housing - Northvale II - 901-919 Clinton Street		339,443	339,443	-
Applied Housing - Northvale III A		47,973	47,973	-
Applied Housing - Northvale III B - 1106-1014 Clinton Street		41,846	41,846	-
Applied Housing - Northvale IV - 58 11th Street		14,425	14,425	-
Pilot Pay 1300 Grand Street		683,203	683,203	-
Pilot Pay 1200 Grand Street		897,898	897,898	-
Hudson Square North - Mortgage Receivable		55,754	55,754	-
Consolidated Municipal Property Tax Block Grant		13,260,177	13,260,177	-
Legislative Municipal Block Grant Aid		151,261	151,261	-
Energy Receipts Tax		2,169,897	2,169,897	-
Extraordinary Aid		150,000	150,000	-
Homeland Security Assistance Aid		140,000	140,000	-
Uniform Construction Code Fees		1,288,021	1,288,021	-
Hoboken Housing Authority - Public Safety		540,000	540,000	-
Public Health Priority Funding		6,212	6,212	-
Summer Food Service Program		25,910	25,910	-
CDBG - Administrative Costs		100,000	100,000	-
SFY 2007 Roadway Improvement Project		450,000	450,000	-
UASI Rescue Training		15,320	15,320	-
Body Armor Replacement Fund		14,359	14,359	-
NFL Youth Football Grant		8,000	8,000	-
Walk Safe Hoboken/Pedestrian		18,000	18,000	-
Roadway Improvement Project - 8th Street		390,000	390,000	-
State Local Cooperative Housing Inspection Program		64,000	64,000	-
Recycling Tonnage		117,320	117,320	-
Hoboken Justice Assistance Grant		14,431	14,431	-
1118 Adams Street Urban Renewal		2,250,000	2,250,000	-
Save the Youth - 2007 Grant		197,446	197,446	-
September 11, 2001 Memorial		110,000	110,000	-
Hazardous Discharge Site Remediation		19,893	19,893	-
Secure our Schools Grant		134,634	134,634	-
Secure our Schools Grant - HBOE Match		134,635	134,635	-
Capital Surplus		276,846	276,846	-
Added Assessments		1,128,759	1,128,759	-
Reserve, Outside-Duty Police Administration		140,000	140,000	-
Sinatra Park Concession		35,000	35,000	-
Uniform Fire Safety Act		56,443	56,443	-
Anticipated Parking Utility Operating Surplus		4,775,000	4,775,000	-
SJP Properties Block A Phase 2		1,500,000	1,500,000	-
<b>TOTALS</b>	<b>\$ 151,305</b>	<b>\$ 46,164,116</b>	<b>\$ 46,170,112</b>	<b>\$ 145,309</b>
Ref.	A, A-1	A-2	Below	A
Cash Receipts		A-4	\$ 38,930,446	
Non Cash State Aid- Debt Service		A-3	\$ 3,270,631	
Refunds		A-4	\$ (1,125)	
Grants Receivable		A-10	3,970,160	
		Above	<u>\$ 46,170,112</u>	

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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**SCHEDULE OF INTERFUNDS**

		Balance June 30, <u>2006</u>	Less: Cash <u>Receipts</u>	Plus: Cash <u>Disbursements</u>	Less: <u>Non-Cash</u>	Balance June 30, <u>2007</u>
Trust Fund		\$ -	\$ 733,911	\$ 2,189,310	\$ 1,455,399	\$ 0
Parking Utility		-				-
General Capital Fund		(804,585)	100,000	804,585	6,442	\$ (106,442)
Federal, State and County Grant Fund		276,846	397,034	389,041	(54,698)	\$ 323,551
Section 8 - Housing Assistance Program		-			(35,421)	35,421
Due from Dog License Fund					(5,769)	5,769
Community Development Block Grant Trust Fund		-				-
		<u>\$ (527,739)</u>	<u>\$ 1,230,945</u>	<u>\$ 3,382,936</u>	<u>\$ 1,365,953</u>	<u>\$ 258,299</u>
	<u>Ref.</u>	Below	A-4	A-4	Below	Below
Interfund Receivable	A	\$ 276,846				\$ 364,741
Interfund Payable	A,A-1	(804,585)				(106,442)
		<u>\$ (527,739)</u>				<u>\$ 258,299</u>

Analysis of Non-Cash Activities

Federal, State and County Grant Fund:			
Anticipated as Current Fund Revenue	A-3		\$ 276,846
Reinstatement of Prior Year Grants Canceled	A-1		756,170
Cancel Unappropriated Grants - Spent Prior Years	A-1		(926,394)
Grants Receivable - Anticipated Revenue	A-2		(3,970,160)
Grant Appropriation	A-3		3,808,840
Capital Fund:			
Deferred Charges per Budget	A-3		6,442
Trust Fund:			
Reinstatement of O&M Account in Trust	A-1		1,232,354
Reinstatement of Fire Department Hazmat in Trust	A-1		223,045
Section 8 Housing Assistance Program			
Interest-Non HUD Accounts	B		(35,421)
Dog License Fund			
Statutory Excess	B		(5,769)
			<u>\$ 1,365,953</u>

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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**SCHEDULE OF MORTGAGE RECEIVABLE**

	<u>Reference</u>	
Balance June 30, 2006	A	\$ 822,325
Decreased by:		
Principal Payment Received	A-18	<u>55,754</u>
Balance June 30, 2007	A	<u><u>\$ 766,571</u></u>

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**SCHEDULE OF WATER LIENS RECEIVABLE**

	<u>Reference</u>	
Balance June 30, 2006	A	<u>\$ 46,261</u>
Decreased by:		
Cancelation		<u>1,955</u>
Balance June 30, 2007	A	<u><u>\$ 44,306</u></u>

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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**SCHEDULE OF DEFERRED CHARGES**

	Balance June 30, <u>2006</u>	Added in <u>FY 2007</u>	Raised in FY 2007 <u>Budget</u>	<u>Canceled</u>	Balance June 30, <u>2007</u>
Overexpenditure of Appropriations	\$ -	\$ 617,702		\$ -	\$ 617,702
Deficit in Operations	1,032,020		427,423		604,597
Overexpenditure Accounts Payable	-	36,621			36,621
Emergency Authorization (N.J.S.A. 40A:4-47)	-	1,275,000			1,275,000
Special Emergency (N.J.S.A. 40A:5-55)	<u>70,000</u>		<u>70,000</u>		<u>-</u>
	<u>\$ 1,102,020</u>	<u>\$ 1,929,323</u>	<u>\$ 497,423</u>	<u>\$ -</u>	<u>\$ 2,533,920</u>
<u>Ref.</u>	A		A-3		A

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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**SCHEDULE OF 2006 APPROPRIATION RESERVES**

<u>Expenditures</u>	<u>Balance, June 30, 2006</u>		<u>Modified Budget</u>	<u>Cash Disbursed</u>	<u>Balance Lapsed</u>
	<u>Appropriation Reserved</u>	<u>Encumbrance Payable</u>			
GENERAL GOVERNMENT FUNCTIONS:					
Mayor's Office					
Salaries and Wages	\$ 188	\$ -	\$ 188	\$ -	\$ 188
Other Expenses	8	60	68	60	8
City Council					
Salaries and Wages	22	-	22	-	22
Other Expenses	893	171	1,064	1,046	18
City Clerk's Office					
Salaries and Wages	44,095	-	44,095	40,000	4,095
Other Expenses	331	530	861	689	172
Other Expenses - Legal Advertising	7,824	3,252	11,076	9,661	1,415
Other Expenses - Codification of Ordinances	280	-	280	-	280
Salaries and Wages - Elections	2,321	-	2,321	-	2,321
Other Expenses - Elections (Emergency \$100,000)	13,191	9,289	22,480	21,759	721
Business Administrator's Office					
Salaries and Wages	67	-	67	-	67
Other Expenses	18,923	762	19,685	19,180	505
Purchasing					
Salaries and Wages	414	-	414	-	414
Other Expenses	160	-	160	-	160
Personnel and Health Benefits					
Salaries and Wages	128	-	128	-	128
Other Expenses	1,030	1,018	2,048	1,811	237
Constituent Services					
Salaries and Wages	2,754	-	2,754	-	2,754
Other Expenses	2,632	1,331	3,963	1,331	2,632
Zoning Administration					
Salaries and Wages	125	-	125	-	125
Other Expenses	632	328	960	732	228
Uniform Construction Code Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Salaries and Wages	5,181	-	5,181	-	5,181
Other Expenses	15,029	2,671	17,700	17,700	-
Corporation Counsel					
Salaries & Wages	1,013	-	1,013	-	1,013
Other Expenses	190	780	970	467	503
Other Expenses - Special Counsel	14,245	61,219	75,464	73,961	1,503
Other Expenses - Expert Witness and Appraisal	4,610	390	5,000	3,890	1,110
Revenue and Finance Director					
Salaries & Wages	1,856	-	1,856	-	1,856
Other Expenses	25,533	7	25,540	25,175	365
Annual Audit					
Other Expenses	500	1,500	2,000	1,500	500
Accounts and Control					
Salaries & Wages	2,290	-	2,290	-	2,290
Other Expenses	2,619	-	2,619	-	2,619
Payroll					
Salaries & Wages	183	-	183	-	183
Other Expenses	356	-	356	-	356
Tax Collections					
Salaries & Wages	331	-	331	-	331
Other Expenses	3,478	2,274	5,752	4,582	1,170
Information Technology					
Salaries & Wages	1,725	-	1,725	-	1,725
Other Expenses	1,848	-	1,848	-	1,848
Office of the Tax Assessor					
Salaries & Wages	380	-	380	-	380
Other Expenses	5,044	899	5,943	5,888	55

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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**SCHEDULE OF 2006 APPROPRIATION RESERVES**

<u>Expenditures</u>	<u>Balance, June 30, 2006</u>		<u>Modified Budget</u>	<u>Cash Disbursed</u>	<u>Balance Lapsed</u>
	<u>Appropriation Reserved</u>	<u>Encumbrance Payable</u>			
Department of Human Services					
Director's Office					
Salaries & Wages	\$ 10,006	\$ -	\$ 10,006	\$ 3,845	\$ 6,161
Other Expenses	491	238	729	321	408
Rent Leveling					
Salaries & Wages	565	-	565	-	565
Other Expenses	351	294	645	352	293
Housing Inspections					
Salaries & Wages	760	-	760	-	760
Other Expenses	237	197	434	49	385
Transportation					
Salaries & Wages	4,272	-	4,272	-	4,272
Other Expenses	9,544	1,785	11,329	5,772	5,557
Health					
Salaries & Wages	436	-	436	-	436
Other Expenses	1,115	11,554	12,669	11,136	1,533
Senior Citizens					
Salaries & Wages	1,915	-	1,915	-	1,915
Other Expenses	1,828	841	2,669	476	2,193
Hispanic and Minority Affairs					
Salaries & Wages	1,144	-	1,144	-	1,144
Other Expenses	412	-	412	-	412
Recreation and Cultural Affairs					
Salaries & Wages	22,273	-	22,273	22,273	-
Other Expenses	41,487	9,635	51,122	49,924	1,198
Department of Environmental Services					
Director's Office					
Salaries & Wages	17,476	-	17,476	17,000	476
Other Expenses	555	158	713	158	555
Parks					
Salaries & Wages	5,004	-	5,004	-	5,004
Other Expenses	9,248	14,935	24,183	23,380	803
Public Property					
Salaries & Wages	2,249	-	2,249	-	2,249
Other Expenses	7,632	34,042	41,674	8,828	32,846
Streets and Roads					
Other Expenses	9,281	6,198	15,479	8,034	7,445
Signal and Traffic					
Salaries & Wages	130	-	130	-	130
Other Expenses	1,324	377	1,701	-	1,701
Central Garage					
Salaries & Wages	325	-	325	-	325
Other Expenses	9,041	17,627	26,668	19,527	7,141
Sanitation					
Salaries & Wages	3,271	-	3,271	-	3,271
Other Expenses	26,798	216,263	243,061	226,890	16,171
Department of Community Development					
Director's Office					
Salaries & Wages	10,081	-	10,081	10,000	81
Other Expenses	5,892	1,524	7,416	6,596	820
Grants Management					
Salaries & Wages	1,576	-	1,576	-	1,576
Other Expenses	475	1,049	1,524	1,049	475
Waterfront Development					
Other Expenses	10,687	-	10,687	10,079	608
Planning Board					
Salaries & Wages	551	-	551	-	551
Other Expenses	8,457	4,240	12,697	11,922	775

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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**SCHEDULE OF 2006 APPROPRIATION RESERVES**

<u>Expenditures</u>	<u>Balance, June 30, 2006</u>		<u>Modified Budget</u>	<u>Cash Disbursed</u>	<u>Balance Lapsed</u>
	<u>Appropriation Reserved</u>	<u>Encumbrance Payable</u>			
Zoning Board of Adjustment					
Other Expenses	\$ 145	\$ 112	\$ 257	\$ 112	\$ 145
Historical Preservation Committee					
Other Expenses	38	-	38	-	38
Department of Public Safety					
Police					
Salaries and Wages (Emergency \$350,000)	112,755	-	112,755	110,000	2,755
Other Expenses	97	14,683	14,780	14,503	277
Acquisition of Police Vehicles	1,292	1,584	2,876	1,585	1,291
Fire					
Salaries and Wages (Emergency \$300,000)	349,313	-	349,313	277,299	72,014
Other Expenses	60,358	55,457	115,815	99,755	16,060
Uniform Fire Safety Act (c.383, PL 1938)					
Salaries and Wages	-	-	-	-	-
Office of Emergency Management					
Salaries and Wages	1,173	-	1,173	-	1,173
Other Expenses	2,215	-	2,215	-	2,215
Municipal Court					
Salaries and Wages	7,756	-	7,756	-	7,756
Other Expenses	19,928	4,568	24,496	12,249	12,247
Public Defender					
Salaries and Wages	18	-	18	-	18
Other Expenses	1,097	1,250	2,347	2,250	97
Unclassified					
Alcoholic Beverage Control Board					
Salaries and Wages	100	-	100	-	100
Other Expenses	838	-	838	-	838
Volunteer Ambulance (NJSA 40:5-2)	-	-	-	-	-
North Hudson Regional Council of Mayors					
Other Expenses	-	-	-	-	-
Towing & Storage of Abandoned Vehicles	-	-	-	2,470	(2,470)
Unemployment Insurance	-	-	-	-	-
NJ Right To Know	1,715	3,285	5,000	3,285	1,715
Engineering	4,414	-	4,414	4,414	-
Municipal Dues and Memberships	1,632	-	1,632	-	1,632
Celebration Of Public Events	1,211	3,024	4,235	3,024	1,211
Postage	2,660	-	2,660	-	2,660
Office Machines	6,460	-	6,460	6,460	-
Stationary and Office Supplies	3,255	94	3,349	3,228	121
Electricity	1,137	19,440	20,577	20,575	2
Street Lighting	689	45,555	46,244	46,244	-
Gasoline	1,486	33,268	34,754	33,268	1,486
Fuel	528	337	865	337	528
Water and Sewer	290	-	290	-	290
Communications	7	10,531	10,538	10,531	7
Telecommunication Equipment	1,730	-	1,730	1,730	-
Master Plan	21,017	-	21,017	20,638	379
Salary Adjustment	-	-	-	-	-
Contingent	190	-	190	100	90
Judgment	-	-	-	-	-
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	69,233	-	69,233	-	69,233
Consol. Police/Fire Pension Fund	81	-	81	-	81

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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**SCHEDULE OF 2006 APPROPRIATION RESERVES**

<u>Expenditures</u>	<u>Balance, June 30, 2006</u>		<u>Modified</u>	<u>Cash</u>	<u>Balance</u>
	<u>Appropriation</u>	<u>Encumbrance</u>	<u>Budget</u>	<u>Disbursed</u>	<u>Lapsed</u>
	<u>Reserved</u>	<u>Payable</u>			
<b><u>GENERAL GOVERNMENT</u></b>					
Maintenance- Free Public Library					
Salaries and Wages	\$ 9,316	\$ -	\$ 9,316	\$ 9,000	\$ 316
Other Expenses	9,671	304,744	314,415	297,166	17,249
Social Security	-	-	-	-	-
Insurance (N.J.S.A. 40A:4-45.3(00))					
General Liability	1,718	9,625	11,343	9,625	1,718
Workers Compensation	3,211	-	3,211	-	3,211
Employee Group Health	535,676	-	535,676	534,151	1,525
Police/Firemen's Retirement	34,744	-	34,744	6,478	28,266
Public Employees Retirement	59,200	-	59,200	25,534	33,666
Hoboken Housing Authority					
Police Salaries and Wages	-	-	-	-	-
Hoboken Board of Education					
Police Salaries and Wages	17,296	-	17,296	-	17,296
Municipal Debt Service					
Payment of Bond Principal	-	-	-	-	-
Payment of Bond Anticipation Notes and Capital Notes	-	-	-	-	-
Interest on Bonds	-	833	833	(833)	1,666
Interest on Notes	-	-	-	-	-
Notes Payable - Hudson County Improvement Authority	-	-	-	-	-
Loan Repayment for Principal and Interest	-	-	-	-	-
Underground Storage Tanks	-	-	-	-	-
	<u>\$ 1,755,008</u>	<u>\$ 915,828</u>	<u>\$ 2,670,836</u>	<u>\$ 2,222,221</u>	<u>\$ 448,615</u>
	A	A		A-4	A-1

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

**SCHEDULE OF TAX ANTICIPATION NOTE**

A-15

	<u>Reference</u>	
Balance June 30, 2006	A	\$ -
Increased by:		
Cash Received	A-4	<u>17,000,000</u>
		17,000,000
Decreased by:		
Cash Disbursements	A-4	<u>                    </u>
Balance June 30, 2007	A	<u><u>\$ 17,000,000</u></u>

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

**SCHEDULE OF PREPAID TAXES**

A-16

	<u>Reference</u>	
Balance June 30, 2006	A	\$125,046
Increased by:		
Cash Received	A-4	<u>152,039</u>
		277,085
Decreased by:		
Applied to 2007 Taxes	A-5	<u>125,046</u>
Balance June 30, 2007	A	<u><u>\$152,039</u></u>

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-17

**SCHEDULE OF TAX OVERPAYMENTS**

	<u>Reference</u>	<u>Total</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Balance - June 30, 2006	A	\$ 1,685,394	\$ -	\$ 820,637	\$ 864,757
Increased by:					
Cash Received	A-4	1,252,096	1,149,835	102,261	
Tax Appeal Judgments	A-1	25,314	25,314		
		<u>1,277,410</u>	<u>1,175,149</u>	<u>102,261</u>	<u>-</u>
		<u>2,962,804</u>	<u>1,175,149</u>	<u>922,898</u>	<u>864,757</u>
Decreased by:					
Overpayments Applied		-		(686,894)	686,894
Canceled/Adjustment	A-1	1,070,475	70,475	1,000,000	
Cash Disbursed	A-4	852,958	477,562	197,533	177,863
		<u>1,923,433</u>	<u>548,037</u>	<u>510,639</u>	<u>864,757</u>
Balance - June 30, 2007	A	<u>\$ 1,039,371</u>	<u>\$ 627,112</u>	<u>\$ 412,259</u>	<u>\$ -</u>

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

**SCHEDULE OF PROMISSORY NOTE PAYABLE - HCIA**

A-18

	<u>Reference</u>	
Balance June 30, 2006	A	\$822,325
Decreased by:		
Principal Payment	A-4, 11	<u>55,754</u>
Balance June 30, 2007	A	<u><u>\$766,571</u></u>

CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-19

**SCHEDULE OF VARIOUS RESERVES**

	Balance June 30, <u>2006</u>	Increased by Cash <u>Receipts</u>	Decreased by Cash <u>Disbursements</u>	Balance June 30, <u>2007</u>
Reserve for:				
Ragamuffin Parade	\$ 5,700	\$ 1,612	\$ 6	\$ 7,306
Maintenance of Free Public Library with State Aid	31,505	31,959		63,464
911 Relief Fund	49,248			49,248
D.A.R.E.	8,614	350		8,964
Sinatra Park	24,011		770	23,241
Public Assistance	8,714			8,714
PILOT - County Share	67,077			67,077
Due to State of NJ Marriage License		10,975		10,975
Security Deposits Payable	4,000			4,000
Reserve for POAA		20,238	6,544	13,694
Master Plan	113,268			113,268
	<u>312,137</u>	<u>65,134</u>	<u>7,320</u>	<u>369,951</u>
<u>Ref.</u>	A	A-4	A-4	A

CITY OF HOBOKEN  
 CURRENT FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-20

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

	<u>Reference</u>	
Balance June 30, 2006	A	\$0
Increased by:		
Levy - Fiscal Year 2007	A-1	33,450,000
		<u>33,450,000</u>
Decreased by:		
Payments	A-4	33,450,000
		<u>33,450,000</u>
Balance June 30, 2007	A	<u><u>\$0</u></u>

A-21

**SCHEDULE OF COUNTY TAXES**

	<u>Reference</u>	
Balance June 30, 2006	A	\$0
Increased by:		
County Tax Levy		33,662,267
Open Space Tax Levy		789,904
Added and Omitted Taxes		<u>635,942</u>
	A-1	35,088,113
Decreased by:		
Payment	A-2, 4	<u>35,088,113</u>
Balance June 30, 2007	A	<u><u>\$0.00</u></u>



CITY OF HOBOKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-23

**SCHEDULE OF INTERFUNDS (RECEIVABLE)/PAYABLE**  
**FEDERAL, STATE AND COUNTY GRANT FUND**

	<u>Reference</u>		<u>Current Fund</u>
Balance June 30, 2006	A		\$ 276,846
Increased by:			
Grants Expended Current Fund	A-24	281,320	
Cancel Grant Unappropriated- Spent Prior Years	A-25	926,394	
Transfer to Grant Funds	A-4	<u>289,041</u>	
			<u>1,496,755</u>
			1,773,601
Decreased by:			
Reinstatement of Prior Year Grants	A-1,24	756,170	
Unappropriated Grants Received in Current Fund	A-25	94,560	
Appropriated Grants Received in Current Fund	A-23	179,975	
Local Match	A-3	20,000	
Disbursed to Current Fund Fund	A-4	<u>399,345</u>	
			<u>1,450,050</u>
Balance June 30, 2007	A		<u><u>\$ 323,551</u></u>

CITY OF HOBOKEN  
 FEDERAL, STATE AND COUNTY GRANT FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-24

**SCHEDULE OF APPROPRIATED RESERVES**

	Balance June 30, 2006		Transfer From 2007 Budget	Cash Disbursed	Reinstatement/ Cancelled	Balance June 30, 2007	
	Encumbered	Reserved				Reserved	Encumbered
Federal:							
Section 8 - Housing Assistance Admin Costs	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000	\$ -
Local Law Enforcement Block Grant - Prior Year	-	-	-	6,336	6,336	-	-
Walk Safe Pedestrian Grant-Hoboken	-	-	18,000	16,621	-	1,379	-
UASI Rescue Training Grant	-	-	15,320	15,320	-	-	-
Safe School and Communities	-	-	-	432	432	-	-
Summer Food Service	-	-	25,910	25,910	-	-	-
Summer Food Service - Local Match	-	-	20,000	12,103	-	7,897	-
Community Block Grant -Administrative Costs	-	-	100,000	100,000	-	-	-
Roadway Improvement -8th Str.-DOT Grant	-	-	390,000	298,061	-	60,376	31,563
Hoboken Justice Assistance Grant	-	-	14,431	14,432	1	-	-
Save the Youth Grant	-	-	197,446	140,795	-	43,916	12,735
Secure our Schools Grant	-	-	269,269	231,516	-	-	37,753
Urban Park Grant - Church Square Park	-	-	-	31,692	31,692	-	-
<b>Total Federal</b>	<b>-</b>	<b>125,000</b>	<b>1,050,376</b>	<b>893,218</b>	<b>38,461</b>	<b>238,568</b>	<b>82,051</b>
State:							
NJ- Prior Year Body Armor Replacement	-	-	-	17,349	20,447	-	3,098
NJ- 2007 Body Armor Replacement Fund	-	-	14,359	-	-	14,359	-
Clean Communities Program - 2006	3,336	29,898	-	24,468	-	5,916	2,850
Domestic Violence	-	800	-	-	2,590	-	3,390
NJ Youth Football Grant	-	-	8,000	-	-	8,000	-
Click-It-or-Ticket	-	-	-	3,600	3,600	-	-
Municipal Alliance Program	-	46,543	-	55,547	9,004	-	-
Municipal Alliance Program - City Match	-	-	-	-	-	-	-
State of NJ Contingency Fund:							
Madison Street Park	-	-	-	78,890	78,890	-	-
Church Sq. Gazebo	-	-	-	49,260	95,150	45,890	-
Observer Hwy Firehouse	-	-	-	59,247	143,288	84,041	-
WWII Memorial	-	-	-	10,425	202,380	191,955	-
Summer in the Park	-	-	-	8,573	8,573	-	-
NJ Department of Transportation:							
Hudson Street- 1999	-	-	-	26,156	26,156	-	-
Henderson & Observer- 2002	-	-	-	9,850	10,525	-	675
Jackson St. Sec.- 2000	-	-	-	16,854	16,854	-	-
River Street	-	-	-	18,871	18,871	-	-
Downtown Revitalization-2004	-	-	-	960	960	-	-
Roadway Improvement Program - 2003	-	-	-	2,975	2,975	-	-
Roadway Improvement Program- 2005	-	-	-	27,250	27,250	-	-
Roadway Improvement Program-2006	-	300,811	-	98,295	-	202,516	-
Roadway Improvement Program-2007	-	-	450,000	93,351	-	356,649	-
NJ Dept. of Com. Affairs 1118 Adams St. Urban Renewal	-	-	2,250,000	1,980,000	-	188,750	81,250

CITY OF HOBOKEN  
 FEDERAL, STATE AND COUNTY GRANT FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-24

**SCHEDULE OF APPROPRIATED RESERVES**

	<u>Balance</u> June 30, 2006		Transfer From 2007 Budget	Cash Disbursed	Cancelled	<u>Balance</u> June 30, 2007	
	<u>Encumbered</u>	<u>Reserved</u>				<u>Reserved</u>	<u>Encumbered</u>
State (Continued):							
Public Health Priority Funding 2007	\$ -	\$ -	\$ 6,212	\$ -	\$ -	\$ 6,212	\$ -
Protection & Prevention Grant				1,500	1,500	-	
State Cooperative Housing Inspection			64,000	64,000		-	
September 11, 2001 Memorial	-	-	110,000			110,000	
Recycling Tonnage	-	-	117,320	117,320		-	
PAL - Anti-Gang	-	-		992	992	-	
Hudson River Waterfront/Castle Point Project	-	-		30,066	34,166	-	4,100
Drunk Driving Enforcement fund	-	-		6,000	6,000	-	
NJ Hazardous Discharge Site			19,893			19,893	
Stormwater	-	-		7,538	7,538	-	
<b>Total State</b>	<u>3,336</u>	<u>378,052</u>	<u>3,039,784</u>	<u>2,809,337</u>	<u>717,709</u>	<u>1,234,181</u>	<u>95,363</u>
County:							
Hudson County Open Space Grant	-	2,000,000		1,150,225		849,775	
Hazmat Donations - Fire Department	-	36,616				36,616	
<b>Total County</b>	<u>-</u>	<u>2,036,616</u>	<u>-</u>	<u>1,150,225</u>	<u>-</u>	<u>886,391</u>	<u>-</u>
	<u>\$ 3,336</u>	<u>\$ 2,539,668</u>	<u>\$ 4,090,160</u>	<u>\$ 4,852,780</u>	<u>\$ 756,170</u>	<u>\$ 2,359,140</u>	<u>\$ 177,414</u>
<b>Ref.</b>	A	A-36	Below	Below	A-23	A	A
Budget Appropriation			A-22 \$ 4,070,160				
Local Match Apprriation			A-23 <u>20,000</u>				
			Above <u>\$ 4,090,160</u>				
Cash Disbursed From Grant Fund				A-4 4,571,460			
Cash Disbursed From Current Fund -Due to Current				A-23 <u>281,320</u>	<u>756,170</u>		
				Above <u>\$ 4,852,780</u>	<u>\$ 756,170</u>		

CITY OF HOBOKEN  
 FEDERAL, STATE AND COUNTY GRANT FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-25

**SCHEDULE OF UNAPPROPRIATED RESERVES**

	Balance June 30, 2006	Prior Year Grants Expended Canceled	Increased By Cash Received	Anticipated As Revenue	Balance June 30, 2007
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 School & NJ 2003 Body Armor Replacement Fund	15,767	15,767			-
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			-
Alcohol Education & Rehabilitation			18,224		18,224
Cops in School			22,800		22,800
Body Armor Replacement			9,928		9,928
State Forestry Green Community Grant			2,000		2,000
Adult Day Care			10,681		10,681
Domestic Violence Grant			5,000		5,000
Drunk Driving Enforcement Fund			5,142		5,142
State Aid -Downtown Revitalization Program			125,555		125,555
Public Healthcare Mgt. Caregivers			99,382		99,382
Summer Food Program			16,739		16,739
Walk Safe Hoboken Pedestrians			2,000		2,000
Computer Program for the Elderly-DYFS			40,674		40,674
Clean Communities - 2007			41,756		41,756
12th Street Project 2000/ Clinton			18,497		18,497
2005 Roadway Improvement Project			114,926		114,926
State Aid Highway Hudson Place-2003			32,585		32,585
State Aid Highway Signage Phase 1- 2004			19,144		19,144
State Aid Highway - Safe Street School District			12,551		12,551
Fire Department Grant			36,000		36,000
	<u>\$ 926,394</u>	<u>\$926,394</u>	<u>\$ 633,584</u>	<u>\$ -</u>	<u>\$ 633,584</u>
Ref.	A	A-1,A-23	Below		A
Cash Receipts Grant Fund		A-4	\$ 539,024		
Cash Receipts Current Fund -Due From Current Fund		A-23	94,560		
		Above	<u>\$ 633,584</u>		

CITY OF HOBOKEN  
 CURRENT FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

A-26

**URBAN DEVELOPMENT ACTION GRANT RECEIVABLE/RESERVE**

	<u>Reference</u>	
Balance June 30, 2006	A	\$0
Increased by:		
Urban Development Action Grant Receivable		<u>2,650,000</u>
Balance June 30, 2007	A	<u>\$ 2,650,000</u>

A-27

**SCHEDULE OF DUE FROM CAPITAL FUND**

	<u>Reference</u>	
Balance June 30, 2006	A	\$0
Increased by:		
Expenditures 2007 Road Improvement	A-4	<u>1,150,226</u>
		1,150,226
Decreased by:		
Cash Receipts Haxmat	A-4	<u>17,630</u>
Balance June 30, 2007	A	<u>\$ 1,132,596</u>

**Trust Fund**

**Schedules**

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

**Schedule of Cash - Treasurer**

**Year Ended June 30, 2007**

	Reference	Animal Control Fund	Other Trust Fund	Section 8 - Housing Assistance Program
Balance, June 30, 2006	B	\$ 14,354	\$ 4,797,216	\$ 1,571,143
Increased by cash receipts:				
Community Development Block Grant Receivable	B-3			641,085
State License Fees collected	B-4	1,366		
Dog License Fees	B-5	7,551		
Due from Current Funds	B-6		1,455,399	
Other Trust Fund deposits	B-6		36,270,840	
Due to Current - Interest Non HUD Accounts	B-10			35,421
Reserve for Section 8 - Housing Assistance Program	B-9			1,526,740
Reserve for Section 8 - Housing Assistance Program - Interest	B-9			27,425
		<u>8,917</u>	<u>37,726,239</u>	<u>2,230,671</u>
		23,271	42,523,455	3,801,814
Decreased by cash disbursements:				
Reserve for Dog License Expenditures	B-5	10		
Due to State of New Jersey	B-4	216		
Due to Current Fund	B-2			
Disbursements of Other Trust Fund deposits	B-6		37,854,285	
Reserve for Community Development Block Grant	B-8			655,277
Section 8 - Housing Assistance Program expenditures	B-9			1,822,318
Due to Current Fund	B-10			
Due to Current Fund	B-11			
		<u>226</u>	<u>37,854,285</u>	<u>2,477,595</u>
Balance, June 30, 2007	B	<u>\$ 23,045</u>	<u>\$ 4,669,170</u>	<u>\$ 1,324,219</u>

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

**Schedule of Due to Current Fund**

Year Ended June 30, 2007

	<u>Reference</u>	
Balance, June 30, 2006	B	\$0
Increased by:		
State of NJ Fees paid in Current	B-4	1,284
Statutory Excess	B-5	<u>4,485</u>
 Balance, June 30, 2007	 B	 <u><u>\$ 5,769</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, 2007

	<u>Reference</u>	
Balance, June 30, 2006	B	\$ 564,636
Increased by Current Year Grant Award	B-8	489,400
		1,054,036
Decreased by Cash received by the Section 8 - Housing Assistance Program	B-1, B-7	641,085
Balance, June 30, 2007	B	\$ 412,951

**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, 2007

	<u>Reference</u>	
Balance, June 30, 2006	B	\$ 368
Increased by State License Fees Collected	B-1	1,366
		1,734
Decreased by:		
Fees Remitted to State Treasurer- Dog Fund	B-1	216
Fees Remitted to State Treasurer- Current Fund	B-2	1,284
		1,500
Balance, June 30, 2007	B	\$ 234

**Schedule of Reserve for Animal Control Expenditures**

Year Ended June 30, 2007

	<u>Reference</u>	
Balance, June 30, 2006	B	\$ 13,986
Increased by Cash received	B-1	7,551
		21,537
Decreased by:		
Due to Current- Statutory Excess	B-2	4,485
Cash Disbursed	B-1	10
		4,495
Balance, June 30, 2007	B,Below	\$ 17,042
Statutory Excess:		
2005-2006 License Fees		8,125
2006-2007 License Fees		8,917
	Above	\$ 17,042

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

**Schedule of Reserve for Other Trust Fund Deposits**

Year Ended June 30, 2007

Description	Balance, June 30, 2006	Increase	Decrease	Transfer From Current Fund	Balance, June 30, 2007
Affordable Housing (Wanaque)	\$ 285,745	\$ 148	\$ 255,000		\$ 30,893
Amount due to Outside Lien Holders	261,430	1,089,785	1,236,629		114,586
Block B South Waterfront Exclusivity	192,482	115,667	31,203		276,946
Community Resource	35,292	271	181		35,382
Crosstown Bus	-				-
Demarest RCA	1,252	59			1,311
Developers Escrow Deposits	911,435	424,035	576,427		759,043
Division of Cultural Affairs	69,072	354,904	251,824		172,152
Fire Dedicated Penalties	-				-
Fire Education	113,900	74,845	122,652		66,093
Fire Regular Penalties	25,113	6,515	584		31,044
Girl's Softball	81				81
Green Township RCA Escrow	84,462	81,810	82,500		83,772
Hoboken 150th Anniversary	45,060	84	17,182		27,962
Hurricane Relief	501				501
Law Enforcement Trust	92,725	78,154	48,333		122,546
Miscellaneous Deposits	3,449	182			3,631
Municipal Superiors Associations	9,384	2,263	3,595		8,052
NJ Unemployment	-				-
North Haledon RCA	284,331	3,085	255,000		32,416
Northwest Redevelopment Escrow	-				-
Parking Offenses Adjudication Act	556,376	116,919	20,238		653,057
Payroll Agency	688,643	22,547,563	23,354,671		(118,465)
PBA Outside Employment Admin.	33,493	1,660			35,153
PILOTS	929	9,185,637	9,077,868		108,698
Police Athletic League	8,130				8,130
Police Athletic League - Hockey	2				2
Police Department Investigative	801		400		401
Police Department Memorial Fund	66,432	23,611			90,043
Police 5K Run	9,497	1,000	9,497		1,000
Police Outside Employment	139,952	788,098	828,563		99,487
September 11th Memorial Fund	216,582	31,489	113,451		134,620
Shade Tree Commission	3,476		2,940		536
TAM Restaurant	5,266				5,266
Tax Sale Premiums	585,166	23,316	391,200		217,282
Umpire Fees	9,427	4,800	11,060		3,167
Unclaimed Bail		17,083	2,830		14,253
URSA Development Group	13,547	43	13,590		-
Workers' Compensation Insurance	43,783	563,902	610,135		(2,450)
O & M Fund		730,015	502,646	1,232,354	1,459,723
Fire Department Hazmat Fund		3,896	34,086	223,045	192,855
	<u>\$ 4,797,216</u>	<u>\$ 36,270,840</u>	<u>\$ 37,854,285</u>	<u>\$ 1,455,399</u>	<u>\$ 4,669,170</u>
<b>Reference</b>	<b>B</b>	<b>B-1</b>	<b>B-1</b>	<b>B-1</b>	<b>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, 2007

	<u>Reference</u>	
Balance, June 30, 2006	B	\$ 33,718
Increased by:		
Cash Receipts	B-1, B-3	641,085
		<u>674,803</u>
Decreased by:		
Cash Disbursements	B-1, B-8	655,277
		<u>655,277</u>
Balance, June 30, 2007	B	<u><u>\$ 19,526</u></u>

Schedule B-8

**Schedule of Reserve for Community Development Block Grant**

Year Ended June 30, 2007

	<u>Reference</u>	
Balance, June 30, 2006	B	\$ 598,354
Increased by Current Year Grant Award	B-3	489,400
		<u>1,087,754</u>
Decreased by payments made by Section 8 - HAP	B-1, B-7	655,277
		<u>655,277</u>
Balance, June 30, 2007	B	<u><u>\$ 432,477</u></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, 2007

	<u>Reference</u>	
Balance, June 30, 2006	B	<u>\$ 1,537,425</u>
Increased by:		
Interest on bank deposits	B-1	27,425
Program receipts	B-1	<u>1,526,740</u>
		<u>1,554,165</u>
		<u>3,091,590</u>
Decreased by:		
Due to Grantor - Program Closeout	B-11	47,711
Program expenditures	B-1	<u>1,822,318</u>
		<u>1,870,029</u>
Balance, June 30, 2007	B	<u><u>\$ 1,221,561</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, 2007

	<u>Reference</u>	
Balance, June 30, 2006	B	\$0
Increased by: Interest Earned Non HUD Accounts	B-1	<u>35,421</u>
Balance, June 30, 2007	B	<u>\$ 35,421</u>

**Section 8 - Housing Assistance Program**

**Schedule of Due to Grantor**

Year Ended June 30, 2007

	<u>Reference</u>	
Balance, June 30, 2006	B	\$0
Increased by Section 8 Housing Due to Grantor	B-9	<u>47,711</u>
Balance, June 30, 2007	B	<u>\$ 47,711</u>

**General Capital Fund**

**Schedules**

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

**Schedule of Capital Cash**

Year Ended June 30, 2007

	<u>Reference</u>	
Balance, June 30, 2006	C	\$ 5,219,559
Increased by:		
Interfund Repayment from Current Fund	C-11	804,585
Reserve for Green Acres - 1600 Adams Street	C	200,000
Premium on BANs	C-1A	82,317
		<u>1,086,902</u>
		<u>6,306,461</u>
Decreased by:		
Improvement Authorizations	C-7	<u>1,755,866</u>
Balance, June 30, 2007	C	<u><u>\$ 4,550,595</u></u>

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

**Schedule of Analysis of Capital Cash**

<b>Description</b>	<b>Balance, June 30,</b>	
	<b>2007</b>	<b>2006</b>
Fund Balance	\$ 127,644	\$ 45,327
Capital Improvement Fund	-	-
Deferred Charges	-	(6,442)
Due from Current Fund	(24,072)	(804,585)
Reserve for Payment of BAN's	200,000	-
Reserve for Due from Grant Fund	17,630	-
Reserve for Encumbrances	177,454	354,031
 <b><u>Improvement Authorizations</u></b>		
07/15/92 Acquire Fire Apparatus	143,943	162,410
11/15/93 Reconstruction and Renovations of Certain Piers	1,021,295	1,021,295
12/20/95 Bond Ordinance for Tax Overpayment Refunds	(267,836)	(267,836)
10/09/97 Creation of North Park	(371,667)	(371,667)
10/09/97 Creation of Castle Point Park	330,671	364,917
03/18/97 Multi-Service Center	8,445	9,645
03/18/98 Elysian Park	106	106
04/01/98 Improvement to City Hall	182,849	296,050
06/07/00 Removal and Closure of Storage Tanks in City of Hoboken	64,368	64,368
05/30/02 Various Projects & Improvements:		
Underground Storage Tanks	1,317	1,317
Police Headquarters	60,000	60,000
Acquisition of Fire Engines	7,902	7,902
Improvements to City Parks	498	-
12/15/05 Land Parcel Acquisition	165,642	184,627
12/15/05 Improvements of Buildings and Parks	2,316,517	3,329,453
12/15/05 Acquisition of Vehicles and Equipment	309,265	668,641
06/16/06 Various Road Improvements	78,624	100,000
	<b>\$ 4,550,595</b>	<b>\$ 5,219,559</b>
<b>Reference</b>	<b>C</b>	<b>C</b>

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

**Schedule of Deferred Charges to Future Taxation - Funded**

Year Ended June 30, 2007

	<u>Reference</u>	
Balance, June 30, 2006	C	\$ 49,317,690
Increased by:		
Adjustment to June 30, 2006 Green Acres Loan	C-13	84,066
		49,401,756
Decreased by:		
2007 Budget Appropriation payments related to:		
General Serial Bonds	C-9	1,355,000
Green Acres Loan	C-13	151,853
Underground Storage Tank Loan	C-14	24,474
		1,531,327
Balance, June 30, 2007	C	\$ 47,870,429

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

**Schedule of Deferred Charges to Future Taxes - Unfunded**

Year Ended June 30, 2007

Ordinance Date	Description	Balance, June 30, 2006	Decreased by 2007 BAN Paydown	Balance, June 30, 2007	Analysis of Balance		
					Expenditures	Bond Anticipation Notes	Unexpended Improvement Authorizations
07/15/92	Fire Apparatus	\$ 296,600	\$ (215,000)	\$ 81,600		\$ 81,600	
10/07/92	Public Safety Facility	2,000		2,000		2,000	
11/15/93	Reconstruction and Renovation of Certain Piers	968,900		968,900		968,900	
10/09/97	Creation of North Park	371,667		371,667	371,667		
12/20/95	Bond Ordinance for Tax Overpayment Refunds	267,836		267,836	267,836		
05/30/02	Various Improvements	4,987,500		4,987,500		4,987,500	
12/15/05	Land Parcel Acquisition	7,000,000		7,000,000		7,000,000	
12/15/05	Improvements of Buildings and Parks	3,300,000		3,300,000		3,300,000	
12/15/05	Acquisition of Vehicles	1,100,000		1,100,000		1,100,000	
06/16/06	Various Road Improvements	1,900,000		1,900,000			1,900,000
		<u>\$ 20,194,503</u>	<u>\$ (215,000)</u>	<u>\$ 19,979,503</u>	<u>\$ 639,503</u>	<u>\$ 17,440,000</u>	<u>\$ 1,900,000</u>
<b>Reference</b>		C	C-8	C		C-8	

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

Schedule C-5

**Schedule of Capital Improvement Fund**

Year Ended June 30, 2007

	<u>Reference</u>	
Balance, June 30, 2006	C	\$0.00
Increased by:		
Budget Appropriation	C-1	
Decreased by:		
Improvement Authorizations Funded	C-7	_____
Balance, June 30, 2007	C	\$0.00

**Schedule of Reserve for Payment of BAN's**

Year Ended June 30, 2007

Schedule C-6

	<u>Reference</u>	
Balance, June 30, 2006	C	\$0.00
Increased by:		
Due from Current - ADA Library Funds	C-11	100,000
		100,000
Decreased by:		
		-
Balance, June 30, 2007	C	\$100,000

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

**Schedule of Improvement Authorizations**

Year Ended June 30, 2007

Ordinance Date	Description	Amount	Balance, June 30, 2006			2007 Authorizations Funded by			Expended	Transfers/ Adjustments	Encumbered	Balance, June 30, 2007	
			Funded	Unfunded	Encumbered	Fund Balance	Capital Improvement Fund	Deferred Charges to Future Taxation Unfunded				Funded	Unfunded
07/15/92	Acquisition of Fire Apparatus	\$ 900,000	-	162,410	-	-	-	18,467	-	-	-	-	143,943
11/15/93	Reconstruction & Renovations of Certain Piers	4,200,000	52,395	968,900	-	-	-	-	-	-	-	52,395	968,900
10/09/97	Creation of Castle Point Park	750,000	364,917	-	-	-	-	34,246	-	-	-	330,671	-
03/18/98	Multi-Service Center	57,550	9,645	-	-	-	-	1,200	-	-	-	8,445	-
03/18/98	Elysian Park	11,300	106	-	-	-	-	-	-	-	-	106	-
04/01/98	Improvements - City Hall	156,000	296,050	-	13	-	-	113,201	-	13	-	182,849	-
06/07/00	Removal & Closure of Underground Storage Tanks	244,735	64,368	-	-	-	-	-	-	-	-	64,368	-
05/30/02	Various Projects and Improvements:												
	City Hall	770,011	-	-	-	-	-	-	-	-	-	-	-
	Underground Storage Tanks	1,317	-	1,317	-	-	-	-	-	-	-	-	1,317
	Police Headquarters	210,000	10,500	49,500	-	-	-	-	-	-	-	10,500	49,500
	Acquisition of Fire Engines	1,932	5,970	1,932	-	-	-	-	-	-	-	5,970	1,932
	Acquisition of Equipment & Vehicles	26,435	-	-	1,392	-	-	-	(498)	894	-	-	498
	Integrated Computer	32,863	-	-	-	-	-	-	-	-	-	-	-
	Improvements to City Parks	8,176	-	-	5,000	-	-	-	-	5,000	-	-	-
09/18/02	Green Acres Funding:												
	Multi-Parks	2,000,000	-	-	-	-	-	-	-	-	-	-	-
12/15/02	Land Parcel Acquisition	7,350,000	-	184,627	-	-	-	18,985	-	-	-	-	165,642
12/15/05	Improvements of Buildings and Parks	3,465,000	29,453	3,300,000	4,774	-	-	996,360	4,774	21,350	-	-	2,316,517
12/15/05	Acquisition of Vehicles and Equipment	1,155,000	-	668,641	342,852	-	-	552,031	342,852	150,197	-	-	309,265
06/16/06	Various Road Improvements	2,000,000	100,000	1,900,000	-	-	-	1,171,601 *	-	-	-	-	828,399
			<b>933,404</b>	<b>7,237,327</b>	<b>354,031</b>	<b>-</b>	<b>-</b>	<b>2,906,091</b>	<b>347,128</b>	<b>177,454</b>	<b>-</b>	<b>655,304</b>	<b>4,785,913</b>
	<b>Reference</b>		<b>C</b>	<b>C</b>	<b>C</b>	<b>C-1</b>	<b>C-5</b>	<b>C-4</b>	<b>Below</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>

Total Expenditures: \$ 2,906,091 Above  
 Disbursed from (due to) Current Fund: (1,150,225) \* C-12  
 Cash Expended From Capital Fund: \$ 1,755,866 C-1

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

**Schedule of Bond Anticipation Notes Payable**

Year Ended June 30, 2007

Purpose	Original Date	Issue Amount	Maturity Date	Amount	Interest Rate	Balance June 30, 2006	Increase	Decrease	Balance June 30, 2007
Bond Anticipation Notes, Series 2005B	12/15/05	6,255,000	09/14/07	6,255,000	4.25%	6,255,000	-	215,000	6,040,000
Bond Anticipation Notes, Series 2006A	01/30/06	8,100,000	09/14/07	8,100,000	4.25%	8,100,000	-	-	8,100,000
Bond Anticipation Notes, Series 2006B	04/18/06	3,300,000	09/14/07	3,300,000	4.25%	3,300,000	-	-	3,300,000
						<u>\$ 17,655,000</u>	<u>\$ -</u>	<u>\$ 215,000</u>	<u>\$ 17,440,000</u>
						<b>Reference</b>	C, Below	C-4	C, Below

Analysis of Balance:

Budgeted Appropriation for Payment	\$ 215,000	
Renewal	<u>17,440,000</u>	<u>17,440,000</u>
Above	<u>\$ 17,655,000</u>	<u>\$ 17,440,000</u>
	Above	Above



CITY OF HOBOKEN  
 CAPITAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

**SCHEDULE OF DEFERRED CHARGES**

C-10

	<b>Balance June 30, 2006</b>	<b>Raised in FY 2007 Budget</b>	<b>Balance June 30, 2007</b>
Overexpenditure of Capital Ordinances	\$ 6,442	\$ 6,442	\$ -
	\$ 6,442	\$ 6,442	\$ -
	C	C-11	C

CITY OF HOBOKEN  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2007

**SCHEDULE OF DUE FROM CURRENT FUND**

**C-11**

	<u>Reference</u>	
Balance June 30, 2006	C	\$ 804,585
Increased by:		
ADA Library Grant Received in Current	C	100,000
Prior Year Overexpenditure	C-10	6,442
		106,442
Decreased by:		
Cash Received	C-1	804,585
Balance June 30, 2007	C	\$ 106,442

**SCHEDULE OF DUE TO GRANT FUND**

**C-12**

	<u>Reference</u>	
Balance June 30, 2006	C	\$0
Increased by:		
Grant Funds Expended for Road Imp. Ordinance	C-7	1,150,225
		1,150,225
Decreased by:		
Hazmat Funds Due From Grant Fund	C	17,630
Balance June 30, 2007	C	\$ 1,132,595

**SCHEDULE OF GREEN ACRES LOANS PAYABLE**

**C-13**

	<u>Reference</u>	
Balance June 30, 2006	C	\$ 2,132,881
Increased by:		
Audit Adjustment to Beginning Balance	C-3	84,066
		2,216,947
Decreased by:		
Payment	C-3	151,853
Balance June 30, 2007	C	\$ 2,065,094

**SCHEDULE OF UNDERGROUND STORAGE TANK REMOVAL LOAN PAYABLE**

**C-14**

	<u>Reference</u>	
Balance June 30, 2006	C	\$ 122,367
Decreased by:		
Payment	C-3	24,474
Balance June 30, 2007	C	\$ 97,893

CITY OF HOBOKEN  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2007

C-15

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

Purpose	Ordinance Date	Balance June 30, 2006	Increased by 2007 Authorizations	Balance June 30, 2007
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>\$ 2,539,503</u>	<u>-</u>	<u>\$ 2,539,503</u>
		C		C

## **Parking Utility Funds**

### **Schedules**

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

**Schedule of Cash Receipts and Disbursements**

Year Ended June 30, 2007

	<u>Reference</u>		
Balance, June 30, 2006	D		\$ 1,511,550
Increased by Receipts:			
Budgeted Revenues	D-1	11,969,978	
Interfunds	Contra	4,900,000	
Security Deposits	D-7	63,697	
		16,933,675	16,933,675
			18,445,225
Decreased by Disbursements:			
2007 Budget Revenues	D-3	11,696,313	
Appropriation Reserve Over-Expenditures	D-5	158,731	
Interfunds	Contra	4,900,000	
		16,755,044	16,755,044
Balance, June 30, 2007	D		\$ 1,690,181

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

**Schedule of Deferred Charges**

Year Ended June 30, 2007

	<u>Reference</u>	
Balance, June 30, 2006	D	\$ 204,516
Increased by:		
Overexpenditure of Appropriation Reserves	D-4	158,731
		<u>363,247</u>
Decreased by:		
Amount raised in Budget	D-3	204,516
		<u>204,516</u>
 Balance June 30, 2007	 D	 <u>\$ 158,731</u>

Schedule D-6

**Schedule of Fixed Capital**

Year Ended June 30, 2007

	<u>Reference</u>	
Balance, June 30, 2006	D	\$ 42,957,185
 Balance, June 30, 2007	 D, Below	 <u>\$ 42,957,185</u>
 <b>Analysis of Balance:</b>		
Land		\$ 6,286,565
Garage Buildings		7,652,632
Garage Rehabilitation		4,405,230
Garage Buildings - Midtown		16,033,275
Garage Buildings - 916 Garden Street		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>\$ 42,957,185</u>

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

**Schedule of Security Deposits**

Year Ended June 30, 2007

**Reference**

Balance, June 30, 2006	D	\$ 170,079
Increased by:		
Cash Receipts	D-4	<u>63,697</u>
Balance June 30, 2007	D	<u><u>\$ 233,776</u></u>

Schedule D-8

**Schedule of Accrued Interest Payable**

Year Ended June 30, 2007

**Reference**

Balance, June 30, 2006	D	\$ 784,583
Decreased by:		
Cash Disbursement	D-3	<u>142</u>
Balance, June 30, 2007	D	<u><u>\$ 784,441</u></u>

**Analysis of Accrued Interest at June 30, 2007:**

	<b><u>Outstanding Principal</u></b>	<b><u>Interest Rate</u></b>	<b><u>From</u></b>	<b><u>To</u></b>	<b><u>Interest</u></b>
General Obligation Bonds, Series 2002	\$ 22,935,000	3.8%	1/1/2007	6/30/2007	\$ 557,233
Bond Anticipation Note	5,000,000	5.74%	12/15/2006	6/30/2007	<u>227,208</u>
					<u><u>\$ 784,441</u></u>

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

**Schedule of Bond Anticipation Notes Payable**

Year Ended June 30, 2007

<b>Improvement Description</b>	<b>Original Issue</b>		<b>Maturities of Bonds Outstanding -</b>		<b>Interest Rate</b>	<b>Balance June 30, 2006</b>	<b>Decreases</b>	<b>Balance June 30, 2007</b>
	<b>Date</b>	<b>Amount</b>	<b>Date</b>	<b>Amount</b>				
Parking Utility Bond Anticipation Notes Series 2005A	12/15/2005	5,175,000	09/15/2007	5,000,000	5.74%	5,175,000	\$ 175,000	5,000,000
					Reference	<u>\$ 5,175,000</u> D	<u>\$ 175,000</u> D-3	<u>\$ 5,000,000</u> D

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

**Schedule of Serial Bonds Payable**

Year Ended June 30, 2007

Improvement Description	Original Issue		Maturities of Bonds Outstanding -		Interest Rate	Balance June 30, 2006	Decreased by Principal Paid	Balance June 30, 2007
	Date	Amount	Date	Amount				
Parking Utility General Obligation Bonds, Series 2002	1/01/2003	\$ 26,530,000	01/01/2008	\$ 985,000	3.80%	\$ 23,885,000	\$ 950,000	\$ 22,935,000
			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%			-
						\$ 23,885,000	\$ 950,000	\$ 22,935,000
					Reference	D	D-3	D

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

**Schedule of Reserve for Amortization**

Year Ended June 30, 2007

	<u>Reference</u>	
Balance, June 30, 2006	D	<u>\$ 13,897,185</u>
Increased by:		
Bond Principal Paid	D-10	950,000
Note Principal Paid	D-9	<u>175,000</u>
		<u>1,125,000</u>
Balance, June 30, 2007	D	<u><u>\$ 15,022,185</u></u>

## **Single Audit Section**

**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**

The Honorable Mayor and Members  
of the City Council  
City of Hoboken  
County of Hudson  
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, 2007, and have issued our report thereon dated December 7, 2007, 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 item # 07-GAS-1.

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 the 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 believe none of the reportable conditions described above is 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**, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which are described in the accompanying schedule of findings and questioned costs as item #07-GAS-1. 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.

Garbarini & Co., P.C., CPA's

By: Paul C. Garbarini, CPA  
Registered Municipal Accountant  
License No. 120

Carlstadt, New Jersey

**REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR LETTER 04-04**

The Honorable Mayor and Members  
of the City Council  
City of Hoboken  
County of Hudson  
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* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended June 30, 2007. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state 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 of America; the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the *Comptroller General of the United States; State of New Jersey's OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organization; and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB A-133 and New Jersey OMB's *Circular 04-04* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with 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 and state programs for the year ended June 30, 2007.

## 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 or state 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 or state program in order to determine our auditing procedure for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency*, is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's response, and, accordingly we express no opinion on it.

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.

Garbarini & Co., P.C., CPA's

By: Paul C. Garbarini, CPA  
Registered Municipal Accountant  
License No. 120

Carlstadt, New Jersey

**CITY OF HOBOKEN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor/Pass Through Grantor Program Title	Fund	Federal CFDA Grant Number	Program Award	Cumulative Expenditures at June 30, 2006	2007 Receipts	2007 Expenditures	Cumulative Expenditures at June 30, 2007
<b>Dept. of Housing and Urban Development:</b>							
<b>Direct:</b>							
Section 8 Housing Assistance Program	Trust	14.856	\$ 8,353,299	\$ 5,226,288	\$ 1,526,740	\$ 1,822,318	\$ 7,048,606
Total Direct Programs			8,353,299	5,226,288	1,526,740	1,822,318	7,048,606
<b>Passed Through Hudson County Dept. of Finance and Admin.:</b>							
Community Development Block Grant - 2000	Trust	14.218	235,890	152,643	-	-	152,643
Community Development Block Grant - 2001	Trust	14.218	595,420	451,103	84,317	84,317	535,420
Community Development Block Grant - 2003	Trust	14.218	551,392	351,892	139,500	139,500	491,392
Community Development Block Grant - 2005	Trust	14.218	447,000	309,429	116,769	116,769	426,198
Community Development Block Grant - 2006	Trust	14.218	489,400	-	300,499	300,499	300,499
Community Development Block Grant - 2006 Administrative Costs	Current	14.218	100,000	100,000	-	-	100,000
Total Pass-Through Programs			2,419,102	1,265,067	741,085	741,085	2,006,152
Total U.S. Dept. of Housing and Urban Development			10,772,401	6,491,355	2,267,825	2,563,403	9,054,758
<b>Dept. of Justice:</b>							
<b>Direct:</b>							
Public Safety Partnership and Community Policing Grants							
COPS in Schools	Current	16.710	22,800	-	22,800	-	-
Secure Our Schools	Current	16.710	269,269	-	269,269	269,269	269,269
Safe School and Community - 2005	Current	16.710	38,949	38,517	-	432	38,949
Justice Assistance Grant	Current	N/A	14,431	-	14,431	14,432	14,432
Subtotal Public Safety Partnership and Community Policing Grants			345,449	38,517	306,500	284,133	322,650
Save the Youth Grant	Current	16.540	197,446	-	61,221	153,530	153,530
Local Law Enforcement Block Grant - 2005	Current	16.592	11,347	5,011	-	6,336	11,347
Total Direct Programs			554,242	43,528	367,721	443,999	487,527
<b>Department of Agriculture:</b>							
<b>Passed Through the NJ Department of Agriculture</b>							
Summer Food Service -Local Match	Current		20,000	-	-	12,103	12,103
Summer Food Service	Current	10.559	42,649	-	42,649	25,910	25,910
			62,649	-	42,649	38,013	38,013
<b>Department of Transportation</b>							
<b>Passed Through the NJ Department of Transportation</b>							
Safe Streets to School Program	Current	20.205	Prior Year	-	12,551	-	-
2005 Roadway Improvement Project	Current	20.205	Prior Year	-	114,926	-	-
State Highway Signage - Phase 1, 2004	Current	20.205	Prior Year	-	19,144	-	-
State Highway Signage - Hudson Place 2003	Current	20.205	Prior Year	-	32,585	-	-
2006 Roadway Improvement Program	Current	20.205	300,811	-	242,015	27,812	27,812
2006 Roadway Program - 8th Street Imp's	Current	20.205	390,000	-	261,895	329,624	329,624
Downtown Revitalization	Current	20.205	Prior Year	-	125,555	960	960
SFY 2007 Roadway Improvement Program	Current	20.205	450,000	-	-	163,833	163,833
Highway Planning and Construction -Misc Projects 2000-2005	Current	20.205	Prior Year	-	623,617	102,631	102,631
			1,140,811	-	1,432,288	624,860	624,860
<b>Department of Transportation</b>							
<b>Passed Through the NJ Division of Law &amp; Public Safety</b>							
State and Community Highway Safety (Walk Safe Pedestrian)	Current	20.600	20,000	-	20,000	16,621	16,621
<b>Department of Homeland Security</b>							
<b>Passed Through NJ Division of Law &amp; Public Safety</b>							
Urban Area Security Initiative Training	Current	97.008	15,320	-	15,320	15,320	30,640
<b>Department of Interior</b>							
<b>Direct</b>							
Urban Park Grant - Church Square Park	Current	10.559	50,606	18,914	-	31,692	50,606
Total Federal Assistance			\$ 12,616,029	\$ 6,553,797	\$ 4,145,803	\$ 3,733,908	\$ 10,303,025

N/A - not available

See Notes to Schedules of Expenditures of Federal and State Awards

**CITY OF HOBOKEN**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Schedule 1a

State Program - Program Title	Fund	Program	Program Number	Program Award	Cumulative Expenditures at June 30, 2006	2007		Cumulative Expenditures at June 30, 2007
						Receipts	Expenditures	
<b>Dept. of Community Affairs:</b>								
	Current	Domestic Violence	N/A	Prior Year	\$ 6,700		\$ 3,390	\$ 10,090
	Current	Domestic Violence	N/A		5,000	5,000		-
	Current	Protection and Prvention Grant	N/A	Prior Year			1,500	1,500
	Current	State Cooperative Housing Inspections	N/A		64,000	60,785	64,000	64,000
	Current	1118 Adams Street Urban Renewal	04-1955-00		2,250,000	1,980,000	2,061,250	2,061,250
Total Dept. of Community Affairs					2,319,000	6,700	2,045,785	2,130,140
<b>Dept. of Environmental Protection</b>								
	Current	Clean Communities Program - 2007	N/A		41,756	41,756		-
	Current	Clean Communities Program - 2006	N/A		35,734	5,836	23,982	29,818
	Current	Storm Water Grant	N/A	Prior Year			7,538	7,538
	Current	Recycling Tonnage Grant	N/A		117,320	19,190	117,320	117,320
	Current	Hazardous Discharge Site Remediation	N/A		19,893	-	-	-
	Current	Community Forestry Program	07-4870		2,000	2,000		-
Total Dept. of Environmental Protection					216,703	5,836	62,946	148,840
<b>Dept. of Health &amp; Senior Services</b>								
<b>Direct</b>								
	Current	Public Healthcare Management Caregivers	N/A		99,382	99,382		-
	Current	Public Health Priority Funding	N/A		6,212	6,212		-
Total Dept. of Health & Senior Services - Direct Programs					105,594	-	105,594	-
<b>Dept. of Law and Public Safety:</b>								
	Current	Body Armor Replacement Program -2007	00-BA-0905		14,359	14,359		-
	Current	Body Armor Replacement Program - 2008	00-BA-0905		9,928			-
	Current	Body Armor Replacement Program	00-BA-0905	Prior Year			20,447	20,447
	Current	Click-It-Or-Ticket			4,000	400	3,600	4,000
	Current	Drunk Driving Enforcement Fund			6,000	5,142	6,000	6,000
	Current	Anti Gang Initiative	N/A	Prior Year			992	992
Total Dept. of Law and Public Safety					34,287	400	19,501	31,039
<b>Dept. of Justice</b>								
	Current	Alcohol Ed Rehab Enforcement Fund	N/A		18,224	18,224		-
					18,224	-	18,224	-
<b>Department of Treasury</b>								
<b>State Contingency Fund</b>								
	Current	Special Purpose Grant - 9/11/01 Memorial	N/A		110,000	-	110,000	-
	Current	Church Square Gazebo			100,000	4,850	49,260	54,110
	Current	Observer Hwy Firehouse			250,000	106,712	59,247	165,959
	Current	World War II Memorial			250,000	47,620	10,425	58,045
	Current	Madison Street Park			107,490	28,600	-	78,890
	Current	Summer in the Park			25,000	16,427	8,573	25,000
Total State Contingency Fund					842,490	204,209	110,000	206,395
<b>Total State Assistance</b>					<u>\$ 3,536,298</u>	<u>\$ 217,145</u>	<u>\$ 2,362,050</u>	<u>\$ 2,516,414</u>
					<u>\$ 2,733,559</u>			

N/A - not available

See Notes to Schedules of Expenditures of Federal and State Awards

**CITY OF HOBOKEN**  
**SCHEDULE OF EXPENDITURES OF COUNTY/ OTHER AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>Fund</u>	<u>Grant Number</u>	<u>Program Award</u>	<u>Cumulative Expenditures at June 30, 2006</u>	<u>2007 Receipts</u>	<u>2007 Expenditures</u>	<u>Cumulative Expenditures at June 30, 2007</u>
NJ Youth Football Grant	Current		\$ 8,000	\$ -	\$ 4,000	\$ -	\$ -
Total Direct Programs			<u>8,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>-</u>
<b>Passed Through Hudson County Dept. of Finance and Admin.:</b>							
Hudson County Open Space Grant	Current		2,000,000				-
Municipal Alliance Program -2006	Current		46,543		28,657	46,543	46,543
Municipal Alliance Program - City Match	Current		11,522			9,004	9,004
Adult Day Care	Current		10,681		10,681		10,681
Comprehensive Program for the Elderly	Current		<u>40,674</u>		<u>40,674</u>		<u>-</u>
Total Pass-Through Programs			<u>2,109,420</u>	<u>-</u>	<u>80,012</u>	<u>55,547</u>	<u>66,228</u>
Fire Department Hazmat Grant	Current		36,000		36,000		36,000
Total County/Other Assistance			<u>\$ 2,153,420</u>	<u>\$ -</u>	<u>\$ 120,012</u>	<u>\$ 55,547</u>	<u>\$ 102,228</u>

N/A - not available

See Notes to Schedules of Expenditures of Federal and State Awards

CITY OF HOBOKEN  
NOTES TO SCHEDULES OF EXPENDITURES OF  
FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2007

**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 basis of accounting as described in Note 1.C of the City's financial statements.

**3. Relationship of 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 if 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  
NOTES TO SCHEDULES OF EXPENDITURES OF  
FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2007

**5. Sub recipient Awards**

During 2007, federal and state awards were granted to sub recipients as follows:

<b>Federal Grantor/Pass Through Grantor/Program Title</b>	<b>Federal CFDA #</b>	<b>Subrecipient</b>	<b>Subrecipient Awards</b>
U.S. Devdevelopment of Housing and Urban Development: Community Development Block Grant	14.218 14.218 14.218 14.218	Hoboken Day Care 100 H.O.P.E.S. Head Start Nuestros Ninos Mile Square Day Care Hoboken Family Planning Boys and Girls Club United Cerebral Palsy	\$ 21,614 29,401 36,144 64,716 20,000 10,000 2,000 <u>183,875</u>
U.S. Department of Housing and Urban Development - Section 8 Housing	14.856	Elaires Corp. Inc. ElySION (Uplift) Mezzina	911,345 839,175 26,472 <u>1,776,992</u>
Total federal awards to subrecipients			<u>\$ 1,960,867</u>

City of Hoboken  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2007

**Part I - Summary of Auditor's Results**

**Financial Statement Section**

A) Type of Auditor's Report Issued	Unqualified Adverse - GAAP - Statutory Basis		
B) Internal Control over Financial Reporting			
1) Material weakness(es) identified?	Yes	X	No
2) Were reportable conditions identified that were not considered to be material weaknesses?	X	Yes	No
C) Noncompliance material to financial statements noted?	Yes	X	No

**Federal Awards Section**

D) Dollar threshold used to determine Type A and Type B Programs:	\$300,000		
E) Auditee qualified as low-risk auditee?	Yes	X	No
F) Type of auditor's report on compliance for major programs? - N/A	Report on compliance and on internal control statutory basis - UNQUALIFIED		
G) Internal Control over major programs			
1) Material weakness(es) identified?	Yes	X	No
2) Were reportable conditions identified that were not considered to be material weaknesses?	Yes	X	No
H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 [section 510(e)]?	Yes	X	No
I) Identification of major programs	Department of Housing and Urban Development Community Development Block Grants Department of Transportation		

City of Hoboken  
Schedule of Findings and Questioned Costs (continued)  
For the Year Ended June 30, 2007

Summary of Auditor's Results (Continued)

**State Awards Section**

J) Dollar threshold used to determine Type A Program	<u>\$300,000</u>		
K) Audited qualified as low-risk auditee?	<u>Yes</u>	<u>X</u>	<u>No</u>
L) Type of auditor's report on compliance for major Programs? – N/A	<u>Report on compliance and on internal control statutory basis - UNQUALIFIED</u>		
M) Internal Control over Compliance			
1) Material weakness identified	<u>Yes</u>	<u>X</u>	<u>No</u>
2) Were reportable conditions identified that Were not considered to be material weaknesses?	<u>Yes</u>	<u>X</u>	<u>No</u>
N) Any audit findings disclosed that are required to be Reported in accordance with N.J. OMB Circular 04-04,as amended?	<u>Yes</u>	<u>X</u>	<u>No</u>
O) Identification of major programs			

Grant Number

Name of State Program

Dept. of Community Affairs:  
1118 Adams Street Urban Renewal

\* 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 another 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  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2007

**Part 2 - 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 # 07-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 the current fund, capital fund, trust funds and grants needs improvement. Adjustments were required to reclassify accounts, correct entries, and update information. The beginning balance of the general ledger did not agree with the audited balances at June 30, 2006. The Finance Department was not in agreement with the balances per the audit report from June 30, 2006. This resulted in numerous grant expenditures against grants which had been previously canceled in previous audits. Several grants which were still active needed to be reinstated to correct balances. Journal entries were made to the general ledger without explanation in order to agree with the Annual Financial Statement.  
(Reportable Condition).

**Questioned Costs:**

None.

City of Hoboken  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2007

**Part 2 - Schedule of Financial Statement Findings (Continued)**

**Effect:**

The overall effect on the City's internal control with respect to the deficiencies described above is that the City has a reportable condition, 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.

**Cause:**

The City did not agree with the balances on the June 30, 2006 audit report. The general ledger for the various funds was not maintained correctly.

**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 preparation of the financial statements. The general ledger should be adjusted to agree with the audit as of June 30, 2007. Any journal entries made should have the proper documentation.

City of Hoboken  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2007

**Section 3 – Schedule of Federal and State Awards Findings and Questioned Costs**

(This section identifies the reportable conditions, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB Circular 04-04, as amended.)

NONE

City of Hoboken  
Summary Schedule of Prior Audit Findings and  
Questioned Costs as Prepared by Management  
For the Year Ended June 30, 2007

(This section identifies the status of prior year audit findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB Circular 04-04.)

**Finding # 06-GAS-1:**

**Recommendation:**

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.

**Status:**

Corrective Action has not been taken. See current year findings and questioned costs.

**Finding# 06-GAS-2:**

**Recommendation:**

The Tax Collector carefully review and approve the third party billing confirmation Before the bills are printed and mailed.

**Status:**

Corrective action has been taken.

CITY OF HOBOKEN  
GENERAL COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

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, 2007, 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 – NJSA 40A:11-4**

N.J.S.40A:11-4 states "Every contract awarded by the contracting agents, for the provision or performance of any goods or services, the cost of which in the aggregate exceed the bid threshold [40A:11-3 "a contract year the total sum of \$21,000...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.]", shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

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

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$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.

CITY OF HOBOKEN  
GENERAL COMMENTS  
(Continued)

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 those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-5.

**Collection of Interest on Delinquent Taxes, Assessments and Utility Charges**

N.J.S.A 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 installation is made within the tenth calendar day following the date upon which the same became payable;

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 29, 2007 and was complete.

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

CITY OF HOBOKEN  
GENERAL COMMENTS  
(Continued)

The following comparison is made of the number of tax title liens receivable on June 30, 2007, 2006 and 2005:

<u>Year</u>	<u>Number of Liens</u>
2007	50
2006	51
2005	50

**Comparative Schedule of Tax Rate Information**

	<b>2007</b>	<b>2006</b>	<b>2005</b>
Tax Rate	3.490	\$ 3.434	\$ 3.287
Apportionment of Tax Rate:			
Municipal	\$ 1.063	\$ 0.976	\$ 0.832
County	1.217	1.237	1.220
Local School	1.210	1.221	1.211
Type I School District	-	-	0.024

<b>Year</b>	<b>Assessed Valuation</b>
2007	\$ 2,818,798,604
2006	2,723,040,818
2005	2,581,437,395

**Comparison of Tax Levies and Collections**

<b>Year</b>	<b>Tax Levy</b>	<b>Cash Collections</b>	<b>Percentage of Collection</b>
2007	\$ 101,710,705	\$ 101,643,666	99.93
2006	88,865,063	88,861,771	99.95
2005	52,598,886	52,556,422	99.90

CITY OF HOBOKEN  
GENERAL COMMENTS  
(Continued)

**Delinquent Taxes and Tax Title Liens**

This tabulation includes a comparison on June 30, 2007, 2006 and 2005, 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>
2007	\$ 469,752	\$ 2,082	\$ 471,834	0.46
2006	453,254	3,292	456,546	0.51
2005	436,939	42,469	479,408	0.58

**Property Acquired by Tax Title Lien Liquidation**

The value of property acquired by liquidation of tax title liens on June 30, 2007, 2006 and 2005 on the basis of the last assessed valuation on such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2007	\$ 2,806,900
2006	2,806,900
2005	2,806,900

CITY OF HOBOKEN  
 OFFICIALS IN OFFICE AND SURETY BONDS  
 AT JUNE 30, 2007

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
David Roberts	Mayor	
Theresa Castellano	Councilwoman – 1 <sup>st</sup> Ward	
Richard Del Boccio	Councilman – 2 <sup>nd</sup> Ward	
Michael Russo	Councilman – 3 <sup>rd</sup> Ward	
Christopher Campos	Councilman – 4 <sup>th</sup> Ward	
Michael Cricco	Councilman – 5 <sup>th</sup> Ward	
Angelo Giacchi	Councilman – 6 <sup>th</sup> Ward	
Peter Cammarano	Councilwoman at Large	
Ruben Ramos, Jr.	Councilman at Large	
Theresa LaBruno	Councilman at Large	
Richard England	Business Administrator, Director – Department of Administration	*
George DeStefano	Chief Financial Officer	*
Joseph Peluso	Director – Dept. of Environmental Services	*
Carmelo Garcia	Director – Dept. of Human Services	*
Fred Bado	Director – Dept. 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  
COMMENTS AND RECOMMENDATIONS  
YEAR ENDED JUNE 30, 2007

***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. *(Repeat of prior year recommendation)*

***Comment #2: Review of Asset Appraisal Report***

The City had hired an appraisal company to prepare a listing of the City's assets as well as appraise each asset's value. The report prepared was for the fiscal year ended June 30, 2004. The appraisal company should be contacted to update the report yearly. *(Repeat of prior year recommendation)*

***Comment #3: 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)*

***\*Comment #4: 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 (Pending Approval)  
North Haledon RCA  
Police Athletic League  
Police Department Memorial Fund (Pending Approval)  
Shade Tree Commission (Pending Approval)  
Workers' Compensation Insurance

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

CITY OF HOBOKEN  
COMMENTS AND RECOMMENDATIONS  
YEAR ENDED JUNE 30, 2007

***Comment #5: Grant 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. Some departments apply and maintain their own grants without providing the Grants Management Department with all documentation for the grant.

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 is lacking in the following areas:

- status and activity of all awarded grants on a monthly basis
- the department heads who have applied for their own grants should give copies of all documentation to the Grants Management Department.

*(Repeat of prior year recommendation)*

CITY OF HOBOKEN  
COMMENTS AND RECOMMENDATIONS  
YEAR ENDED JUNE 30, 2007

***Comment #6: Violation of Local Public Contract Law***

Our examination of expenditures indicated instances where five vendors exceeded the bidding threshold and were not advertised for bids;

1. Janitorial supplies
2. Skate park ramps
3. Plumbing
4. Parking utility meter collections & maintenance
5. Parking utility garage operations

N.J.S.A. 40A:11-4 states “Every contract awarded by the contracting agents, for the provision or performance of any goods or services, the cost of which in the aggregate exceed the bid threshold [40A:11-3 “a contract year the total sum of \$ 21,000...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.”], 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 City should monitor or estimate contracts that will require advertisement and bidding under N.J.S.A. 40A:11-4 and Local Public Contracts Law.

***Comment #7: Over-expenditure of Appropriation & Incorrect Classification of Budget Expenditures***

There was an overexpenditure of budget appropriations in the amount of \$617,702. On August 2, 1990, Chapter 131 of the Laws of 1989 was enacted into law, making the disbursing of monies or the incurring of obligations by public officials in excess of appropriations or an amount limited by law a gross violation of state statute.

The City should monitor its expenditures to avoid over-expenditures of budget appropriations.

Several expenditures in the amount of \$ 1,423,373 were charged to either the incorrect budget year or the incorrect line item. Insurance charges appeared on salary and wage and other expense line items and capital charges were charged to down payment of improvements.

Vouchers should be reviewed carefully to avoid misclassifications of budget expenditures.

CITY OF HOBOKEN  
COMMENTS AND RECOMMENDATIONS  
YEAR ENDED JUNE 30, 2007

***Comment #8: Parking Utility Meter Collection***

In December of 2005, the Parking Utility contracted with United Textile Fabricators for meter collection and maintenance. Meter collections had decreased dramatically during their contract term. The City of Hoboken, "the City", has estimated that the amount receivable from United Textile Fabricators is undetermined at this time. The contract with the United Textile has expired and they are now on a month to month basis. In November of 2007, the City amended the procedures to be followed by United Textile Fabricators. The vendor now collects from the meters and deposit directly into a depository in the name of the City of Hoboken Parking Utility. United Textile Fabricators had been previously taking the coins to their place of business in Toms River, NJ and depositing the funds in their accounts. There has been subsequent collections from July 1, 2007 through the date of our audit of amounts due from prior periods.

On December 4, 2007, the City engaged Garbarini & Co. P.C. CPA's to apply agreed-upon procedures to the books and records of United Textile Fabricators to determine the correct receivable of meter collections not turned over to the City. A separate report will be issued at the completion of the agreed-upon procedures.

***Comment # 9 Employee Health, Dental and Vision Insurance***

There were numerous employees which are retired and still on the active insurance list. Those that are still eligible for health, dental or vision insurance should be reclassified to the retired employee list. There were also numerous deceased and or retired employees which should be remove from the health, dental and or vision insurance who are no longer eligible.

**APPRECIATION**

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

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