

CITY OF HOBOKEN
**Financial Statements With
Supplementary Information**
June 30, 2009
(With Independent Auditors' Reports Thereon)

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CITY OF HOBOKEN

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CITY OF HOBOKEN

PART I

**REPORT OF AUDIT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA
YEAR ENDED JUNE 30, 2009**

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying regulatory-basis financial statements of the City of Hoboken (the "City"), County of Hudson, New Jersey as of and for the years ended June 30, 2009 and 2008, and the related statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year ended June 30, 2009. These financial statements are the responsibility of the City of Hoboken's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed below, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in conformity with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The affect on the financial statements of the variances between the prescribed basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



Honorable Mayor and
Members of the City Council
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In our opinion, because of the City of Hoboken's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Hoboken, New Jersey as of June 30, 2009 and 2008 or the results of its operations for the years then ended.

The Borough did not implement the requirements of Governmental Accounting Standards Board (GASB), Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. State of New Jersey Local Finance Notice 2007-15 also dictates that municipalities implement this GASB.

However, in our opinion, the financial statements referred to above, with the exception of the effect described in the paragraph above, present fairly, in all material respects, the financial position-regulatory basis of the various funds and account group of the City of Hoboken, New Jersey at June 30, 2009 and 2008, and the results of its operations and the changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis, and statement of expenditures-regulatory basis for the year ended June 30, 2009, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated January 12, 2010 on our consideration of the City of Hoboken's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the City of Hoboken, State of New Jersey, taken as a whole. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of State, Local Government, and Nonprofit Organizations, and New Jersey State Office of Management and Budget Circular Letter 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the financial statements. Additionally, the accompanying supplementary information, schedules and exhibits listed in the table of contents are not required parts of the financial statements, but are presented as additional analytical data, as required by the New Jersey Division of Local Government Services. This information has been subjected to the tests and other auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is fairly presented in all material respects in relation to the regulatory basis financial statements taken as a whole on the basis of accounting as described in Note 1.


Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CRO0413


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

January 12, 2010



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CITY OF HOBOKEN, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

June 30, 2009 and 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Assets</u>			
Current Fund:			
Current Assets:			
Cash - Operating Accounts	A-4	\$ 32,296,693	5,197,406
Cash - Change Fund	A-5	1,050	750
		<u>32,297,743</u>	<u>5,198,156</u>
Duc from State of New Jersey per Ch. 129, P.L. 1976	A-6	49,017	44,549
		<u>49,017</u>	<u>44,549</u>
		<u>32,346,760</u>	<u>5,242,705</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-7	379,661	26,603,296
Tax Title Liens	A-8	337,094	489,143
Property Acquired for Taxes - Assessed Valuation	A-9	2,806,900	2,806,900
Mortgage Receivable	A-10	537,601	639,065
Water Liens	A-11	46,254	46,254
Revenue Accounts Receivable	A-12	395,833	290,738
Interfunds Receivable	A-19	32,774	103,005
		<u>4,536,117</u>	<u>30,978,401</u>
Deferred Charges	A-13	9,716,355	35,821,822
		<u>9,716,355</u>	<u>35,821,822</u>
		<u>46,599,232</u>	<u>72,042,928</u>
Federal and State Grant Fund:			
Cash - Operating Accounts	A-4	7,475,512	5,016,979
Grants Receivable	A-14	2,380,060	1,962,338
Interfunds Receivable	A-25		2,210,406
		<u>9,855,572</u>	<u>9,189,723</u>
		<u>\$ 56,454,804</u>	<u>81,232,651</u>

CITY OF HOBOKEN, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

June 30, 2009 and 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
Liabilities, Reserves and Fund Balance			
Current Fund:			
Appropriation Reserves:			
Encumbered	A-3/A-15 \$	614,144	784,198
Unencumbered	A-3/A-15	6,155,498	996,721
Promissory Note Payable - HCIA	A-16	537,601	639,065
Tax Anticipation Notes Payable	A-17	20,000,000	33,000,000
Tax Overpayment	A-18	177,151	530,462
Interfunds Payable	A-19	124,297	1,759,406
School Taxes Payable	A-21	9	
Various Reserves	A-22	343,591	761,809
		<u>27,952,291</u>	<u>38,471,661</u>
Reserve for Receivables	Contra	4,536,117	30,978,401
Fund Balance	A-1	14,110,824	2,592,866
		<u>46,599,232</u>	<u>72,042,928</u>
Federal and State Grant Fund			
Unappropriated Reserve for Grants	A-24	364,838	315,292
Interfunds Payable	A-25	32,774	
Reserve for Grant Encumbrances	A-26		138,348
Reserve for Grant Expenditures	A-26	9,457,960	8,728,371
Municipal Alliance Grant	A-23		7,712
		<u>9,855,572</u>	<u>9,189,723</u>
		<u>\$ 56,454,804</u>	<u>81,232,651</u>

See accompanying notes to financial statements.

CITY OF HOBOKEN, N.J.

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

Current Fund

Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues and Other Income:		
Fund Balance Utilized		1,000,000
Miscellaneous Revenue Anticipated	39,892,843	54,496,609
Receipts from Delinquent Taxes	26,764,376	17,556
Receipts from Current Taxes	135,654,213	80,133,482
Non-Budget Revenue	1,670,941	2,292,843
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	858,961	122,859
Unexpended Balance of Appropriations		
Prior Year Interfunds Returned	103,005	1,541,190
Other Credits to Income	101,464	98,098
Prior Year Reserve for Receivables Canceled		2,971
Liability Canceled	405,803	
Total Revenues and Other Income	<u>205,451,606</u>	<u>139,705,608</u>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	41,526,690	41,416,499
Other Expenses	37,382,779	50,184,116
Capital Improvement Fund		272,000
Municipal Debt Service	7,823,676	7,544,898
Statutory Expenditures and Deferred Charges	30,848,710	3,583,920
	<u>117,581,855</u>	<u>103,001,433</u>
Local District School Tax	36,073,376	34,700,000
County Taxes	39,811,704	35,526,744
Added Assessments Anticipated as Revenue		1,727,692
Interfund Advances		407,739
Revenue Refunds	466,713	
Tax Appeal Judgements		163,822
Total Expenditures	<u>193,933,648</u>	<u>175,527,430</u>
Excess (Deficit) Revenue Over Expenditures	11,517,958	(35,821,822)
Adjustment to Income Before Fund Balance:		
Expenditures Included Above Which Are By Statute Deferred		
Charges to Budget of Succeeding Year.		
Overexpenditure of Appropriations		11,385,697
		<u>11,385,697</u>
Statutory Excess to Fund Balance	11,517,958	
Deficit in Operations to be Raised in Budget of Succeeding Year		<u>(24,436,125)</u>
Fund Balance, July 1,	<u>2,592,866</u>	<u>3,592,866</u>
	14,110,824	3,592,866
Decreased by:		
Fund Balance Utilized as Budget Revenue		<u>1,000,000</u>
Fund Balance, June 30,	<u>14,110,824</u>	<u>2,592,866</u>

See accompanying notes to the financial statements.

CITY OF HOBOKEN, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended June 30, 2009

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ _____	_____	_____
Miscellaneous Revenues:			
Licenses and Fees:			
Alcoholic Beverages	251,519	255,576	4,057
Other	178,000	213,651	35,651
Fees and Permits	280,000	393,293	113,293
Zoning Board of Adjustment Fees	147,000	140,736	(6,264)
Planning Board Fees	45,000	52,294	7,294
Rent Leveling Fees	35,000	38,269	3,269
Fines and Costs:			
Municipal Court	3,700,000	3,740,035	40,035
Other Fines and Costs			
Parking Tax	951,869	980,092	28,223
Interest and Costs on Taxes	100,000	1,060,602	960,602
Interest on Investments and Deposits	130,000	184,789	54,789
Riverview Cablevision Associates	209,696	209,696	
Rents on City Owned Property	85,000	80,431	(4,569)
Crosstown Bus Line	8,769	7,942	(827)
SJP Properties - Block A-Phase I	1,071,984	1,071,984	
SJP Properties - Block A-Phase II	1,071,984	1,071,984	
SJP Properties/Applied - Block B	225,000	200,000	(25,000)
Applied Development Co. - South Waterfront - Block C	1,235,072	1,235,072	
1300 Grand Street (Pilot Payment)	739,000	747,405	8,405
Anticipated Parking Utility Operating Surplus	3,488,656	3,488,656	
Grogan Marineview Plaza	630,000	650,000	20,000
Clocktowers	127,000	136,302	9,302
Marion Towers Associates	175,000	172,074	(2,926)
Church Towers Urban Renewal	463,000	458,901	(4,099)
Columbian Towers	106,000	118,371	12,371
Columbian Arms	39,000	22,244	(16,756)
Hudson Square North	119,000	113,862	(5,138)
Willow Avenue Associates - 800 - 812 Willow Avenue	117,500	64,755	(52,745)
1200 Grand Street	1,138,000	1,012,384	(125,616)
Applied Housing - 1203-1219 Willow Avenue	250,000	243,018	(6,982)
Applied Housing - 1201-1221 Washington Estates	394,000	431,710	37,710
Applied Housing - 1200-1220 Hudson Estates	409,000	463,321	54,321
Applied Housing - 1301-1309 Bloomfield Estates	141,000	127,718	(13,282)
Applied Housing - Midway 500-508 Adams Street	229,000	215,917	(13,083)
Applied Housing - Elysian Estates	75,000	81,441	6,441
Applied Housing - Church Square	117,000	125,345	8,345
Applied Housing - Eastview Associates	123,000	110,712	(12,288)
Applied Housing - Westview Associates	209,000	185,099	(23,901)
Applied Housing - Northvale I - 911-923 Clinton Street	376,000	384,022	8,022
Applied Housing - Northvale II - 901-919 Clinton Street	348,000	383,082	35,082
Applied Housing - Northvale IIIA	82,000	107,197	25,197
Applied Housing - Northvale III B - 1106-1014 Clinton Street	79,000	134,153	55,153
Applied Housing - Northvale IV - 58 11th Street	16,000	17,611	1,611
Consolidated Municipal Property Tax Relief Aid	12,429,036	12,429,036	
Energy Receipts Tax	2,693,209	2,693,209	
Uniform Construction Code Fees	551,244	577,781	26,537
Hoboken Housing Authority - Public Safety	540,000	487,119	(52,881)
Public Health Priority Funding	23,363	23,363	
Summer Food Program	35,661	35,661	

CITY OF HOBOKEN, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended June 30, 2009

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Home Support and Adult Day Care	126,998	126,998	
Community Development Block Grant - Admin Costs	50,000	50,000	
State Local Cooperative Housing Inspection Program	100,000	100,000	
Multi Service Center Roof Replacement	200,000	200,000	
Child Care Sevices	100,000	100,000	
Family Planning Services	20,000	20,000	
United Cerebral Palsy	2,000	2,000	
City Recreation Program	10,000	10,000	
Click it or Ticket	4,000	4,000	
Body Armor Replacement Fund	15,374	15,374	
State Forestry Green Community Grant	3,000	3,000	
Walk Safe Hoboken Pedestrians	3,600	3,600	
Clean Communities	43,810	43,810	
Clean Communities	43,548	43,548	
2008 Roadway Improvement Project	400,000	400,000	
Save the Youth	223,587	223,587	
Clean Energy Program	41,692	41,692	
State Library Aid	23,472	23,472	
Municipal Alliance (County Share)	40,261	40,261	
Jubilee Center	50,000	50,000	
Over Limit/Under Arrest	5,000	5,000	
2009 Pedestrian Safety/Walk Safe	18,000	18,000	
Fire Department Safer Grant	90,905	90,905	
Fire Department Safer Grant	237,515	237,515	
Uniform Fire Safety Act	42,000	86,144	44,144
Reserve, Outside-Duty Police Administration	150,000	150,000	
Sinatra Park Concession	20,000	30,227	10,227
1100 Adams Street (Pilot Payment)	803,000	595,795	(207,205)
1001 Madison Street (Pilot Payment)	435,000		(435,000)
	<u>39,291,324</u>	<u>39,892,843</u>	<u>601,519</u>
Total Miscellaneous Revenues			
Receipts from Delinquent Taxes	<u>24,807,584</u>	<u>26,764,376</u>	<u>1,956,792</u>
Subtotal General Revenues	<u>64,098,908</u>	<u>66,657,219</u>	<u>2,558,311</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>60,442,000</u>	<u>66,434,205</u>	<u>5,992,205</u>
Budget Totals	124,540,908	133,091,424	8,550,516
Non-Budget Revenue	<u>1,670,941</u>	<u>1,670,941</u>	<u>1,670,941</u>
	<u>\$ 124,540,908</u>	<u>134,762,365</u>	<u>10,221,457</u>

CITY OF HOBOKEN, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended June 30, 2009

Analysis of Realized Revenues

Revenue from Current Tax Collections		\$ 135,654,213
Allocated to County of Hudson	\$ 39,811,704	
Local School District	<u>36,073,376</u>	
		<u>75,885,080</u>
Balance for Support of Municipal Budget Appropriations		59,769,133
Add : Appropriation - Reserve for Uncollected Taxes		<u>6,665,072</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 66,434,205</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes		26,528,203
Tax Title Liens		<u>236,173</u>
		<u>\$ 26,764,376</u>

Analysis of Non-budget RevenuesMiscellaneous Revenue Not Anticipated

United Water Concession	\$	168,000
Non-Budget PILOT - CLPF Jefferson		721,328
Non-Budget PILOT - 1118 Adams St		25,564
PILOT Interest		29,027
Prior Year Overpayment		2,456
Port Authority 911		7,639
Miscellaneous		10,385
Special Improvement District		3,486
Public Safety Police		14,264
Hoboken Historic		1,480
Tax Searches		1,460
Variances - Tax Office		430
Duplicate Bills		28,680
Lien Calculation Fees		1,015
Auction		7,200
Duplicate Tax Sale Certificate		2,600
Telephone Commission		20,873
Restitution Payment		200
Senior Citizen Program		300
TAN Premium		105,632
Hotel Tax		14,412
Franchise Fee		4,920
Municipal Lien Interest		499,590
		<u>\$ 1,670,941</u>

See accompanying notes to the financial statements.

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended June 30, 2009

	<u>2009 Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
General Government:					
Mayor and Council					
Salaries and Wages	205,477	205,477	191,827	13,650	
Other Expenses	10,000	10,000	6,830	3,170	
City Council					
Salaries and Wages	202,366	215,366	212,720	2,646	
Other Expenses	5,000	5,000	1,305	3,695	
Office of the Clerk					
Salaries and Wages	430,000	445,000	432,103	12,897	
Other Expenses	25,000	25,000	5,361	19,639	
Other Expenses - Legal Advertising	20,000	30,000	23,586	6,414	
Other Expenses - Codification of Ordinances	31,500	31,500	2,825	28,675	
Salaries and Wages - Elections	35,000	38,000	36,635	1,365	
Other Expenses - Elections	200,000	245,000	243,640	1,360	
Department of Administration					
Business Administrator's Office					
Salaries and Wages	397,436	347,336	313,632	33,704	
Other Expenses	13,500	13,500	9,331	4,169	
Purchasing					
Salaries and Wages	250,000	256,500	255,088	1,412	
Other Expenses	6,750	6,750	6,312	438	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended June 30, 2009

	<u>2009 Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Licensing Bureau					
Salaries and Wages	32,500	32,500	28,373	4,127	
Other Expenses	8,000	8,000	3,325	4,675	
Personnel and Health Benefits					
Salaries and Wages	180,649	201,649	200,528	1,121	
Other Expenses	2,400	2,800	2,686	114	
Constituent Services					
Salaries and Wages	110,000	110,000	105,910	4,090	
Other Expenses	1,800	1,800		1,800	
Zoning and Administration					
Salaries and Wages	90,000	90,000	78,199	11,801	
Other Expenses	12,386	12,386	1,628	10,758	
Uniform Construction Code					
Salaries and Wages	640,000	644,000	642,279	1,721	
Other Expenses	486,479	486,479	166,916	319,563	
Corporation Council					
Salaries and Wages	440,000	434,000	407,441	26,559	
Other Expenses	24,000	27,400	25,520	1,880	
Other Expenses - Special Council	670,000	670,000	371,576	298,424	
Other Expenses - Expert Witness & Appraisal	10,500	10,500		10,500	
Revenue and Finance Director					
Salaries	231,133	231,133	208,917	22,216	
Other Expenses	300,000	300,000	284,580	15,420	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended June 30, 2009

	2009 <u>Budget</u>	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Annual Audit					
Other Expenses	97,500	97,500	92,975	4,525	
Accounts and Control					
Salaries and Wages	83,788	83,788	81,627	2,161	
Other Expenses	2,700	2,700	1,537	1,163	
Payroll					
Salaries and Wages	99,000	99,000	92,426	6,574	
Other Expenses	450	450	16	434	
Tax Collections					
Salaries and Wages	300,000	290,500	232,823	57,677	
Other Expenses	52,000	55,500	54,214	1,286	
Information Technology					
Salaries and Wages	109,282	124,282	120,812	3,470	
Other Expenses	27,000	27,000	12,595	14,405	
Municipal Court					
Salaries and Wages	999,593	1,009,593	1,001,215	8,378	
Other Expenses	181,895	181,895	125,637	56,258	
Public Defender					
Salaries and Wages	68,110	68,110	66,262	1,848	
Other Expenses	4,000	4,000	3,700	300	
Office of the Tax Assessor					
Salaries and Wages	324,000	324,000	317,585	6,415	
Other Expenses	47,191	47,191	19,177	28,014	
Department of Human Services					
Director's Office					
Salaries and Wages	181,323	181,323	178,389	2,934	
Other Expenses	2,250	2,250	726	1,524	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended June 30, 2009

	2009 <u>Budget</u>	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Rent Leveling					
Salaries and Wages	186,949	186,949	179,879	7,070	
Other Expenses	64,350	64,350	4,695	59,655	
Housing Inspections					
Salaries and Wages	10,488	34,588	33,911	677	
Other Expenses	1,500	1,500	521	979	
Transportation					
Salaries and Wages	212,997	212,997	127,829	85,168	
Other Expenses	1,750	1,750	720	1,030	
Health					
Salaries and Wages	478,122	478,122	432,928	45,194	
Other Expenses	111,300	111,300	107,049	4,251	
Senior Citizens					
Salaries and Wages	406,539	406,539	338,678	67,861	
Other Expenses	21,600	21,600	13,251	8,349	
Recreation and Cultural Affairs					
Salaries and Wages	615,600	615,600	545,483	70,117	
Other Expenses	250,000	250,000	226,080	23,920	
Cultural Affairs					
Salaries and Wages	87,818	87,818	78,332	9,486	
Other Expenses	7,500	7,500		7,500	
Department of Environmental Services					
Director's Office					
Salaries and Wages	475,000	475,000	374,036	100,964	
Other Expenses	2,475	3,475	2,945	530	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended June 30, 2009

	2009 <u>Budget</u>	Budget after Modification and Transfer	Paid or Charged	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Parks					
Salaries and Wages	700,000	700,000	664,540	35,460	
Other Expenses	140,000	140,000	98,902	41,098	
Public Property					
Salaries and Wages	700,000	700,000	675,321	24,679	
Other Expenses	180,000	225,000	216,433	8,567	
Streets and Roads					
Other Expenses	67,000	98,500	97,932	568	
Emergency Road Repair					
Other Expenses	5,310	5,310	5,310		
Central Garage					
Salaries and Wages	265,000	266,000	264,027	1,973	
Other Expenses	261,000	261,000	210,224	50,776	
Sanitation					
Salaries and Wages	1,870,000	1,870,000	1,817,093	52,907	
Other Expenses	3,600,000	3,600,000	3,018,579	581,421	
Department of Community Development					
Director's Office					
Salaries and Wages	172,000	172,000	171,645	355	
Other Expenses	250,000	250,000	130,779	119,221	
Grants Management					
Salaries and Wages	166,618	121,618	98,659	22,959	
Other Expenses	1,000	1,000	340	660	
Waterfront Development					
Other Expenses	75,000	75,000	1,884	73,116	
Planning Board					
Salaries and Wages	130,000	130,000	121,377	8,623	
Other Expenses	200,000	200,000	69,628	130,372	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended June 30, 2009

	<u>2009</u> <u>Budget</u>	<u>Budget after</u> <u>Modification</u> <u>and Transfer</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Unexpended</u> <u>Balance</u> <u>Canceled</u>
Zoning Board of Adjustment					
Other Expenses	130,000	130,000	101,420	28,580	
Redevelopment					
Other Expenses	150,000	150,000	68,284	81,716	
Historical Preservation Committee					
Other Expenses	600	600	563	37	
Department of Public Safety					
Police					
Salaries and Wages	16,040,000	15,714,999	15,125,866	589,133	
Other Expenses	422,000	422,000	319,516	102,484	
Acquisition of Vehicles	15,000	15,000	8,672	6,328	
Fire					
Salaries and Wages	13,240,000	12,778,000	11,958,830	819,170	
Other Expenses	263,000	263,000	135,273	127,727	
Uniform Fire Safety Act					
Salaries and Wages	74,584	74,584	74,584		
Office of Emergency Management					
Salaries and Wages	135,000	135,000	127,991	7,009	
Other Expenses	2,000	2,000	1,548	452	
Insurance					
General Liability	1,495,630	1,495,630	1,424,728	70,902	
Worker's Compensation	715,046	715,046	513,075	201,971	
Employee Group Health	15,308,000	15,608,000	15,504,286	103,714	
UNCLASSIFIED:					
Alcoholic Beverage Control Board					
Salaries and Wages	4,000	4,000	4,000		
Other Expenses	2,500	2,500	1,281	1,219	
Volunteer Ambulance					
Other Expenses	40,000	40,000	40,000		

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended June 30, 2009

	2009 <u>Budget</u>	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
North Hudson Regional Council of Mayors					
Other Expenses	56,693	56,693	56,692	1	
Settlement of Claims Against the City	10,000	10,000	10,000		
Towing/Storage of Abandoned Vehicles	6,500	6,500	2,770	3,730	
Engineering	75,000	75,000	68,490	6,510	
Labor Arbitrations	75,000	75,000	11,022	63,978	
Municipal Dues and Memberships	3,000	3,000	2,855	145	
Celebration of Public Events	12,000	12,000	12,000		
Postage	150,000	150,000	132,953	17,047	
Office Machines	25,000	65,000	45,405	19,595	
Stationary and Office Supplies	3,251	8,251	6,455	1,796	
Utilities:					
Electricity	580,000	580,000	471,667	108,333	
Street Lighting	695,000	695,000	587,607	107,393	
Gasoline	400,000	334,000	271,088	62,912	
Fuel	56,400	56,400	22,207	34,193	
Water and Sewer	3,500	3,500	259	3,241	
Communications	296,000	296,000	266,772	29,228	
Telecommunications Equipment	5,995	5,995	5,895	100	
Salary Adjustments	3,150,000	3,150,000	3,043,554	106,446	
Master Plan	15,000	15,000	13,273	1,727	
Total Operations within "CAPS"	<u>73,024,573</u>	<u>72,658,372</u>	<u>67,240,680</u>	<u>5,417,692</u>	
Total Operations Including Contingent-within "CAPS"	<u>73,024,573</u>	<u>72,658,372</u>	<u>67,240,680</u>	<u>5,417,692</u>	
Detail:					
Salaries & Wages	41,380,372	40,595,371	38,419,800	2,175,571	
Other Expenses (Including Contingent)	<u>31,644,201</u>	<u>32,063,001</u>	<u>28,820,880</u>	<u>3,242,121</u>	
Total:	<u>73,024,573</u>	<u>72,658,372</u>	<u>67,240,680</u>	<u>5,417,692</u>	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended June 30, 2009

	2009 <u>Budget</u>	Budget after Modification and Transfer	Paid or Charged	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
(E) Deferred Charges and Statutory Expenditures-					
Municipal within "CAPS"					
Deferred Charges					
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	1,400,000	1,493,000	1,492,831	169	
Consolidated Police and Firemen's Pension Fund	31,614	31,814	31,780	34	
Police and Firemans Retirement System	2,990,345	2,990,345	2,990,344	1	
Unemployment Compensation Insurance	65,000	65,000	61,780	3,220	
	<u>4,486,959</u>	<u>4,580,159</u>	<u>4,576,735</u>	<u>3,424</u>	
Total Deferred Charges and Statutory Expenditures-Municipal within "CAPS"	<u>4,486,959</u>	<u>4,580,159</u>	<u>4,576,735</u>	<u>3,424</u>	
Total General Appropriations for Municipal Purposes within "CAPS"	<u>77,511,532</u>	<u>77,238,531</u>	<u>71,817,415</u>	<u>5,421,116</u>	
Operations - Excluded from "CAPS"					
Maintenance of Free Public Library(P.L. 1985 Ch. 22)					
Other Expenses	3,153,056	3,153,056	2,443,277	709,779	
Public Employees' Retirement System	596,190	596,190	596,190		
Interlocal Municipal Service Agreements					
Matching Funds for Grants	40,000	40,000	15,397	24,603	
Police Salaries and Wages	540,000	540,000	540,000		
	<u>4,329,246</u>	<u>4,329,246</u>	<u>3,594,864</u>	<u>734,382</u>	
Total Other Operations - Excluded from "CAPS"	<u>4,329,246</u>	<u>4,329,246</u>	<u>3,594,864</u>	<u>734,382</u>	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended June 30, 2009

	2009 <u>Budget</u>	Budget after <u>Modification and Transfer</u>	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Public and Private Programs Offset by Revenues					
Public Health Priority Funding					
Salaries and Wages	23,363	23,363	23,363		
Home Support and Adult Day Care					
County Share	126,998	126,998	126,998		
Summer Food Service	35,661	35,661	35,661		
Community Development Block Grant - Admin Costs					
Salaries and Wages	50,000	50,000	50,000		
State Local Cooperative Housing Inspection Program					
Salaries and Wages	100,000	100,000	100,000		
Multi Service Center Roof Replacement	200,000	200,000	200,000		
Child Care Services	100,000	100,000	100,000		
Family Planning Services	20,000	20,000	20,000		
United Cerebral Palsy	2,000	2,000	2,000		
City Recreation Program	10,000	10,000	10,000		
Click it or Ticket	4,000	4,000	4,000		
Body Armor Replacement Fund	15,374	15,374	15,374		
State Forestry Green Community Grant	3,000	3,000	3,000		
Walk Safe Hoboken Pedestrians	3,600	3,600	3,600		
Clean Communities	43,810	43,810	43,810		
Clean Communities	43,548	43,548	43,548		
2008 Roadway Improvement Project	400,000	400,000	400,000		
Save the Youth	223,587	223,587	223,587		
Clean Energy Program	41,692	41,692	41,692		
State Library Aid	23,472	23,472	23,472		
Municipal Alliance (County Share)	40,261	40,261	40,261		
Municipal Alliance (City Share)	10,065	10,065	10,065		

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended June 30, 2009

	2009 <u>Budget</u>	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance <u>Canceled</u>
Jubilee Center	50,000	50,000	50,000		
Over Limit/Under Arrest	5,000	5,000	5,000		
2009 Pedestrian Safety/Walk Safe	18,000	18,000	18,000		
Fire Department Safer Grant	90,905	90,905	90,905		
Fire Department Safer Grant	237,515	237,515	237,515		
Total Public and Private Programs Offset by Revenues	<u>1,921,851</u>	<u>1,921,851</u>	<u>1,921,851</u>		
Total Operations-Excluded from "CAPS"	<u>6,251,097</u>	<u>6,251,097</u>	<u>5,516,715</u>	<u>734,382</u>	
Detail:					
Salaries and Wages	931,319	931,319	931,319		
Other Expenses	5,319,778	5,319,778	4,585,396	734,382	
Total:	<u>6,251,097</u>	<u>6,251,097</u>	<u>5,516,715</u>	<u>734,382</u>	
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	2,885,000	2,885,000	2,885,000		
Interest on Bonds	2,161,738	2,161,738	2,161,738		
Interest on Notes	641,701	839,157	839,157		
Interest on Tax Anticipation Notes	566,156	641,701	641,701		
Notes Payable	240,000	240,000	240,000		
Green Trust Loan Program					
Loan Repayments for Principal and Interest	195,437	195,437	195,437		
Underground Storage Tank Loan	24,474	24,474	24,474		
Interest on Garage Sale	950,000	950,000	750,169		199,831
Principal on H.C.I.A. Police Car Loan	86,000	86,000	86,000		
Total Municipal Debt Service-Excluded from "CAPS"	<u>7,750,506</u>	<u>8,023,507</u>	<u>7,823,676</u>		<u>199,831</u>

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended June 30, 2009

	2009 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
DEFERRED CHARGES:					
Overexpenditure of Appropriations	1,619,393	1,619,393	1,619,393		
Overexpenditure of Appropriations-Grants	49,949	49,949	49,949		
Overexpenditure of Appropriations-Trust Fund	142,234	142,234	142,234		
Deficit in Operations	24,436,125	24,436,125	24,436,125		
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>26,247,701</u>	<u>26,247,701</u>	<u>26,247,701</u>		
Judgements	<u>115,000</u>	<u>115,000</u>	<u>20,850</u>		<u>94,150</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>40,364,304</u>	<u>40,637,305</u>	<u>39,608,942</u>	<u>734,382</u>	<u>293,981</u>
Subtotal General Appropriations	117,875,836	117,875,836	111,426,357	6,155,498	293,981
Reserve for Uncollected Taxes	6,665,072	6,665,072	6,665,072		
Total General Appropriations	<u>\$ 124,540,908</u>	<u>124,540,908</u>	<u>118,091,429</u>	<u>6,155,498</u>	<u>293,981</u>

Reserve for Uncollected Taxes	6,665,072
Deferred Charges	26,105,467
Grants	1,911,786
Encumbrances	614,144
Cash	82,794,960
\$	<u>118,091,429</u>

See accompanying notes to the financial statements.

CITY OF HOBOKEN

Comparative Balance Sheet - Regulatory Basis

Trust Funds

June 30, 2009 and 2008

<u>Assets</u>	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
Animal License Fund:			
Cash	B-1	\$ <u>11,532</u>	<u>26,960</u>
Other Trust Funds:			
Cash	B-1	6,718,870	3,307,151
Deferred Charges-Overexpenditure of Reserves	B-6	91,332	142,234
Due from Current Fund	B-5	<u>124,297</u>	<u>1,500,000</u>
		<u>6,934,499</u>	<u>4,949,385</u>
Section 8 - Housing Assistance Program:			
Cash	B-1	<u>1,135,511</u>	<u>1,346,886</u>
		<u>1,135,511</u>	<u>1,346,886</u>
Community Development Block Grant Trust Fund:			
Grants Receivable	B-12	441,450	441,450
Due from Section 8 - Housing Assistance Program	B-10	<u>31,492</u>	<u>31,492</u>
		<u>472,942</u>	<u>472,942</u>
		<u>\$ 8,554,484</u>	<u>6,796,173</u>

CITY OF HOBOKEN

Comparative Balance Sheet - Regulatory Basis

Trust Funds

June 30, 2009 and 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Liabilities and Reserves</u>			
Animal License Fund:			
Reserve for Animal License Fund expenditures	B-2	10,785	17,042
Due to State of New Jersey	B-3	747	902
Due to Current Fund	B-5		9,016
		<u>11,532</u>	<u>26,960</u>
Other Trust Funds:			
Due to Current Fund	B-5		65,517
Due to State of New Jersey	B-4	60,071	45,558
Reserve for Other Trust Fund Deposits	B-6	<u>6,874,428</u>	<u>4,838,310</u>
		<u>6,934,499</u>	<u>4,949,385</u>
Section 8 - Housing Assistance Program:			
Due to Current Fund	B-5		28,472
Due to Grantor - Section 8 Housing Assistance	B-8	47,711	47,719
Due to Community Development Block Grant Trust	B-9	31,492	31,492
Reserve for Sect. 8 - Housing Assistance Program	B-7	<u>1,056,308</u>	<u>1,239,203</u>
		<u>1,135,511</u>	<u>1,346,886</u>
Community Development Block Grant Trust Fund			
Reserve for Community Dev. Block Grant	B-11	<u>472,942</u>	<u>472,942</u>
		<u>472,942</u>	<u>472,942</u>
		<u>\$ 8,554,484</u>	<u>6,796,173</u>

See accompanying notes to financial statements.

CITY OF HOBOKEN, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

Year Ended June 30, 2009 and 2008

<u>Assets</u>	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
Cash	C-2/C-3	\$ 4,934,823	4,358,837
Accounts Receivable:			
Port Authority	C-4	2,210,639	10,965,204
NJ DEP	C-4	951,000	2,410,000
State Highway Facilities Grant	C-4	644,074	8,191,742
Developer - Maxwell Place Walkway	C-4	343,063	3,061,262
Interfund Accounts Receivable:			
Due from Current Fund	C-7		50,000
Due from Parking Utility Operating	C-7		1,974,000
Contract Awarded without Appropriation			11,526,755
Deferred Charges to Future Taxation:			
Funded	C-5	42,195,813	44,931,060
Unfunded	C-6	39,499,503	39,739,503
		<u>\$ 90,778,915</u>	<u>127,208,363</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	\$ 40,062,442	42,947,442
Bond Anticipation Notes	C-9	21,960,000	22,200,000
Green Acres Trust Loan Payable	C-10	2,084,425	1,910,198
Underground Storage Tank Loan Payable	C-11	48,946	73,420
Improvement Authorizations:			
Funded	C-12	1,973,309	747,538
Unfunded	C-12	4,053,237	14,406,335
Reserve for Encumbrances	C-13	64,215	294,881
Capital Improvement Fund	C-14	177,000	177,000
Interfund Accounts Payable:			
Due to Federal and State Grant Fund	C-7		2,001,000
Reserve for Hazmat Funds - Due from Grant	C-15	17,630	17,630
Reserve for Payment of BAN's - ADA Library	C-15	117,629	117,629
Reserve for Green Acres - 1600 Adams Street	C-15	200,000	200,000
Reserve for COPs Agreement	C-15	5,678	5,678
Reserve for Maxwell Place Walkway	C-15		10,568,453
Reserve for Grants Receivable:			
Maxwell Place Walkway - State Highway Facilities Grant			8,465,493
Maxwell Place Walkway - Developer			3,061,262
Reconstruction of Pier C		20,000,000	20,000,000
Fund Balance	C-1	<u>14,404</u>	<u>14,404</u>
		<u>\$ 90,778,915</u>	<u>127,208,363</u>

There were \$17,539,503 and \$17,539,503 of Bonds and Notes Authorized but Not Issued on June 30, 2009 and 2008 respectively (Exhibit C-16).

See accompanying notes to the financial statements.

CITY OF HOBOKEN, N.J.

Statement of Changes in Fund Balance - Regulatory Basis

General Capital Fund

Year Ended June 30, 2009

Balance, June 30, 2008	\$ <u>14,404</u>
Balance, June 30, 2009	\$ <u><u>14,404</u></u>

See accompanying notes to the financial statements.

CITY OF HOBOKEN, N.J.

Comparative Balance Sheet - Regulatory Basis

Parking Utility Fund

June 30, 2009 and 2008

<u>Assets</u>	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
Parking Utility Operating Fund:			
Cash	D-4	\$ 1,651,952	228,437
Deferred Charge	D-5	20,000	887,862
Due From Parking Utility Capital Fund	D-9	<u>1,974,000</u>	<u> </u>
Total Parking Utility Operating Fund		<u>3,645,952</u>	<u>1,116,299</u>
Capital Fund:			
Fixed Capital	D-6	<u>45,157,185</u>	<u>45,157,185</u>
Total Capital Fund		<u>45,157,185</u>	<u>45,157,185</u>
		<u>\$ 48,803,137</u>	<u>46,273,484</u>

CITY OF HOBOKEN, N.J.

Comparative Balance Sheet - Regulatory Basis

Parking Utility Fund

June 30, 2009 and 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Parking Utility Operating Fund:			
Appropriation Reserves	D-3	1,318,891	344,816
Security Deposits	D-7	233,776	233,776
Accrued Interest on Bonds and Notes	D-8	780,605	226,100
Fund Balance	D-1	<u>1,312,680</u>	<u>311,607</u>
 Total Parking Utility Operating Fund		 <u>3,645,952</u>	 <u>1,116,299</u>
Capital Fund:			
Interfund Accounts Payable:			
Due to General Capital Fund	D-9		1,974,000
Due to Parking Utility Operating Fund	D-9	1,974,000	
Bond Anticipation Notes	D-11	4,600,000	4,800,000
Serial Bonds Payable	D-12	20,930,000	21,950,000
Improvement authorization:			
Unfunded	D-10	226,000	226,000
Reserve for:			
Amortization	D-13	<u>17,427,185</u>	<u>16,207,185</u>
 Total Capital Fund		 <u>45,157,185</u>	 <u>45,157,185</u>
		 <u>\$ 48,803,137</u>	 <u>46,273,484</u>

There were \$2,200,000 and \$2,200,000 of Bonds and Notes Authorized But Not Issued on June 30, 2009 and 2008 respectively (Exhibit D-14).

See accompanying notes to financial statements.

CITY OF HOBOKEN, N.J.

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

Parking Utility Operating Fund

Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenue and other income:		
Fund Balance Utilized	\$ 300,000	400,000
Revenues Anticipated	13,984,492	12,926,709
Unexpended balance appropriation reserve	344,816	244,337
Total revenue and other income	<u>14,629,308</u>	<u>13,571,046</u>
Expenditures:		
Operating	6,064,171	4,330,000
Capital Improvements		
Debt service	2,597,036	2,649,466
Deferred charges and statutory expenditures	1,178,372	298,731
Surplus (General Budget)	<u>3,488,656</u>	<u>6,167,600</u>
Total expenditures	<u>13,328,235</u>	<u>13,445,797</u>
Excess (Deficit) in revenues	1,301,073	125,249
Fund balance, July 1	<u>311,607</u>	<u>586,358</u>
	1,612,680	711,607
Decreased by utilization by parking operating budget	<u>300,000</u>	<u>400,000</u>
Balance, June 30	<u>\$ 1,312,680</u>	<u>311,607</u>

See accompanying notes to financial statements.

CITY OF HOBOKEN, N.J.

Statement of Revenues - Regulatory Basis

Parking Utility Operating Fund

Year ended June 30, 2009

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus Anticipated	\$ 300,000	300,000	
Parking Fees - Continuing Operations	9,040,017	9,363,337	323,320
Permits	898,000	1,220,027	322,027
Coupons	355,000	419,900	64,900
Miscellaneous	4,350	287,605	283,255
Interest on Investments	25,000	4,119	(20,881)
Boot Releases	791,000	573,570	(217,430)
Meter Income	1,844,668	2,046,659	201,991
Rentals	70,200	69,275	(925)
	<u>\$ 13,328,235</u>	<u>14,284,492</u>	<u>956,257</u>

See accompanying notes to financial statements.

CITY OF HOBOKEN, N.J.

Statement of Expenditures - Regulatory Basis

Parking Utility Operating Fund

Year ended June 30, 2009

	<u>Appropriations</u>			
	<u>Budget</u>	<u>Budget after modifi- cation</u>	<u>Paid or charged</u>	<u>Reserved</u> !
Operating:				
Salaries and Wages	\$ 2,175,012	2,175,012	2,012,038	162,974
Other Expenses	2,788,394	2,788,394	2,356,734	431,660
Other Expenses-Trustee Fees	15,000	15,000	35,000	
Other Expenses - Group Health Benefits	<u>1,085,765</u>	<u>1,085,765</u>	<u>652,018</u>	<u>433,747</u>
Total Operating	<u>6,064,171</u>	<u>6,064,171</u>	<u>5,055,790</u>	<u>1,028,381</u>
Debt Service:				
Payment of Bond Principal	1,020,000	1,020,000	1,020,000	
Interest on Bonds	1,077,036	1,077,036	1,077,036	
Interest on Notes	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	
	<u>2,597,036</u>	<u>2,597,036</u>	<u>2,597,036</u>	
Deferred Charges and Statutory Expenditures:				
Deferred Charges:				
Overexpenditure of Appropriation Reserves	887,862	887,862	887,862	
Statutory Expenditures - Contribution to:				
Public Employees' Retirement System	108,750	108,750		108,750
Social Security	166,387	166,387		166,387
Unemployment Compensation	<u>15,373</u>	<u>15,373</u>		<u>15,373</u>
Total Deferred Charges and Statutory Expenditures	<u>1,178,372</u>	<u>1,178,372</u>	<u>887,862</u>	<u>290,510</u>
Surplus (General Budget)	<u>3,488,656</u>	<u>3,488,656</u>	<u>3,488,656</u>	
	<u>\$ 13,328,235</u>	<u>13,328,235</u>	<u>12,029,344</u>	<u>1,318,891</u>
			Cash Disbursed \$ 9,564,446	
			Deferred Charges 887,862	
			Accrued Interest <u>1,577,036</u>	
			<u>\$ 12,029,344</u>	

See accompanying notes to financial statements.

CITY OF HOBOKEN, N.J.

Comparative Statement of General Fixed Assets-Regulatory Basis

June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
General Fixed Assets:		
Land	\$ 2,295,200	2,295,200
Buildings	27,987,274	27,987,274
Machinery and equipment	<u>8,168,216</u>	<u>8,168,216</u>
	<u>38,450,690</u>	<u>38,450,690</u>
Investment in General Fixed Assets	<u>\$ 38,450,690</u>	<u>38,450,690</u>

See accompanying notes to financial statements.

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**CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

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

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

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

The City has the following funds and account group:

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

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

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

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

Payroll Fund - Receipts and disbursements of payroll withholdings that the City collects on behalf of various agencies as their agents.

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

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

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

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

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

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

Basis of Accounting

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

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

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

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

Basis of Accounting, (continued)

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

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

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

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

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

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

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

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

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

Basis of Accounting, (continued)

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at June 30, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at June 30, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at June 30 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

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

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

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

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

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

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

Basis of Accounting, (continued)

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

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

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

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

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

No depreciation has been provided for in the financial statements.

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

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

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

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

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

Basis of Accounting, (continued)

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

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

C. Basic Financial Statements

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

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodian credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of June 30, 2009, \$-0- of the City's bank balance of \$54,944,893 was exposed to custodial credit risk.

**CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)**

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

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

NOTE 3. MUNICIPAL DEBT

Long-term debt as of June 30, 2009 consisted of the following:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	\$42,947,442	\$	\$2,885,000	\$40,062,442	\$3,020,000
Parking Utility Obligation Debt	<u>21,950,000</u>	<u> </u>	<u>1,020,000</u>	<u>20,930,000</u>	<u>1,075,000</u>
Total Bonds Payable	<u>64,897,442</u>	<u> </u>	<u>3,905,000</u>	<u>60,992,442</u>	<u>4,095,000</u>
Other Liabilities:					
Green Acres Trust Loan	1,910,198	341,000	166,773	2,084,425	178,683
Underground Storage Tank Loan	73,420		24,474	48,946	24,474
Compensated Absences Payable	<u>16,698,439</u>		<u>15,076,999</u>	<u>1,621,440</u>	
Total Other Liabilities	<u>\$18,682,057</u>	<u>\$341,000</u>	<u>\$15,268,246</u>	<u>\$3,754,811</u>	<u>\$203,157</u>

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

The City's debt is summarized as follows:

	<u>Year 2009</u>	<u>Year 2008</u>	<u>Year 2007</u>
Issued:			
General Bonds, Notes and Loans	\$64,155,813	\$67,131,060	\$65,310,429
Parking Utility Bonds, Notes and Loans	25,530,000	26,750,000	27,935,000
Certificates of Participation	15,320,043	15,320,043	15,320,043
Hoboken Hospital Authority*	<u>49,335,000</u>	<u>49,335,000</u>	<u>52,000,000</u>
Net Debt Issued	<u>154,340,856</u>	<u>158,536,103</u>	<u>160,565,472</u>
Authorized But Not Issued:			
General Bond, Notes and Loans	17,539,503	17,539,503	2,539,503
Parking Utility Bonds, Notes and Loans	<u>2,200,000</u>	<u>2,200,000</u>	<u> </u>
Total Authorized But Not Issued	<u>19,739,503</u>	<u>19,739,503</u>	<u>2,539,503</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$174,080,359</u>	<u>\$178,275,606</u>	<u>\$163,104,975</u>

* Guaranteed by the City of Hoboken

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .81%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$1,268,368	\$1,268,368	\$0
General Debt	146,350,359	72,320,114	74,030,245
Utility Debt	<u>27,730,000</u>	<u>27,730,000</u>	<u>0</u>
	<u>\$175,348,727</u>	<u>\$101,318,482</u>	<u>\$74,030,245</u>

Net Debt \$74,030,245 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$9,135,663,268 equals .81%.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

3 ½% of equalized valuation basis (municipal)	\$319,748,214
Net Debt	<u>74,030,245</u>
Remaining borrowing power	<u><u>\$245,717,969</u></u>

The City's long term debt consisted of the following at June 30, 2009:

	<u>Amount Outstanding</u>
<u>General Obligation Bonds - Paid by Current Fund</u>	
Early Retirement Pension Refunding Bonds - with an interest rate of 5.45% to 7.14%, issued August 1, 2003, due through April 1, 2033	\$7,347,442
Refunding Serial Bonds - with an interest rate of 5.45% to 6.00%, issued November 1, 2003, due through February 1, 2014	<u>32,715,000</u>
	<u><u>\$40,062,442</u></u>

Green Acres Loans - Paid By Current Fund

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

The 2000 Little League Field and North Park award is a rate of 2.0%, in the amount of \$1,500,000 with semi-annual loan payments of various amounts made on July 29 and January 29 through January 29, 2016	\$696,884
The 2003 Castle Point Park project award is at a rate of 3.5%, in the amount of \$375,000 with semi-annual loan payments of various amounts made on September 6 and March 6 through March 6, 2022	265,777
The 2005 Multiple Park Project award is at a rate of 4.0%, in the amount of \$1,000,000 with semi-annual loan payments of various amounts made on September 22 and March 22 through March 22, 2023	789,508
The 2008 Multiple Park Development award is at a rate of 0%, in the amount of \$341,000 with semi-annual loan payments of \$8,744 made on August 21 and February 21 through February 21, 2028	<u>332,256</u>
	<u><u>\$2,084,425</u></u>

**CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)**

NOTE 3. MUNICIPAL DEBT, (continued)

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED, (continued)

<u>Underground Storage Tank Loan - Paid by Current Fund</u>	<u>Amount Outstanding</u>
The City has an outstanding loan agreement with New Jersey Economic Development Authority for the removal of underground storage tanks in the amount of \$244,735 with annual payments of \$24,474 made on February 1 through February 2011	<u>\$48,946</u>
<u>Parking Utility Bonds - Paid by Parking Utility Fund</u>	
Obligation Bonds Series 2002 - with an interest rate of 4.00% to 5.00% issued December 31, 1998, due through December 31, 2023	<u>\$20,930,000</u>

The City's principal and interest for bonded debt and loans issued and outstanding as of June 30, 2009 is as follows:

<u>June 30,</u>	<u>General Capital Debt</u>		<u>Utility Debt</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2010	\$3,247,631	\$2,248,202	\$1,075,000	\$998,226	\$7,569,059
2011	3,400,867	2,090,173	1,125,000	942,567	7,558,607
2012	3,540,228	1,917,811	1,185,000	884,124	7,527,163
2013	3,743,600	1,735,491	1,250,000	828,984	7,558,075
2014	377,039	1,542,403	1,270,000	3,034,850	6,224,292
2015-2019	22,159,561	6,386,433	7,400,000	949,838	36,895,832
2020-2024	2,803,442	1,503,471	7,625,000		11,931,913
2025-2029	2,149,082	621,160			2,770,242
2030-2035	<u>823,309</u>	<u>146,030</u>			<u>969,339</u>
	<u>\$42,244,759</u>	<u>\$18,191,174</u>	<u>\$20,930,000</u>	<u>\$7,638,589</u>	<u>\$89,004,522</u>

**CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)**

NOTE 3. MUNICIPAL 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 City Improvement Authority (the "Authority") issued \$8,445,000 aggregate principal amount of its Variable Rate Lease Revenue Bonds, Series 2005 (Hoboken DPW Garage Project) (the "2005 Bonds") for the purposes of acquiring the Department of Public Works Garage located on Garden Street and Observer Highway (the "Facilities") from the City and making various acquisitions for and improvements to the Facilities.

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

By ordinance of the City duly adopted on June 21, 2006, the City determined that it would be in the best interests of the City to authorize the sale of the Facilities by the Authority pursuant to the 2005 Lease and to cause the 2005 Bonds to be refinanced through the issuance and sale of certificates of participation representing proportionate interests in rentals to be paid by the City under a new lease purchase agreement between the City and NWF Leasing, Inc. Dated June 29, 2006.

The City has not located another suitable site for the new public works garage and has not closed on the sale of the DPW garage to the redeveloper and, therefore, desires to extend the scheduled maturity date of the 2006 certificates to July 1, 2010, as well as authorize the increase of the principal amount of the 2006 certificates.

**CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)**

NOTE 3. MUNICIPAL DEBT, (continued)

Sale/Leaseback Agreement, (continued)

The bonds were refinanced in the amount of \$15,600,000 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 estimated future minimum lease payments under this lease and the present value of the net minimum lease payments for the Current Fund at June 30, 2009:

Year ended June 30, 2009:	
Total minimum lease payments	\$16,526,120
Less estimated amount representing interest*	<u>926,120</u>
Present value of future minimum lease payment	<u>\$15,600,000</u>

*Interest payments are estimated based on calculations at 300 basis points above the 30 day LIBOR rate of 2.48%.

NOTE 4. BOND ANTICIPATION NOTES

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

On June 30, 2009, the City had \$21,960,000 in outstanding general capital bond anticipation notes. The City also had \$4,600,000 of Parking Utility Capital Bond Anticipation notes.

The following activity related to bond anticipation notes occurred during the calendar year ended June 30, 2009.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
CEDE & Co.	\$22,200,000	\$21,960,000	\$22,200,000	\$21,960,000
TD Bank North	<u>4,800,000</u>	<u>4,600,000</u>	<u>4,800,000</u>	<u>4,600,000</u>
	<u>\$27,000,000</u>	<u>\$26,560,000</u>	<u>\$27,000,000</u>	<u>\$26,560,000</u>

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance</u> <u>June 30, 2009</u>	<u>2010 Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Succeeding</u> <u>Year Budget</u>
Current Fund:			
Overexpenditure of Appropriations	\$9,716,355	\$1,619,393	\$8,096,962
Trust Funds:			
Overexpenditure of Workers Compensation	91,332	91,332	
Parking Utility Fund:			
Overexpenditure of Appropriation	<u>20,000</u>	<u>20,000</u>	<u> </u>
 Total Deferred Charges	 <u>\$9,827,687</u>	 <u>\$1,730,725</u>	 <u>\$8,096,962</u>

NOTE 6. PENSION PLANS

Description of Systems

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

Public Employees' Retirement System (PERS)

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

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

NOTE 6. PENSION PLANS, (continued)

Description of Systems, (continued)

Police and Firemens' Retirement System (PFRS)

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

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final average compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years or 1/60 of final average compensation multiplied by the number of years of creditable service, whichever is greater. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

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

Significant Legislation

Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent.

Chapter 108 (P.L. 2003), effective July 1, 2003, provided that local employer PFRS normal and accrued liability contributions will be 20% of the amount certified by the PFRS for payments due in State fiscal year 2004 and thereafter a percentage of the amount certified by the System as the State Treasurer will determine, but not more than 40% in fiscal year 2005, not more than 60% in fiscal year 2006, and not more than 80% in fiscal year 2007. According to the Appropriation Act of 2003, the State as well is paying pension obligations through a five-year phase-in.

**CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)**

NOTE 6. PENSION PLANS, (continued)

Significant Legislation, (continued)

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS and PFRS, effective July 12, 2002.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.0% for PERS and 8.5% for PFRS of the employee's annual compensation, as defined through June 30, 2007. Under Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, the PERS and employee contribution rate will increase to 5.5 percent effective July 1, 2007. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2009	\$596,190	\$2,990,344
2008	738,978	5,637,846
2007	363,719	3,696,931

Pension Deferral

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The City of Hoboken opted for this deferral in the amount of \$3,234,155.

**CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)**

NOTE 7. ACCUMULATED VACATION AND SICK PAY

Under the existing policies and labor agreements of the City, employees are allowed to accumulate (with certain restrictions) sick pay over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death or retirement. Employees are not allowed to accumulate unused vacation pay.

The estimated accumulated sick time liability as of June 30, 2009 was \$1,621,440.

NOTE 8. FIXED ASSETS

The General Fixed Asset Account Group has not had an updated report since 2004. Therefore, there were no balances recorded in the prior year audit report.

NOTE 9. DUE TO/FROM OTHER FUNDS

Balances due from/to other funds at June 30, 2009 consist of the following:

\$124,297	Due to O&M Fund from Current Fund for loan advanced.
1,974,000	Due to Parking Utility Operating Fund from Parking Utility Capital for an improvement authorization.
<u>32,774</u>	Due from State and Federal Grant Fund to Current Fund for grant money, and grants charged off and transferred to departments.
<u>\$2,131,071</u>	

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

NOTE 10. RISK MANAGEMENT

The City of Hoboken was self-insured with respect to deductibles from insurance coverage for Workers' Compensation.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

NOTE 10. RISK MANAGEMENT, (continued)

An analysis of the Self-Insurance Trust Fund Reserve as reflected in the financial statements herein is detailed as follows:

Balance - June 30, 2008	<u>(\$13,978)</u>
Increases:	
City Contributions	449,000
Reimbursements	<u>136,596</u>
	<u>585,596</u>
	571,618
Decreases:	
Claims	<u>648,972</u>
Balance - June 30, 2009	<u>(\$77,354)</u>

The self insurance fund is still operational to pay claims submitted prior to the City's joining an insurance pool for these coverages. The deficit will be raised in the subsequent year's budget.

NOTE 11. TAXES COLLECTED IN ADVANCE

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

	<u>Balance</u> <u>June 30, 2009</u>	<u>Balance</u> <u>June 30, 2008</u>
Prepaid Taxes	<u>\$0</u>	<u>\$0</u>
Cash Liability for Taxes Collected in Advance	<u>\$0</u>	<u>\$0</u>

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES

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

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

“Robotic Parking Systems, et al. v. City of Hoboken & John Corea. et al., United States District Court (DNJ)

This is a copyright infringement/breach of contract case against the City of Hoboken, et al. Hoboken has a counter-claim against the plaintiff for damages caused by the plaintiffs’ alleged negligent installation of the internal automated parking system at the Garden Street Garage. Plaintiffs also have a claim of defamation against the Director of the Parking Authority for alleged statements made at a public meeting.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

Garcia v. Hoboken

Plaintiff, a Hispanic male and a Police Officer employed by the City of Hoboken, claims that in or about August of 2008 he was denied a promotion to the position of acting Chief of Police of the Hoboken Police Department because of his race. [REDACTED]

Mestre v. Hoboken

Plaintiff, a Hispanic male, and an employee of the City, claims that while he was acting in his capacity as Deputy OEM coordinator he was: stripped of various "core duties and responsibilities," which were reassigned to white employees; denied a previously granted request for medical leave in order to attend to a medical disability; stripped of his government car; subjected to an unwarranted padlocking of his office; issued illegal parking summons despite no violations of parking ordinances; the subject of a false statement by Defendant Bergin to an unspecified newspaper reported that he was being investigated for disciplinary and/or criminal activity; and unnecessarily ordered to leave a meeting involving other government officials. [REDACTED]

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

Pantoja, et al v. City of Hoboken, et al

1. The Nature of Litigation including identification of:
 - a. The proceedings: This is a lawsuit filed by Edwin Pantoja, Cesar Olavarria, James Perez, George Fonseca, and Mario Novo against the City of Hoboken, former Mayor Roberts and Lieutenant Angelo Andriani which is currently pending the United States District Court, District of New Jersey under docket number 07-cv-5113.
 - b. The Claim Asserted: Plaintiffs assert that they were discriminated against because of their race and were subjected to a hostile work environment.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

d. [REDACTED]

e. [REDACTED]

2. [REDACTED]

[REDACTED]

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

Pantoja, et al v. City of Hoboken, et al, (continued)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Munoz v. City of Hoboken, et al

1. The Nature of the Litigation including identification of:

a. The proceedings:

This is a lawsuit filed by Bernardo Munoz against the City of Hoboken and Lieutenant Angelo Andriani which is currently pending the United States District Court, District of New Jersey under docket number 09-4623.

b. The Claim Asserted:

Plaintiffs assert that they were discriminated against because of their race and were subjected to a hostile work environment.

[REDACTED]

[REDACTED]

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)

NOTE 13. DUE TO HOBOKEN PARKING AUTHORITY/HOBOKEN PARKING UTILITY

The Hoboken Parking Authority (“HPA”) initiated legal action against the Marina View Housing Company No. 1 for nonpayment of amounts due under the garage agreement dated April 25, 1973. On February 27, 1978, HPA and the Marina View Housing Company No. 1 reached a settlement under which it was agreed that the Marina View Housing Company No. 1 owed \$192,400 for all periods through December 31, 1977. The agreement also reduced the current monthly payment from \$13,336 to \$5,413, effective January 1, 1978.

By further agreements dated May 12, 1978 and April 15, 1980, entered into by HPA and the Marina View Housing Company No. 1, payment of the original settlement of \$192,400 and the revised current monthly payment have been deferred until such time as there is “surplus cash,” as defined in the agreements, available to the Marina View Housing Company No. 1.

The Marina View Housing Company No. 1 has accrued the revised monthly payment since January 1, 1978. The related expense recognized under this agreement, for each of the years ending December 31, 2009 and December 31, 2008, was \$64,950. The aggregate amount due to HPA is \$2,230,216 and \$2,165,266 as of December 31, 2009 and December 31, 2008, respectively.

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SUPPLEMENTARY DATA AND SCHEDULES

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	Year Ended		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Tax Rate</u>	4.489	4.293	3.490
<u>Apportionment of Tax Rate</u>			
Municipal	58,692,958	52,668,589	29,985,555
County	40,638,379	37,966,774	34,281,954
Local School	35,242,372	35,586,250	34,100,000
<u>Assessed Valuation</u>			
2009	\$2,996,113,900		
2008		\$2,939,286,900	
2007			\$2,818,798,604

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

Year Ended <u>June 30,</u>	<u>Tax Levy</u>	Cash <u>Collections</u>	Percentage <u>of Collection</u>
2009	\$137,639,103	\$135,654,213	98.56%
2008	107,043,886	80,133,482	74.86
2007	101,710,705	101,643,666	99.93

DELINQUENT TAXES AND TAX TITLE LIENS

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

Year Ended <u>June 30,</u>	Amount of Tax <u>Title Lien</u>	Amount of Delinquent <u>Taxes</u>	Total Delinquent <u>Taxes</u>	Percentage <u>of Tax Levy</u>
2009	\$337,094	\$379,661	\$716,755	.52%
2008	489,143	26,603,296	27,092,439	25.30
2007	469,752	2,082	471,834	0.46

PROPERTY ACQUIRED BY TAX TITLE LIENS LIQUIDATION

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2009	\$2,806,900
2008	2,806,900
2007	2,806,900

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year Ended June 30,</u>	<u>Balance June 30,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2009	\$14,110,824	\$3,000,000
	2008	2,592,866	-0-
	2007	3,592,866	1,000,000
	2006	2,579,496	2,000,000
	2005	2,979,496	-0-
Parking Utility Operating	2009		\$300,000
	2008	\$311,607	100,000
	2007	586,358	400,000
	2006	1,336,687	1,041,096
	2005	1,152,864	1,200,000

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Surety Bond</u>
Dawn Zimmer	Acting Mayor	
Theresa Castellano	Council President	
Nino Giacchi	Council Member	
Elizabeth Mason	Council Member	
Peter Cunningham	Council Member	
Terry LaBruno	Council Member	
Ruben Ramos, Jr.	Council Member	
Michael Russo	Council Member	
	Business Administrator	
James J. Farina	City Clerk	
George DeStefano	Chief Financial Officer	
Louis Picardo	Tax Collector	\$750,000
Kimberly K. Glatt	Municipal Court Judge	
Cataldo Pazio	Municipal Court Judge	
Roseann Gohde	Municipal Court Administrator	
Michael Mongiello, Matthew Connelly	Municipal Prosecutors	
Remington & Vernick	Engineer	

A Public Employee Dishonesty Bond, in the amount of \$1,000,000, covers all employees except those required to file statutory bonds.

CITY OF HOBOKEN, N.J.

Cash Receipts and Disbursements -Treasurer

Current Fund

Year Ended June 30, 2009

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance June 30, 2008	\$ 5,197,406	5,016,979
Increased by Receipts:		
Tax Collector	162,127,314	
Miscellaneous Revenue Not Anticipated	1,670,941	
Due From State of New Jersey	50,634	
Tax Title Liens	236,173	
Revenue Accounts Receivable	37,981,057	
Tax Anticipation Notes	20,000,000	
Tax Overpayments	177,151	
Various Reserves	2,309	
Interfunds	1,770,911	3,786,789
Unappropriated Reserves for Grants		140,451
State and Federal Grants Receivable		1,403,159
	<hr/>	<hr/>
	224,016,490	5,330,399
	229,213,896	10,347,378
Decreased by:		
Current Year Budget Appropriations	82,794,960	
Appropriation Reserves	921,958	
Tax Anticipation Notes	33,000,000	
Tax Overpayments	530,462	
County Taxes Payable	39,811,704	
Revenue Refunds	466,713	
Local District School Taxes	36,073,367	
Various Reserves	14,724	
Interfunds	3,303,015	1,543,609
Grant Encumbrances		138,348
Appropriated Reserves for Grants		1,182,197
Reserve for Municipal Alliance		7,712
Change Funds	300	
	<hr/>	<hr/>
	196,917,203	2,871,866
Balance June 30, 2009	\$ <u>32,296,693</u>	<u>7,475,512</u>

CITY OF HOBOKEN, N.J.
Schedule of Cash - Change Fund
Current Fund
Year Ended June 30, 2009

Balance June 30, 2008	\$	750
Increased by: Disbursement		<u>300</u>
Balance June 30, 2009	\$	<u><u>1,050</u></u>
<u>Analysis of Balance</u> Tax Collector	\$	<u><u>1,050</u></u>

CITY OF HOBOKEN, N.J.

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

Current Fund

Year Ended June 30, 2009

Balance June 30, 2008		\$	44,549
Increased by:			
Senior Citizens' Deductions Per Tax Billing	\$	19,750	
Veterans' Deductions Per Tax Billing		38,375	
Senior Citizen's, Veteran's, and Disabled Allowed		<u>6,227</u>	
			<u>64,352</u>
			108,901
Decreased by:			
Senior Citizen Deductions Disallowed		9,250	
State Share of Senior Citizens and Veteran Deductions Received in Cash		<u>50,634</u>	
			<u>59,884</u>
Balance June 30, 2009		\$	<u><u>49,017</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended June 30, 2009

Year	Balance, June 30,	Levy	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, June 30,
	2008		2008	2009				2009
2008	26,603,296			26,528,203		74,334		759
	26,603,296			26,528,203		74,334		759
2009		137,639,103		135,599,111	55,102	6,019	1,599,969	378,902
	<u>\$ 26,603,296</u>	<u>137,639,103</u>		<u>162,127,314</u>	<u>55,102</u>	<u>80,353</u>	<u>1,599,969</u>	<u>379,661</u>
	A							

Analysis of Tax Levy

Tax yield:

General Purpose Tax	\$ 137,631,875
Added/Omitted Taxes	<u>7,228</u>
	<u>\$ 137,639,103</u>

Tax Levy:

Local District School Tax	\$ 36,073,376
County Tax	\$ 38,721,022
County Added and Omitted Taxes	2,520
County Open Space Tax	<u>1,088,161</u>
	<u>39,811,703</u>
	75,885,079
Local Tax for Municipal Purposes	60,442,000
Additional Taxes	<u>1,312,024</u>
	<u>61,754,024</u>
	<u>\$ 137,639,103</u>

CITY OF HOBOKEN, N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended June 30, 2009

Balance June 30, 2008		\$	489,143
Increased by:			
Interest and Costs of Tax Sale	3,771		
Transfers from Taxes Receivable	<u>80,353</u>		<u>84,124</u>
			573,267
Decreased by:			
Cash Received			<u>236,173</u>
Balance June 30, 2009		\$	<u><u>337,094</u></u>

Schedule of Property Acquired for Taxes

Current Fund

Year Ended June 30, 2009

Balance June 30, 2008	\$	<u>2,806,900</u>
Balance June 30, 2009	\$	<u><u>2,806,900</u></u>

Exhibit A-10

CITY OF HOBOKEN, N.J.
Schedule of Mortgage Receivable
Current Fund
Year Ended June 30, 2009

Balance June 30, 2008	\$ 639,065
Decreased by:	
Raised in 2009	<u>101,464</u>
Balance June 30, 2009	\$ <u>537,601</u>

Exhibit A-11

Schedule of Water Liens Receivable
Current Fund
Year Ended June 30, 2009

Balance June 30, 2008	\$ <u>46,254</u>
Balance June 30, 2009	\$ <u>46,254</u>

CITY OF HOBOKEN, N.J.
Schedule of Revenue Accounts Receivable
Current Fund
Year Ended June 30, 2009

<u>Source</u>	<u>Balance June 30, 2008</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance June 30, 2009</u>
Clerk:				
Licenses and Fees:				
Alcoholic Beverages	\$	255,576	255,576	
Other		213,651	213,651	
Fees and Permits		393,293	393,293	
Zoning Board of Adjustment Fees		140,736	140,736	
Planning Board Fees		52,294	52,294	
Rent Leveling Fees		38,269	38,269	
Fines and Costs:				
Municipal Court	290,738	3,845,130	3,740,035	395,833
Parking Tax		980,092	980,092	
Interest and Costs on Taxes		1,060,602	1,060,602	
Interest on Investments and Deposits		184,789	184,789	
Riverview Cablevision Associates		209,696	209,696	
Rents on City Owned Property		80,431	80,431	
Crosstown Bus Line		7,942	7,942	
SJP Properties - Block A-Phase I		1,071,984	1,071,984	
SJP Properties - Block A-Phase II		1,071,984	1,071,984	
SJP Properties/Applied - Block B		200,000	200,000	
Applied Development Co. - South Waterfront - Block C		1,235,072	1,235,072	
St. Mary's Hospital PILOT				
1300 Grand Street (Pilot Payment)		747,405	747,405	
Anticipated Parking Utility Operating Surplus		3,488,656	3,488,656	
Grogan Marineview Plaza		650,000	650,000	
Clocktowers		136,302	136,302	
Marion Towers Associates		172,074	172,074	
Church Towers Urban Renewal		458,901	458,901	
Columbian Towers		118,371	118,371	
Columbian Arms		22,244	22,244	
Hudson Square North		113,862	113,862	
Willow Avenue Associates - 800 - 812 Willow Avenue		64,755	64,755	
1200 Grand Street		1,012,384	1,012,384	
Applied Housing - 1203-1219 Williw Avenue		243,018	243,018	
Applied Housing - 1201-1221 Washington Estates		431,710	431,710	
Applied Housing - 1200-1220 Hudson Estates		463,321	463,321	
Applied Housing - 1301-1309 Bloomfield Estates		127,718	127,718	
Applied Housing - Midway 500-508 Adams Street		215,917	215,917	
Applied Housing - Elysian Estates		81,441	81,441	
Applied Housing - Church Square		125,345	125,345	
Applied Housing - Eastview Associates		110,712	110,712	
Applied Housing - Westview Associates		185,099	185,099	
Applied Housing - Northvale I - 911-923 Clinton Street		384,022	384,022	
Applied Housing - Northvale II - 901-919 Clinton Street		383,082	383,082	
Applied Housing - Northvale IIIA		107,197	107,197	
Applied Housing - Northvale III B - 1106-1014 Clinton Street		134,153	134,153	
Applied Housing - Northvale IV - 58 11th Street		17,611	17,611	
Consolidated Municipal Property Tax Relief Aid		12,429,036	12,429,036	
Energy Receipts Tax		2,693,209	2,693,209	
Uniform Construction Code Fees		577,781	577,781	
Uniform Fire Safety Act		86,144	86,144	
Hoboken Housing Authority-Public Safety		487,119	487,119	
Reserve, Outside-Duty Police Administration		150,000	150,000	
Sinatra Park Concession		30,227	30,227	
1100 Adams Street (Pilot Payment)		595,795	595,795	
	<u>\$ 290,738</u>	<u>38,086,152</u>	<u>37,981,057</u>	<u>395,833</u>

CITY OF HOBOKEN, N.J.
Schedule of Deferred Charges
Current Fund
Year Ended June 30, 2009

Description	<u>Balance June 30, 2008</u>	<u>Raised in 2009 Budget</u>	<u>Balance June 30, 2009</u>
Overexpenditure of Appropriations	\$ 11,335,748	1,619,393	9,716,355
Deficit in Operations	24,436,125	24,436,125	
Overexpenditure of Grant Appropriated Reserves	<u>49,949</u>	<u>49,949</u>	<u> </u>
	<u>\$ 35,821,822</u>	<u>26,105,467</u>	<u>9,716,355</u>

CITY OF HOBOKEN, N.J.

Schedule of Grants Receivable

Current Fund

Year Ended June 30, 2009

	Balance, June 30, <u>2008</u>	2009 Budget Revenue <u>Realized</u>	<u>Collections</u>	Balance, June 30, <u>2009</u>
Click it Or Ticket	\$ 400			400
Roadway Improvements 2006	17,886			17,886
Public Health Priority Funding	58,796			58,796
State Cooperative Housing Inspection	3,215		225	2,990
NFL Youth Football Grant	4,000			4,000
Roadway Improvements 8th Street	15,730			15,730
Recycling Tonnage	98,130			98,130
1118 Adams Street Urban Renewal	270,000		225,000	45,000
Save the Youth Grant	955			955
Hazardous Discharge Site	19,893			19,893
Home Support and Adult Daycare	66,482			66,482
Home Support and Adult Daycare	210,225			210,225
Community Service Block Grant Admin	34,950		34,950	
Safe Passage to Schools	100,000		100,000	
State Local Cooperative Housing Inspection Program	37,496		37,496	
Multi Service Center Replacement	150,000			150,000
Child Care Services	150,000			150,000
Family Planning Services	20,000			20,000
United Cerebral Palsy	2,000			2,000
City Recreation Program	10,000			10,000
Recycling Tonnage	136,132		25,694	110,438
Adult Day Care	180		180	
State Aid Highway Street School District	113,000			113,000
Clean Communities - 2008	80,455			80,455
1600 Park Ave Development	300,000			300,000
Smart Growth Planning	15,000			15,000
Municipal Alliance (County Share)	10,559		10,559	
Municipal Alliance (City Share)	14,034		14,034	
Jag 2007	19,120		19,120	
Over the Limity Under Arrest 2007	100		100	
2008 Pedestrian Safety Walk Safe	3,600		3,600	
Public Health Priority Funding		23,363		23,363
Summer Food Program		35,661		35,661

CITY OF HOBOKEN, N.J.

Schedule of Grants Receivable

Current Fund

Year Ended June 30, 2009

	Balance, June 30, 2008	2009 Budget Revenue Realized	Collections	Balance, June 30, 2009
Home Support and Adult Day Care		126,998	126,998	
Community Development Block Grant - Admin Costs		50,000	50,000	
State Local Cooperative Housing Inspection Program		100,000	22,664	77,336
Multi Service Center Roof Replacement		200,000		200,000
Child Care Sevices		100,000		100,000
Family Planning Services		20,000		20,000
United Cerebral Palsy		2,000		2,000
City Recreation Program		10,000		10,000
Click it or Ticket		4,000		4,000
Body Armor Replacement Fund		15,374	15,374	
State Forestry Green Community Grant		3,000		3,000
Walk Safe Hoboken Pedestrians		3,600		3,600
Clean Communities		43,810	43,810	
Clean Communities		43,548	43,548	
2008 Roadway Improvement Project		400,000	278,878	121,122
Save the Youth		223,587	41,270	182,317
Clean Energy Program		41,692		41,692
State Library Aid		23,472	23,472	
Municipal Alliance (County Share)		40,261	31,472	8,789
Jubilee Center		50,000		50,000
Over Limit/Under Arrest		5,000		5,000
2009 Pedestrian Safety/Walk Safe		18,000	17,200	800
Fire Department Safer Grant		90,905	90,905	
Fire Department Safer Grant		237,515	237,515	
	<u>\$ 1,962,338</u>	<u>1,911,786</u>	<u>1,494,064</u>	<u>2,380,060</u>
		Received	1,403,159	
		Transfer from Unappropriated Reserves	90,905	
			<u>\$ 1,494,064</u>	

CITY OF HOBOKEN, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended June 30, 2009

	Balance, June 30, 2008	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Salaries and Wages:				
Within "CAPS":				
Mayor's Office	142	142		142
Licensing Bureau	64	64		64
Business Administrator's Office	22,545	22,545		22,545
Purchasing	7,289	7,289		7,289
Constituent Services	6,617	6,617		6,617
Zoning Administration	11,490	11,490		11,490
Uniform Construction Code	6,185	6,185		6,185
Revenues and Finance Director	38	38		38
Accounts and Control	24	24		24
Public Defender	35	35		35
Tax Collections	8,377	8,377		8,377
Office of the Tax Assessor	59	59		59
Department of Human Services				
Rent Leveling	12,743	12,743		12,743
Housing Inspections	1,948	1,948		1,948
Health	24,005	24,005		24,005
Recreation and Cultural Affairs	1,218	1,218		1,218
Department of Environmental Services				
Parks	37,105	37,105		37,105
Public Property	21,643	21,643		21,643
Department of Community Development				
Grants Management	44	44		44
Planning Board	7,200	7,200		7,200
Department of Public Safety				
Fire	17,293	17,293		17,293
Unclassified				
Alcoholic Beverage Control Board	22	22		22
Excluded from "CAPS":				
Maintenance of Free Public library	8,350	8,350		8,350
Interlocal Municipal Services Agreements	540,000	305,000		305,000
Other Expenses:				
Within "CAPS":				
Mayor's Office	375	375		375
City Clerk	5,956	5,956		5,956
Purchasing	19	19		19
Licensing bureau	1,961	1,961		1,961
Personnel & Health Benefits	126	126		126
Constituent Services	783	1,283		1,283
Zoning Administration	442	676		480
Zoning Board Of Adjustment		15,179	15,179	
Uniform Construction Code	91,004	148,102	57,050	91,052
Corporation Council - Expert Witness & Appraisal	3,000	5,000	2,000	3,000
Corporation Counsel		1,993	1,670	323
Revenues and Finance Director	581	27,581		27,581
Payroll	70	80	10	70
Office of the Tax Assessor	80	80		80
Other Code Enforcement		6,644	6,644	
Special Counsel		414,283	410,933	3,350
Central Garage		30,491	9,980	20,511
Fire		11,504	10,345	1,159
Planning Board		43,515	43,515	
Business Administrator		2,238	2,225	13
Legal Advertising		11,939	11,939	
Tax Collections		14,718	14,718	
Information Tech		5,793	5,691	102
Municipal Court		1,536	1,536	

CITY OF HOBOKEN, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended June 30, 2009

	Balance, June 30, <u>2008</u>	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Public Defender		400	400	
Improvements		55,000	54,363	637
Elections		6,145	6,145	
Codification of Ordinance		5,996	5,996	
Public Library		67,186	55,442	11,744
Department of Human Services				
Rent Leveling	1,054	2,718	725	1,993
Housing Inspections	270	290	20	270
Transportation	2,265	2,295	30	2,265
Senior Citizens	1,301	4,635	2,634	2,001
Hispanic and Minority Affairs	1,002	1,002		1,002
Directors Office		738	330	408
Health		24,330	22,974	1,356
Recreational & Cultural Affairs		2,732	336	2,396
Stationery & Office Supplies		255	255	
Department of Environmental Services				
Director's Office	13	595	82	513
Division of Parks		2,878	167	2,711
Division of Public Property		3,142	2,726	416
Department of Community Development				
Grants Management	227	227		227
Waterfront Development	1,458	1,458		1,458
Historical Preservation Society	93	93		93
Office of Community Development		159,989	149,439	10,550
Utility		11,974	9,294	2,680
Department of Public Safety				
Police	19,750	25,267	7,174	18,093
Police - Acquisition of Police Vehicles	12,000	12,000		12,000
Insurance:				
General Liability	18,548	18,548		18,548
Unclassified				
Alcoholic Beverage Control Board	1,759	1,759		1,759
Engineering	14,501	34,612		34,612
Municipal Dues and Membership	504	504	207	297
Celebration of Public Events	60	60		60
Postage	7,292	7,292		7,292
Office Machines	23,815	23,815	9,316	14,499
Fuel	1,240	1,240		1,240
Water and Sewer	1,012	1,012		1,012
Telecommunication Equipment	5,156	5,156		5,156
Master Plan - Redevelopment	15,000	15,000		15,000
Salary Adjustment	119	119		119
Other Common Functions		500	272	228
Excluded from "CAPS":				
Contribution to:				
Social Security System (O.A.S.I.)				
Police/Firemen's Retirement	28,300	28,300		28,300
Public Employees Retirement System	1,149	1,149		1,149
Total Expenditures	\$ 996,721	1,780,919	921,958	858,961
Appropriation Reserves \$	996,721			
Encumbrances		784,198		
		\$ 1,780,919		

CITY OF HOBOKEN, N.J.

Schedule of Promissory Note - H.C.I.A.

Current Fund

Year Ended June 30, 2009

Balance June 30, 2008	\$	639,065
Decreased by:		
Funded in 2009		<u>101,464</u>
Balance June 30, 2009	\$	<u><u>537,601</u></u>

Schedule of Tax Anticipation Notes Payable

Current Fund

Year Ended June 30, 2009

Balance June 30, 2008	\$	33,000,000
Increased by:		
Cash Received		<u>20,000,000</u>
		53,000,000
Decreased by:		
Cash Disbursements		<u>33,000,000</u>
Balance June 30, 2009	\$	<u><u>20,000,000</u></u>

CITY OF HOBOKEN, N.J.
Schedule of Tax Overpayments
Current Fund
Year Ended June 30, 2009

Balance June 30, 2008		\$ 530,462
Increased by:		
Collections		<u>177,151</u>
		707,613
Decreased by:		
Refunds	<u>530,462</u>	
		<u>530,462</u>
Balance June 30, 2009		\$ <u><u>177,151</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Interfunds Due from/(to) Various Funds

Current Fund

Year Ended June 30, 2009

<u>Fund</u>	Balance June 30, 2008	<u>Increases</u>	<u>Decreases</u>	Balance June 30, 2009
Federal and State Grant Fund	\$ (209,406)	1,543,609	1,785,789	32,774
Trust Funds:				
Animal License Trust	9,016		9,016	
Other Trust	65,517		65,517	
O&M Trust Loan	(1,500,000)	124,297	1,500,000	(124,297)
Section 8 - Housing Assistance Program	28,472		28,472	
General Capital Fund	(50,000)		50,000	
	<u>(1,656,401)</u>	<u>1,667,906</u>	<u>3,438,794</u>	<u>(91,523)</u>
Interfund Receivable	103,005			32,774
Interfund Payable	<u>(1,759,406)</u>			<u>(124,297)</u>
	<u>\$ (1,656,401)</u>			<u>(91,523)</u>

Analysis of Changes

Receipts	\$ 1,543,609	103,005
Disbursements		1,550,000
Interest	124,297	32,774
Grants Appropriations		<u>1,753,015</u>
	<u>\$ 1,667,906</u>	<u>3,438,794</u>

CITY OF HOBOKEN, N.J.

Schedule of County Taxes Payable

Current Fund

Year Ended June 30, 2009

Increased by:	
Levy	\$ 38,721,023
Open Space Preservation	1,088,161
Added and Omitted Assessments	2,520
	<hr/>
	<u>39,811,704</u>
Decreased by:	
Payments	\$ <u><u>39,811,704</u></u>

Schedule of Local District School Taxes Payable

Current Fund

Year Ended June 30, 2009

Increased by:	
Levy	\$ 36,073,376
Decreased by:	
Payments	<u>36,073,367</u>
Balance June 30, 2009	\$ <u><u>9</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Various Reserve

Current Fund

Year Ended June 30, 2009

<u>Program</u>	Balance, June 30, <u>2008</u>	Increased <u>by</u>	Decreased <u>by</u>	Balance, June 30, <u>2009</u>
Ragamuffin Parade	\$ 7,306			7,306
Maintenance of Free Public Library with State Aid	63,464			63,464
911 Relief Fund	49,248			49,248
D.A.R.E.	8,964			8,964
Sinatra Park	23,241			23,241
Public Assistance	8,714			8,714
Tax Collector PILOT Account	405,803		405,803	
PILOT - County Share	67,077			67,077
Other		1,029		1,029
Detention Center		1,280		1,280
Reserve for POAA	14,724		14,724	
Master Plan	113,268			113,268
	<u>\$ 761,809</u>	<u>2,309</u>	<u>420,527</u>	<u>343,591</u>
Receipts		2,309		
Canceled			405,803	
Disbursements			14,724	
		<u>2,309</u>	<u>420,527</u>	

CITY OF HOBOKEN, N.J.

Schedule of Reserve for Municipal Alliance Grant

Federal and State Grant Fund

Year Ended June 30, 2009

Increased by:	
Reallocated from Other Trust Fund	\$ <u>7,712</u>
Decreased by:	
Payments	\$ <u><u>7,712</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Unappropriated Reserves

Federal and State Grant Fund

Year Ended June 30, 2009

<u>Program</u>	Balance, June 30, <u>2008</u>	<u>Received</u>	Anticipated Revenue in <u>2009</u>	Balance, June 30, <u>2009</u>
Alcohol Education and Rehab	\$	1,253		1,253
Senior Emergency Funds		3,059		3,059
Public Health Priority Funding		9,703		9,703
Bullet Proof Vest		14,377		14,377
Adult Day Care		27,055		27,055
Summer Food Program		25,728		25,728
Over the Limit Under Arrest		4,700		4,700
Domestic Violence	1,250			1,250
Public Health Care	5,291			5,291
Public Healthcare Management Caregivers	118,921			118,921
Walk Safe Hoboken Pedestrians	8,000			8,000
Comp Prog Elderly	674			674
Clean Communities	85,304	12,084		97,388
Fire Department Grant	95,852	42,492	90,905	47,439
	<u>\$ 315,292</u>	<u>140,451</u>	<u>90,905</u>	<u>364,838</u>

CITY OF HOBOKEN, N.J.

Schedule of Interfunds Due from/(to) Various Funds

Federal and State Grant Fund

Year Ended June 30, 2009

	Balance, June 30, <u>2008</u>	<u>Increase</u>	<u>Decrease</u>	Balance, June 30, <u>2009</u>
Current Fund	\$ 209,406	1,543,609	1,785,789	(32,774)
General Capital Fund	<u>2,001,000</u>	<u> </u>	<u>2,001,000</u>	<u> </u>
	<u>2,210,406</u>	<u>1,543,609</u>	<u>3,786,789</u>	<u>(32,774)</u>
Interfund Receivable	2,210,406			
Interfund Payable	<u> </u>			<u>(32,774)</u>
	<u>\$ 2,210,406</u>			<u>(32,774)</u>
Disbursements		\$ 1,543,609		
Receipts			3,786,789	
		<u>1,543,609</u>	<u>3,786,789</u>	

CITY OF HOBOKEN, N.J.
Schedule of Appropriated Reserves for Grants
Federal and State Grant Fund
Year Ended June 30, 2009

<u>Grant</u>	Balance, June 30, <u>2008</u>	2009 Grants <u>Budgeted</u>	<u>Expenditures</u>	Balance, June 30, <u>2009</u>
Section 8 Housing Assistant Admin	125,000			125,000
Walk Safe Pedestrian Grant	1,379			1,379
Summer Food Service	7,897		7,897	
Roadway improvements 8th Street	41,649			41,649
Save the Youth Grant	3			3
NJ 2007 Body Armor Replacement Grant	3,098			3,098
Clean Communities 2006	154			154
NJ Youth Football Grant	8,000			8,000
Special Purpose Fund-Observer Highway Firehouse	81,816			81,816
Roadway Improvements 2006	191,779			191,779
Roadway Improvements 2007	240,335			240,335
NJDCA Urban Renewal 1118 Adams Street	270,000		225,000	45,000
Sept 11 Memorial	13,000			13,000
NJ Hazardous Discharge	3,687			3,687
Hudson County Open Space Grant	2,000,001			2,000,001
Hazmat Donations	36,616			36,616
Public Health Priority Funding	5,232		5,232	
Home Support and Adult Daycare	66,482			66,482
Home Support and Adult Daycare	210,225			210,225
Summer Food Service	4,928		4,928	
Multi Service Center Replacement	150,000			150,000
Child Care Services	150,000			150,000
Family Planning Services	20,000			20,000
United Cerebral Palsy	2,000			2,000
City Recreation Program	10,000			10,000
Recycling Tonnage	136,132			136,132
Body Amor Replacement Fund	5,350			5,350
Alcohol Education and Rehab	18,224			18,224
COPS in School	22,800			22,800
Body Amor Replacement Fund	5,763			5,763
State Forestry Green Community Grant	2,000			2,000
Adult Day Care	10,861			10,861
Drunk Driving Enforcement Grant	10,624			10,624
Drunk Driving Enforcement Grant	5,142			5,142
Downtown Revitalization Program	125,555			125,555
Public Healthcare Management Caregivers	93,414		2,521	90,893
Summer Food Program	6,368		94	6,274
Computer Program for the Elderly - DYFS	40,000			40,000
Clean Communities - 2007	5,169			5,169
12 Street Project and 20001 Clinton Street	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 Hudson Place 2004	19,144			19,144
State Aid Highway Street School District	125,551			125,551
Fire Department Grant	36,000			36,000
Clean Communities 2008	38,699		10,502	28,197
1600 Park Ave Development	300,000			300,000
Smart Growth Planning	60,000			60,000
Municipal Alliance (County Share)	13,142		13,142	
Municipal Alliance (City Share)	14,034		14,034	
Senior Emergency Funds	2,946			2,946

CITY OF HOBOKEN, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended June 30, 2009

<u>Grant</u>	Balance, June 30, <u>2008</u>	2009 Grants <u>Budgeted</u>	<u>Expenditures</u>	Balance, June 30, <u>2009</u>
2008 Pedestrian Safety Walk Safe	8,744		7,803	941
1600 Park Ave (Acquisition)	2,300,000			2,300,000
1600 Park Ave (Land and water)	1,513,420			1,513,420
Public Health Priority Funding		23,363	12,542	10,821
Summer Food Program		35,661		35,661
Home Support and Adult Day Care		126,998	101,598	25,400
Community Development Block Grant - Admin Costs		50,000	50,000	
State Local Cooperative Housing Inspection Program		100,000	100,000	
Multi Service Center Roof Replacement		200,000		200,000
Child Care Services		100,000		100,000
Family Planning Services		20,000		20,000
United Cerebral Palsy		2,000		2,000
City Recreation Program		10,000		10,000
Click it or Ticket		4,000		4,000
Body Armor Replacement Fund		15,374		15,374
State Forestry Green Community Grant		3,000		3,000
Walk Safe Hoboken Pedestrians		3,600		3,600
Clean Communities		43,810	6,890	36,920
Clean Communities		43,548	2,507	41,041
2008 Roadway Improvement Project		400,000	254,307	145,693
Save the Youth		223,587	62,624	160,963
Clean Energy Program		41,692		41,692
State Library Aid		23,472		23,472
Municipal Alliance (County Share)		40,261	40,261	
Jubilee Center		50,000		50,000
Over Limit/Under Arrest		5,000	4,800	200
2009 Pedestrian Safety/Walk Safe		18,000	18,000	
Fire Department Safer Grant		90,905		90,905
Fire Department Safer Grant		237,515	237,515	
	<u>\$ 8,728,371</u>	<u>1,911,786</u>	<u>1,182,197</u>	<u>9,457,960</u>
		Cash \$	1,182,197	
		Encumbrances	<u> </u>	
		\$	<u>1,182,197</u>	

CITY OF HOBOKEN

Schedule of Cash - Treasurer

Trust Funds

Year ended June 30, 2009

	Animal License Fund	Other Trust Funds	Section 8 - Housing Assistance Program
Balance - June 30, 2008	\$ <u>26,960</u>	<u>3,307,151</u>	<u>1,346,886</u>
Increased by:			
Animal License Fees	9,860		
Due to State of New Jersey - Dog License Fees	1,517		
Marriage Licenses		37,365	
Burial Permits		1,630	
Construction Code DCA Fees		62,377	
Due to Current Fund		1,581,986	
Various Reserves		7,912,285	
Reserve for Section 8 - Housing Assis. Program			287,708
Reserve for Section 8 - Housing Assis. Program Interest			33,092
	<u>11,377</u>	<u>9,595,643</u>	<u>320,800</u>
	<u>38,337</u>	<u>12,902,794</u>	<u>1,667,686</u>
Decreased by:			
Reserve for Animal License Expenditures	16,117		
Due to State of New Jersey	1,672	86,859	
Due to Current Fund	9,016	140,766	28,472
Due to Grantor			8
Various Reserves		5,956,299	
Section 8 - Housing Assistance Program			503,695
	<u>26,805</u>	<u>6,183,924</u>	<u>532,175</u>
Balance - June 30, 2009	\$ <u><u>11,532</u></u>	<u><u>6,718,870</u></u>	<u><u>1,135,511</u></u>

CITY OF HOBOKEN

**Schedule of Reserve for Expenditures -
Animal License Fund**

Trust Funds

Year ended June 30, 2009

Balance - June 30, 2008	\$ 17,042
Increased by:	
Dog license fees	<u>9,860</u>
	26,902
Decreased by:	
Expenditures	<u>16,117</u>
Balance - June 30, 2009	<u>\$ 10,785</u>

<u>License Fees Collected</u>	
2007	8,917
2008	<u>8,360</u>
	<u>\$ 17,277</u>

CITY OF HOBOKEN

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

Trust Funds

Year ended June 30, 2009

Balance - June 30, 2008	\$	902
Increased by:		
2009 Fees Collected		<u>1,517</u>
		2,419
Decreased by:		
Payments to State of New Jersey		<u>1,672</u>
Balance - June 30, 2009	\$	<u><u>747</u></u>

CITY OF HOBOKEN

**Schedule of Due to State of New Jersey
Trust Funds**

Year ended June 30, 2009

	Due to/(from) Balance <u>6/30/2008</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>6/30/2009</u>
Marriage Licenses	\$ 14,175	37,365	24,830	26,710
Burial Permits	620	1,630	2,150	100
Construction Code DCA Fees	<u>30,763</u>	<u>62,377</u>	<u>59,879</u>	<u>33,261</u>
	<u>45,558</u>	<u>101,372</u>	<u>86,859</u>	<u>60,071</u>
		Cash Receipts 101,372		
		Cash Disbursements	<u>86,859</u>	
		<u>101,372</u>	<u>86,859</u>	

CITY OF HOBOKEN

Schedule of Amount Due to (from) Current Fund
Trust Funds

Year ended June 30, 2009

	Due to/(from) Balance <u>6/30/2008</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>6/30/2009</u>
Dog License Trust Fund	9,016		9,016	
Section 8 - Housing Assistance Program	28,472		28,472	
Other Trust Fund:				
O & M Fund	(1,500,000)	124,297	1,500,000	(124,297)
Escrow	47,580	16,469	64,049	
Trust - Other	<u>17,937</u>		<u>17,937</u>	
	<u>\$ (1,396,995)</u>	<u>140,766</u>	<u>1,619,474</u>	<u>(124,297)</u>
		Cash Disbursements	124,297	119,474
		Cash Receipts	<u>16,469</u>	<u>1,500,000</u>
			<u>140,766</u>	<u>1,619,474</u>

CITY OF HOBOKEN

Schedule of Miscellaneous Reserves

Trust Funds

Year ended June 30, 2009

	Balance, June 30, 2008	Increased	Decreased	Balance, June 30, 2009	Over- expenditures
Reserve for:					
CD's Cultural Affairs	\$ 511			511	
150th Anniversary	8,506			8,506	
Community Resource Account	35,382		6,974	28,408	
Cultural Affairs Account	112,396	280,040	179,362	213,074	
Hurricane Relief Fund	501			501	
Police Outside Employment	100,624	1,045,382	1,060,490	85,516	
Hoboken PAL	8,130	4,669	6,469	6,330	
Hoboken PAL Hockey	2			2	
Police SK Run	1,000		925	75	
OEP Investment	35,153			35,153	
Police Department Investigation	401	1,000	400	1,001	
Police Memorial Fund	90,043			90,043	
Girls Softball League	81			81	
Fire-Turkeys		250	243	7	
Sept. 11th Memorial Fund	10,153	113,000	113,000	10,153	
Shade Tree Commission	469		468	1	
Unclaimed Bail	24,732	1,815		26,547	
Municipal Court Public Defender	1,416	1,606		3,022	
TAM Restaurant	5,266			5,266	
Ragamuffin Parade	6,168	1,725	3,350	4,543	
Save the Youth	1,489			1,489	
Fire Victims - Mc Swiggans	1,140			1,140	
Fire Education Fund	103,771	72,093	136,566	39,298	
Fire Regular Penalties	39,583	11,075	6,008	44,650	
Police-Left		212,668	167,740	44,928	
POAA Trust	732,443	23,472	21,537	734,378	
Miscellaneous	1		1		
Open Space		842,138		842,138	
Escrow	867,843	576,824	770,292	674,375	
Tax Sale Premiums	463,950	1,580,811	434,167	1,610,594	
Law Enforcement	134,189	32,336	160,712	5,813	
O & M Fund	1,564,995	640,030	476,374	1,728,651	
Wanaque RCA Escrow	30,961	5		30,966	
Green Township RCA Escrow	85,657	2,051	81,250	6,458	
Demarest RCA Escrow	1,364	20		1,384	
North Haledon RCA Escrow	33,204	164	10	33,358	
Hazmat	170,454	287	25,399	145,342	
Redevelopment		136,349		136,349	
QCA Allied Risk		73,966		73,966	
Board Inspection		1,650		1,650	
Collector of Revenue Redemption Tr	144,418	1,673,123	1,631,094	186,447	
Workers Compensation		571,618	662,950		91,332
anticipated Revenue		77		77	
Municipal Superiors Association	21,914	12,041	21,718	12,237	
	<u>\$ 4,838,310</u>	<u>7,912,285</u>	<u>5,967,499</u>	<u>6,874,428</u>	<u>91,332</u>
Cash Receipts		7,912,285			
Interfunds			11,200		
Cash Disbursements			<u>5,956,299</u>		
		<u>7,912,285</u>	<u>5,967,499</u>		

CITY OF HOBOKEN

Section 8 - Housing Assistance Program

Schedule of Reserves for Section 8 - Housing Assistance Program

Year ended June 30, 2009

Balance - June 30, 2008	\$ 1,239,203
Increased by:	
Interest Earnings	33,092
Program Receipts	<u>287,708</u>
	1,560,003
Decreased by:	
Program Expenditures	<u>503,695</u>
Balance - June 30, 2009	<u><u>\$ 1,056,308</u></u>

Section 8 - Housing Assistance Program

Schedule of Due to Grantor

Year ended June 30, 2009

Balance - June 30, 2008	\$ 47,719
Decreased by:	
Program Closeouts	<u>8</u>
Balance - June 30, 2009	<u><u>47,711</u></u>

CITY OF HOBOKEN

Section 8 - Housing Assistance Program

Schedule of Due to Community Development Block Grant Trust Fund

Year ended June 30, 2009

Balance - June 30, 2008	\$ <u>31,492</u>
Balance - June 30, 2009	\$ <u><u>31,492</u></u>

Community Development Block Grant Trust Fund

Schedule of Due from Section 8 - Housing Assistance Program

Year ended June 30, 2009

Balance - June 30, 2008	\$ <u>31,492</u>
Balance - June 30, 2009	\$ <u><u>31,492</u></u>

Exhibit B-11

CITY OF HOBOKEN

Community Development Block Grant Trust Fund

Schedule of Reserve for Community Development Block Grant

Year ended June 30, 2009

Balance - June 30, 2008	\$ <u>472,942</u>
Balance - June 30, 2009	\$ <u><u>472,942</u></u>

Exhibit B-12

Community Development Block Grant Trust Fund

Schedule of Community Development Block Grant Receivable

Year ended June 30, 2009

Balance - June 30, 2008	\$ <u>441,450</u>
Balance - June 30, 2009	\$ <u><u>441,450</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Cash

General Capital Fund

Year Ended June 30, 2009

Balance, June 30, 2008		\$	4,358,837
Increased by Receipts:			
Grants	\$	20,479,432	
Interfunds		2,024,000	
Bond Anticipation Notes		21,960,000	
			<u>44,463,432</u>
			48,822,269
Decreased by Disbursements:			
Improvement Authorizations		19,631,565	
Interfunds		2,001,000	
Bond Anticipation Notes		21,960,000	
Reserve for Encumbrances		294,881	
			<u>43,887,446</u>
Balance, June 30, 2009		\$	<u>4,934,823</u>

CITY OF HOBOKEN, N.J.

Analysis of Cash

General Capital Fund

Year Ended June 30, 2009

Reserve for Receivables	\$ 20,000,000
Reserve for Payment of Notes	335,259
Reserve for Payment of Certificates of Participation	5,678
Reserve for Encumbrances	64,215
Capital Improvement Fund	177,000
Fund Balance	14,404
Grants Receivable	(4,148,776)

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
P184	Acquisition of Fire Apparatus	143,943
R13	Reconstruction & Renovation of Certain Piers	1,021,295
	Bond Ordinance for Tax Overpayment Refunds	(267,836)
	Creation of North Park	(371,667)
R85	Creation of Castle Point Park	185,830
R301	Multi-Service Center	8,445
R301	Elysian Park	106
R302	Improvements - City Hall	121,527
R433	Removal & Closure of Underground Storage Tanks	53,492
DR42	Various Projects and Improvements:	
	Underground Storage Tanks	1,317
	Police Headquarters	60,000
	Acquisition of Fire Engines	7,035
	Improvement to City Parks	13,930
DR304	Land Parcel Acquisition	156,007
DR233	Improvements of Buildings and Equipment	344,230
DR621/337	Various Road Improvements	(1,082,225)
DR326	Reconstruction of Pier C	(12,895,024)
	Construction of Waterfront Walkway	986,638
		<u>\$ 4,934,823</u>

CITY OF HOBOKEN, N.J.
Schedule of Grants Receivable
General Capital Fund
Year Ended June 30, 2009

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance, June 30, 2008</u> wa	<u>Decreased</u>	<u>Balance, June 30, 2009</u>
	Port Authority:			
DR-326	Reconstruction of Pier C	\$ 10,965,204	8,754,565	2,210,639
	New Jersey Department of Environmental Protection:			
DR-326	Reconstruction of Pier C	2,410,000	1,459,000	951,000
	New Jersey State Highway Facilities Grant:			
	Reserve for Maxwell Place Walkway	8,191,742	7,547,668	644,074
	Developer's Share:			
	Reserve for Maxwell Place Walkway	<u>3,061,262</u>	<u>2,718,199</u>	<u>343,063</u>
		<u>24,628,208</u>	<u>20,479,432</u>	<u>4,148,776</u>

CITY OF HOBOKEN, N.J.

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

General Capital Fund

Year Ended June 30, 2009

Balance, June 30, 2008		\$ 44,931,060
Increased by:		
Green Acres Loans Issued		341,000
		<hr/>
		45,272,060
Decreased by:		
Bonds Paid by Current Year		
Budget Appropriations	\$ 2,885,000	
Green Acres Loans Paid by Current		
Current Year Budget Appropriations	166,773	
Underground Storage Tank Loans Paid by Current		
Year Budget Appropriations	<u>24,474</u>	
		<hr/>
		3,076,247
Balance, June 30, 2009		<u>\$ 42,195,813</u>

CITY OF HOBOKEN, N.J.

Schedule of Interfund Due from/(to) Various Funds

General Capital Fund

Year Ended June 30, 2009

	Balance June 30, <u>2008</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2009</u>
Current Fund	\$ 50,000		50,000	
Federal & State Grants Fund	(2,001,000)	2,001,000		
Parking Utility Capital Fund	<u>1,974,000</u>		<u>1,974,000</u>	
	<u>\$ 23,000</u>	<u>2,001,000</u>	<u>2,024,000</u>	
Disbursements		\$ 2,001,000		
Receipts			2,024,000	
		<u>\$ 2,001,000</u>	<u>2,024,000</u>	

CITY OF HOBOKEN, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended June 30, 2009

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, June 30, 2009		Interest Rate	Balance June 30, 2008	Decreased	Balance June 30, 2009
			Date	Amount				
Early Retirement Pension Refunding Bonds	Aug. 1, 2003	\$ 7,382,000	04/01/10	50,000	5.45%	\$ 7,372,442	25,000	7,347,442
			04/01/11	80,000	5.45%			
			04/01/12	105,000	5.45%			
			04/01/13	140,000	5.45%			
			04/01/14	185,000	6.00%			
			04/01/15	225,000	6.00%			
			04/01/16	275,000	6.00%			
			04/01/17	295,000	6.00%			
			04/01/18	330,000	6.00%			
			04/01/19	360,000	6.50%			
			04/01/20	380,000	6.50%			
			04/01/21	440,000	6.50%			
			04/01/22	475,000	6.50%			
			04/01/23	525,000	6.50%			
			04/01/24	580,000	6.50%			
			04/01/25	660,000	6.50%			
			04/01/26	775,000	6.50%			
			04/01/27	217,820	7.14%			
			04/01/28	213,756	7.14%			
			04/01/29	212,557	7.14%			
04/01/30	209,767	7.14%						
04/01/31	207,099	7.14%						
04/01/32	204,501	7.14%						
04/01/33	201,942	7.14%						
Qualified General Improvement Refunding Bonds, Tax Exempt Series 2003B	Nov. 1, 2003	\$ 38,325,000	02/01/10	2,970,000	5.45%	35,575,000	2,860,000	32,715,000
			02/01/11	3,090,000	5.45%			
			02/01/12	3,250,000	5.45%			
			02/01/13	3,415,000	5.45%			
			02/01/14	19,990,000	6.00%			
						\$ 42,947,442	2,885,000	40,062,442

CITY OF HOBOKEN, N.J.
Schedule of Bond Anticipation Notes Payable
General Capital Fund
Year Ended June 30, 2009

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance June 30, 2008</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance June 30, 2009</u>
	Various Improvements	6,255,000	1/21/2004	9/9/2009	5.25%	\$ 5,800,000	5,560,000	5,800,000	5,560,000
	Acquisition of Land, Vehicles & Equipment	8,100,000	1/30/2006	9/9/2009	5.25%	8,100,000	8,100,000	8,100,000	8,100,000
	Improvement to City Buildings & Parks	3,300,000	4/18/2006	9/9/2009	5.25%	3,300,000	3,300,000	3,300,000	3,300,000
DR326	Reconstruction of Pier C	5,000,000	12/28/2007	12/22/2009	4.25%	5,000,000	5,000,000	5,000,000	5,000,000
						<u>\$ 22,200,000</u>	<u>21,960,000</u>	<u>22,200,000</u>	<u>21,960,000</u>
						Renewed	\$ 21,960,000	21,960,000	
						Budget Appropriation	<u> </u>	<u>240,000</u>	
						<u>\$ 21,960,000</u>	<u>22,200,000</u>		

CITY OF HOBOKEN, N.J.
Schedule of Green Acres Loans Payable
General Capital Fund
Year Ended June 30, 2009

Balance, June 30, 2008	\$	1,910,198
Increased by:		
Loan Issued		<u>341,000</u>
		2,251,198
Decreased by:		
Payment		<u>166,773</u>
Balance, June 30, 2009		<u><u>2,084,425</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Underground Storage Tank Loan Payable

General Capital Fund

Year Ended June 30, 2009

	<u>Original Issue</u>		<u>Maturities of Loans Outstanding, June 30, 2009</u>		<u>Interest Rate</u>	<u>Balance June 30, 2008</u>	<u>Decreased</u>	<u>Balance June 30, 2009</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
Remediation of Underground Storage Tank	02/01/02	\$ 244,735	02/01/10	24,473	*	\$ 73,420	24,474	48,946
			02/01/11	24,473	*			
						<u>\$ 73,420</u>	<u>24,474</u>	<u>48,946</u>

* - Interest free

CITY OF HOBOKEN, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended June 30, 2009

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance June 30, 2008		Authorizations	Paid or Charged	Reclass	Balance June 30, 2009		
				Funded	Unfunded				Funded	Unfunded	
	General Improvements:										
P184	Acquisition of Fire Apparatus	07/15/92	\$ 900,000	143,943					143,943		
R13	Reconstruction & Renovation of Certain Piers	11/15/93	4,200,000	208,795	812,500				448,795	572,500	
R85	Creation of Castle Point Park	10/09/97	4,175,000	185,830					185,830		
R301	Multi-Service Center	03/18/98	57,550	8,445					8,445		
R301	Elysian Park	03/18/98	11,300	106					106		
R302	Improvements - City Hall	04/01/98	156,000	121,527					121,527		
R433	Removal & Closure of Underground Storage Tanks	06/07/00	244,735	53,492					53,492		
DR42	Various Projects and Improvements:	05/30/02									
	City Hall		945,000								
	Underground Storage Tanks		105,000		1,317					1,317	
	Police Headquarters		210,000	10,500	49,500				10,500	49,500	
	Acquisition of Fire Engines		840,000	5,970	1,932		867		5,103	1,932	
	Acquisition of Equipment & Vehicles		367,500								
	Improvement to City Parks		420,000	8,930			(5,000)		8,930	5,000	
DR304	Land Parcel Acquisition	12/15/02	10,000,000		156,007					156,007	
DR233	Improvements of Buildings and Equipment	12/15/05	3,465,000		619,588		275,358			344,230	
DR233	Acquisition of Vehicles and Equipment	12/15/02	1,155,000		(2)			2			
DR621/337	Various Road Improvements	06/16/06	2,000,000		817,776			(1)		817,775	
DR326	Reconstruction of Pier C	09/19/07	20,000,000		11,947,717		9,842,741			2,104,976	
	Construction of Waterfront Walkway	03/04/09	11,621,723			11,621,723	10,635,086	1	986,638		
			\$ 747,538	14,406,335	11,621,723	20,749,052	2	1,973,309	4,053,237		
						Cash	19,631,567				
						Expended Prior Year	1,053,270				
						Encumbrances	64,215				
							<u>20,749,052</u>				

CITY OF HOBOKEN, N.J.
Schedule of Reserve for Encumbrances
General Capital Fund
Year Ended June 30, 2009

Balance, June 30, 2008	\$ 294,881
Increased by:	
Improvement Authorizations	\$ <u>64,215</u>
	359,096
Decreased by:	
Payments	<u>294,881</u>
Balance, June 30, 2009	\$ <u><u>64,215</u></u>

CITY OF HOBOKEN, N.J.
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended June 30, 2009

Balance, June 30, 2008 177,000

Balance, June 30, 2009 \$ 177,000

CITY OF HOBOKEN, N.J.

Schedule of Reserves

General Capital Fund

Year Ended June 30, 2009

	Balance June 30, <u>2008</u>	<u>Decreases</u>	Balance June 30, <u>2009</u>
Reserve for:			
Hazmat Fund	\$ 17,630		17,630
Payment of BANs - ADA Library	117,629		117,629
Green Acres	200,000		200,000
COPs Agreement	5,678		5,678
Maxwell Place Walkway	<u>10,568,453</u>	<u>10,568,453</u>	<u> </u>
	<u>\$ 10,909,390</u>	<u>10,568,453</u>	<u>340,937</u>
	Appropriated	<u>10,568,453</u>	
		<u>10,568,453</u>	

CITY OF HOBOKEN, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended June 30, 2009

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance June 30, 2008</u>	<u>Balance June 30, 2009</u>
	<u>General Improvements:</u>		
	Creation of North Park	267,836	267,836
	Bond Ordinance for Tax Overpayment Refunds	371,667	371,667
DR621/337	Various Road Improvements	1,900,000	1,900,000
DR326	Reconstruction of Pier C	15,000,000	15,000,000
		<u>\$ 17,539,503</u>	<u>17,539,503</u>

CITY OF HOBOKEN, N.J.
Schedule of Cash - Treasurer
Parking Utility Operating Fund
Year ended June 30, 2009

	<u>Operating</u>
Balance, June 30, 2008	\$ <u>228,437</u>
Increased by Receipts:	
Budgeted Revenues	<u>13,984,492</u>
	14,212,929
Decreased by Disbursements:	
2009 Appropriations	9,564,446
Accrued Interest Paid	1,022,531
Due From Parking Utility Capital Fund	<u>1,974,000</u>
	<u>12,560,977</u>
Balance, June 30, 2009	\$ <u><u>1,651,952</u></u>

CITY OF HOBOKEN, N.J.
Schedule of Deferred Charges
Parking Utility Operating Fund
June 30, 2009

Balance - June 30, 2007	\$ 887,862
Increased By:	
Overexpenditure of Appropriations	<u>20,000</u>
	907,862
Decreased By:	
Amount Raised in Budget	<u>887,862</u>
Balance - June 30, 2008	<u><u>20,000</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Fixed Capital

Parking Utility Capital Fund

Year ended June 30, 2009

Balance, June 30, 2008	\$ <u>45,157,185</u>
Balance, June 30, 2009	\$ <u>45,157,185</u>

CITY OF HOBOKEN, N.J.
Schedule of Security Deposits
Parking Utility Operating Fund
Year ended June 30, 2009

Balance, June 30, 2008	\$ <u>233,776</u>
Balance, June 30, 2009	\$ <u><u>233,776</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Accrued Interest Payable

Parking Utility Operating Fund

Year ended June 30, 2009

Balance - June 30, 2007		\$	226,100
Increased By:			
Interest on Bonds	1,077,036		
Interest on Notes	<u>500,000</u>		
			<u>1,577,036</u>
			1,803,136
Decreased By:			
Interest Paid on Bonds	536,328		
Interest Paid on Notes	<u>486,203</u>		
			<u>1,022,531</u>
Balance - June 30, 2008			<u><u>780,605</u></u>

Analysis of Accrued Interest Payable at June 30, 2008:

	<u>Outstanding Principal</u>	<u>Interest Rate</u>	<u>Terms</u>	<u>Accrued Interest</u>
Bond Anticipation Notes	\$ 4,600,000	6.25%	9/9/09 - 6/30/10	227,604
Bonds	20,930,000	Various	1/1/2010-6/30/2010	<u>553,001</u>
				<u><u>780,605</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Interfunds Due from/(to) Various Funds

Parking Utility Capital Fund

Year ended June 30, 2009

	Balance, June 30, <u>2008</u>	<u>Increased</u>	<u>Decreased</u>	Balance, June 30, <u>2009</u>
General Capital Fund	\$ 1,974,000		1,974,000	
Parking Utility Operating Fund	<u> </u>	<u>1,974,000</u>	<u> </u>	<u>1,974,000</u>
	<u>\$ 1,974,000</u>	<u>1,974,000</u>	<u>1,974,000</u>	<u>1,974,000</u>

CITY OF HOBOKEN, N.J.

Schedule of Improvement Authorizations

Parking Utility Capital Fund

Year ended June 30, 2009

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Ordinance</u>		<u>Balance, June 30, 2008</u>		<u>Balance, June 30, 2009</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>
Unknown	Improvements to Parking Garage	December 19, 2007	2,200,000		226,000		226,000
				\$	226,000		226,000

CITY OF HOBOKEN, N.J.
Schedule of Bond Anticipation Notes Payable
Parking Utility Capital Fund
Year Ended June 30, 2009

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance June 30, 2008</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance June 30, 2009</u>
Unknown	Parking Utility Notes Series 2008C	September 14, 2007	September 10, 2008	September 9, 2009	6.25%	4,800,000	4,600,000	4,800,000	4,600,000
						<u>\$ 4,800,000</u>	<u>4,600,000</u>	<u>4,800,000</u>	<u>4,600,000</u>

CITY OF HOBOKEN, N.J.
Schedule of Parking Utility Serial Bonds
Parking Utility Capital Fund
Year ended June 30, 2009

<u>Purpose</u>	<u>Date of issue</u>	<u>Original issue</u>	<u>Maturities of bonds outstanding, June 30, 2009</u>		<u>Interest rate</u>	<u>Balance, June 30, 2008</u>	<u>Decreased</u>	<u>Balance, June 30, 2009</u>
			<u>Date</u>	<u>Amount</u>				
Parking Utility General Obligation Bonds - Series 2002	December 31, 1998	26,530,000	December 31, 2010	1,075,000	5.060%	\$ 21,950,000	1,020,000	20,930,000
			December 31, 2011	1,125,000	5.060%			
			December 31, 2012	1,185,000	5.060%			
			December 31, 2013	1,250,000	5.060%			
			December 31, 2014	1,270,000	4.000%			
			December 31, 2015	1,320,000	5.250%			
			December 31, 2016	1,390,000	5.250%			
			December 31, 2017	1,460,000	5.250%			
			December 31, 2018	1,540,000	5.250%			
			December 31, 2019	1,690,000	4.75-5.00%			
			December 31, 2020	1,770,000	4.75-5.00%			
			December 31, 2021	1,860,000	4.75-5.00%			
			December 31, 2022	1,950,000	4.75-5.00%			
			December 31, 2023	2,045,000	4.75-5.00%			
						<u>\$ 21,950,000</u>	<u>1,020,000</u>	<u>20,930,000</u>

CITY OF HOBOKEN, N.J.

Schedule of Reserve for Amortization

Parking Utility Capital Fund

Year ended June 30, 2009

Balance, June 30, 2008		\$ 16,207,185
Increased by:		
Payment of Serial Bond Principal	\$ 1,020,000	
Payment of Bond Anticipation Note Principal	<u>200,000</u>	
		<u>1,220,000</u>
Balance, June 30, 2009		\$ <u>17,427,185</u>

CITY OF HOBOKEN, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Parking Utility Capital Fund

Year ended June 30, 2009

Ordinance number	Improvement description	Ordinance		Balance	Balance
		Date	Amount	June 30, 2008	June 30, 2008
????	Improvements to Parking Garage	12/19/07	2,200,000	<u>2,200,000</u>	<u>2,200,000</u>
				\$ <u>2,200,000</u>	<u>2,200,000</u>

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CITY OF HOBOKEN

PART II

LETTER ON COMPLIANCE AND ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED JUNE 30, 2009

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

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

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

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

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

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

We have audited the financial statements-regulatory basis of the City of Hoboken in the County of Hudson as of and for the year ended June 30, 2009, and have issued our report thereon dated January 12, 2010. Our report disclosed that, as described in Note 1 to the financial statements-regulatory basis, the City of Hoboken prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Hoboken's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the City of Hoboken's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Hoboken's internal control over financial reporting.



Honorable Mayor and
Members of the City Council
Page 2.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we might consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. As noted in the accompanying schedule of findings and questioned costs, we consider the following to be significant deficiencies:

- Inadequate procedures for appropriately assessing and applying accounting principles.
- Failure of controls designed to safeguard assets from loss, damage or misappropriation.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting 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 financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

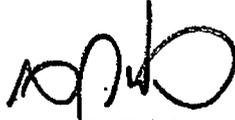
As part of obtaining reasonable assurance about whether the City of Hoboken's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have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

We noted certain immaterial instances of noncompliance that we have reported to the management of the City of Hoboken in the accompanying schedule of findings and questioned costs and the accompanying comments and recommendations section of this report.

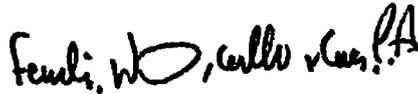


Honorable Mayor and
Members of the City Council
Page 3.

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CRO0413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

January 12, 2010



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

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

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

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AND STATE PROGRAM AND INTERNAL CONTROL WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04 AS AMENDED

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

Compliance

We have audited the compliance of the City of Hoboken, County of Hudson, 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 Office of Management and Budget's State Aid/Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2009. The City of Hoboken'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, regulation, contracts and grants applicable to each of its major federal and state programs is the responsibility of the City of Hoboken's management. Our responsibility is to express an opinion on the City of Hoboken'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; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions of the New Jersey State Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Those standards and OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal and state programs occurred. An audit includes examining, on a test basis, evidence about the City of Hoboken's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Hoboken's compliance with those requirements.

In our opinion, the City of Hoboken 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, 2009.



Internal Control Over Compliance

The management of the City of Hoboken is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the City of Hoboken's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures 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 of Hoboken's internal control over compliance.

A *control deficiency* is 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. As noted in the accompanying schedule of findings and questioned costs, we consider the following to be significant deficiencies:

- Inadequate procedures for appropriately assessing and applying accounting principles.
- Failure of controls designed to safeguard assets from loss, damage or misappropriation.

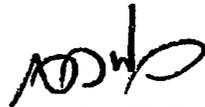
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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 of Hoboken's responses to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of Hoboken's response and, accordingly, we express no opinion on it.

We noted certain immaterial instances of noncompliance that we have reported to the management of the City of Hoboken in the accompanying schedule of findings and questioned costs and the accompanying comments and recommendations section of this report.

Honorable Mayor and
Members of the City Council
Page 3.

This report is intended solely for the information of management, the Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.



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



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

January 12, 2010



CITY OF HOBOKEN, N.J.

Schedule of Expenditures of Federal Awards

Year ended June 30, 2009

Program	CFDA number	Grant period	Award Amount	Balance at June 30, 2008	Cash Received	Expenditures	Adjustments	Deferred Revenue/ (Accounts Receivable) at June 30, 2009	MEMO Cumulative Total Expenditures
<u>Federal Grantor Pass Through Grantor Program Title:</u>									
Dept. of Housing and Urban Development:									
Direct:									
Section 8 Housing Assistance Program	14.218	Prior Year	8,353,299	125,000				125,000	8,228,299
Total Direct Programs			<u>8,353,299</u>	<u>125,000</u>				<u>125,000</u>	<u>8,228,299</u>
Passed Through Hudson County Dept. of Finance and Admin:									
Community Development Block Grant - 2000	14.218		235,890						152,643
Community Development Block Grant - 2001	14.218		595,420						535,420
Community Development Block Grant - 2005	14.218		447,000	30,773				30,773	447,000
Community Development Block Grant - 2006	14.218		489,400	(8,819)				(8,819)	370,819
Community Development Block Grant - 2007	14.218		412,000	209,210				209,210	352,789
Community Development Block Grant - 2009 Admin. Costs	14.218	2009	50,000		50,000	50,000			50,000
Total Pass-Through Programs			<u>2,229,710</u>	<u>231,164</u>	<u>50,000</u>	<u>50,000</u>		<u>231,164</u>	<u>1,908,671</u>
Total U.S. Dept. of Housing and Urban Development			<u>10,583,009</u>	<u>356,164</u>	<u>50,000</u>	<u>50,000</u>		<u>356,164</u>	<u>10,136,970</u>
Dept. Of Justice:									
Direct:									
Public Safety Partnership and Community Policing Grants									
COPS in Schools	16.710	2007	22,800	22,800				22,800	
Subtotal Public Safety Partnership and Community Policing Grants			<u>22,800</u>	<u>22,800</u>				<u>22,800</u>	
Save the Youth Grant	16.540		197,446	(952)				(952)	197,443
Save the Youth Grant	16.540	2009	223,587		41,270	62,624		(21,354)	62,624
			<u>421,033</u>	<u>(952)</u>	<u>41,270</u>	<u>62,624</u>		<u>(22,306)</u>	<u>260,067</u>
Total Direct Programs			<u>443,833</u>	<u>21,848</u>	<u>41,270</u>	<u>62,624</u>		<u>494</u>	<u>260,067</u>
Department of Agriculture:									
Passed Through the NJ Department of Agriculture									
Summer Food Service	10.559	Prior Year	20,000	7,897		7,897			20,000
Summer Food Service	10.559	2007	16,739	6,368		94		6,274	10,465
Summer Food Service	10.559	2008	38,165	4,928		4,928			38,165
Summer Food Service	10.559	2009	35,661						
Summer Food Service	10.559	2010	25,728		25,728			25,728	
			<u>136,293</u>	<u>19,193</u>	<u>25,728</u>	<u>12,919</u>		<u>32,002</u>	<u>68,630</u>

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of Federal Awards

Year ended June 30, 2009

Program	CFDA number	Grant period	Award Amount	Balance at June 30, 2008	Cash Received	Expenditures	Adjustments	Deferred Revenue/ (Accounts Receivable) at June 30, 2009	MEMO Cumulative Total Expenditures
Department of Transportation									
Passed Through the NJ Department of Transportation									
Safe Streets to School Program	20.205		100,000	(100,000)	100,000				100,000
2005 Roadway Improvement Project	20.205		Prior Year	114,926				114,926	
State Highway Signage - Hudson Place 2003	20.205		Prior Year	32,585				32,585	
State Highway Signage - Hudson Place 2004	20.205		Prior Year	19,144				19,144	
State Aid Highway Street School District	20.205		12,551	12,551				12,551	
2006 Roadway Improvement Program	20.205		300,811	173,893				173,893	109,052
2006 Roadway Improvement - 8th Street Impr's	20.205		390,000	25,919				25,919	348,351
Downtown Revitalization	20.205		125,555	125,555				125,555	
SFY 2007 Roadway Improvement Program	20.205		450,000	240,335				240,335	209,665
1600 Park Avenue Development	20.205	2008	300,000					18,497	
Highway Planning and Construction-Misc Projects 2000-2005	20.205	2008	400,000		278,878	254,307		24,571	254,307
2008 Roadway Improvements Project	20.205	2008							
			<u>2,078,917</u>	<u>663,405</u>	<u>378,878</u>	<u>254,307</u>		<u>787,976</u>	<u>1,021,355</u>
Department of Transportation									
Passed Through the NJ Division of Law & Public Safety									
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	Prior Year	20,000	1,379				1,379	18,621
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2008	20,000	5,144	3,600	7,803		941	19,059
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2009	18,000	8,000	17,200	18,000	(8,000)	(800)	18,000
			<u>58,000</u>	<u>14,523</u>	<u>20,800</u>	<u>25,803</u>		<u>1,520</u>	<u>55,680</u>
Total Federal Awards									
			<u>\$ 13,300,032</u>	<u>\$ 1,075,133</u>	<u>\$ 16,676</u>	<u>\$ 405,653</u>	<u>\$ (8,000)</u>	<u>\$ 1,178,156</u>	<u>\$ 11,542,702</u>

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

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2009

Grant number	Grant Year	Award Amount	Balance June 30, 2008	Cash Received	Budgetary Encumbrances	Adjustments	Deferred Revenues/Accounts Receivable at June 30, 2009	MEMO Cumulative Total Expenditures
Federal and State Grant Fund								
Department of Community Affairs								
Domestic Violence								
N/A	2008	Prior Year 1,250	1,250				1,250	10,090
N/A		Prior Year 64,000	(3,215)				(1,900)	1,900
N/A	2008	79,000	(37,486)	725			(2,900)	64,000
N/A	2009	100,000		37,496				70,000
N/A	2008	150,000		22,664	100,000		(77,330)	100,000
N/A	2009	700,000						
N/A	2008	150,000						
N/A	2009	100,000						
N/A	2008	20,000						
N/A	2009	20,000						
04-1935-00		2,250,000		225,000	225,000			2,203,000
			(39,461)	283,365	375,000		(79,076)	2,459,590
Dept. of Environmental Protection								
N/A		35,734	154				154	35,580
N/A		41,756	5,169				5,169	36,587
N/A		80,455	(41,756)		10,502		(52,259)	52,248
N/A		83,304	83,304	12,084			97,388	
N/A		43,810		43,810	6,890		36,920	6,890
N/A		43,548		43,548	2,507		41,041	2,507
N/A		Prior Year 117,320	(98,130)				(98,130)	7,538
N/A		136,132		75,694			25,694	117,320
N/A		19,893	(16,206)				(16,206)	
07-4870		2,000	2,000				2,000	16,206
08-4870		3,000						
			(63,453)	125,136	19,899		41,772	274,876
Dept. of Health & Senior Services Direct								
N/A	2008	80,000	(34,930)	34,930				80,000
N/A	2008	120,417	93,414		2,521		90,893	29,524
N/A		118,921	(58,796)				(118,921)	
N/A		5,909	5,232				(58,796)	5,909
N/A		23,343	5,291				5,291	
N/A		9,703		9,703	12,542		(12,542)	12,542
N/A		4,531	2,946				9,703	
N/A		3,059		3,059			2,946	1,385
			132,038	47,712	20,295		159,475	188,336

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2009

Grant Number	Grant Period	Award Amount	Balance June 30, 2008	Cash Received	Budgetary Expenditures	Adjustment	Deferred Revenue/ (Accounts Receivable) at June 30, 2009	MEMO	
								Total Expenditures	Cumulative Total Expenditures
Dept. of Law and Public Safety									
00-BA-0905	Prior Year	14,359	3,098				3,098	11,261	
00-BA-0905	2007	9,928	(4,165)				(4,165)	4,165	
00-BA-0905	2008	17,039	5,330				5,330	11,689	
00-BA-0905	2009	15,374		15,374			15,374		
00-BA-0905	2010	14,377		14,377			14,377		
00-BA-0905	Prior Year	4,000	(400)				(400)	20,447	
00-BA-0905	2009	4,000						4,000	
00-BA-0905	2007	10,624	10,624				10,624		
00-BA-0905	2008	5,142	5,142				5,142		
00-BA-0905	2009	5,000	(100)	100				5,000	
00-BA-0905	2008	5,000			4,800		(4,800)	4,800	
00-BA-0905	2009	4,700		4,700			4,700		
		4,700		4,700			4,700		
		34,531	19,269	34,531	4,800		49,300	61,382	
Dept. of Justice									
00-BA-0905	2007	18,224	18,224				18,224		
00-BA-0905	2009	1,253		1,253			1,253		
00-BA-0905	2007	19,120	(19,120)					19,120	
		16,738	(896)	20,373			19,477	19,120	
Department of Treasury									
00-BA-0905	2007	110,000	13,000				13,000	97,000	
00-BA-0905	2008	250,000	81,816				81,816	168,184	
00-BA-0905	2009	36,000	36,000				36,000		
00-BA-0905	2008	95,852	95,852				95,852		
00-BA-0905	2009	237,515		237,515			237,515		
00-BA-0905	2010	42,492		42,492			42,492	237,515	
		42,492	226,668	280,007	237,515		269,160	502,699	
Other State Agencies:									
00-4334-00	2008	60,000	45,000				45,000		
00-4334-00	2009	41,692							
00-4334-00	2009	23,472	43,000	23,472			23,472		
		23,472	43,000	23,472			68,472		
General Capital Fund:									
00-4334-00	2008	17,479,834	(1,427,487)	8,754,565	8,383,741		(1,046,663)	16,325,838	
00-4334-00	2009	2,370,166		1,459,000	1,459,000			1,459,166	
00-4334-00	2008	1,459,000		1,459,000				1,459,166	
		1,459,000		1,459,000				1,459,166	
NJANPA Authority:									
00-4334-00	2008	8,463,493	(684,351)	7,547,668	7,507,191		(644,074)	8,463,493	
00-4334-00	2009	8,463,493	(684,351)	7,547,668	7,507,191		(644,074)	8,463,493	
		8,463,493	(1,368,702)	15,095,336	15,014,382		(1,288,148)	15,014,382	
Dept. of Environmental Protection									
00-4334-00	2008	2,370,166		1,459,000	1,459,000			1,459,166	
00-4334-00	2009	1,459,000		1,459,000				1,459,166	
		1,459,000		1,459,000				1,459,166	
Dept. of Highway Facilities									
00-4334-00	2008	8,463,493	(684,351)	7,547,668	7,507,191		(644,074)	8,463,493	
00-4334-00	2009	8,463,493	(684,351)	7,547,668	7,507,191		(644,074)	8,463,493	
		8,463,493	(1,368,702)	15,095,336	15,014,382		(1,288,148)	15,014,382	
Total State Assistance									
		\$	(1,797,585)	18,577,869	17,937,441		(1,171,157)	29,866,570	

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2009

Grant number	Grant period	Award Amount	Balance June 30, 2008	Cash Received	Budgetary Expenditures	Adjustment	Deferred Revenues/ (Accounts Receivable) at June 30, 2009	MEMO Cumulative Total Expenditures
Federal and State Grant Fund:								
Federal Grants/Pass Through Grantor Program Title								
Passed Through Hudson County Dept. of Finance and Administration:								
Hudson County Open Space Grant								
		2,000,000	2,000,000				2,000,000	
	2008	56,134	(2,583)	10,559			7,976	46,543
		14,034		14,034	14,034			14,034
	2009	40,261		31,472	40,261		(8,789)	40,261
	2009	13,142	7,712		13,142	5,430		13,142
		10,861	10,681				10,681	
	2007	66,482		180			180	
	2008	210,225						
	2009	126,998		126,998	101,398		25,400	101,398
	2010	27,055		27,055			27,055	
	2008	2,000						
	2009	2,000						
	2008	10,000						
	2009	10,000						
	2009	50,000						
	2003	5,300						5,300
		40,674	40,000				40,000	
		674	674				674	
Total Pass-Through Programs			2,056,484	210,298	169,035	5,430	2,103,177	220,878
Other Direct Programs:								
		36,616	36,616				36,616	
		8,000	4,000				4,000	
	2008	2,300,000	2,300,000				2,300,000	
	2008	1,513,420	1,513,420				1,513,420	
Total Other Direct Programs			3,854,036				3,854,036	
General Capital Fund:								
Developer's Share - Toll Bridges								
	2008	3,061,262		2,718,199	3,061,262		(343,063)	3,061,262
Total Developer's Share				2,718,199	3,061,262		(343,063)	3,061,262
Total County/Other Assistance			5,910,520	2,928,497	3,230,297	5,430	5,614,150	3,282,140
Total State and County/Other Assistance			\$ 4,117,935	21,506,366	21,187,738	5,430	4,441,993	33,148,660

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

**CITY OF HOBOKEN
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 1. GENERAL

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the City of Hoboken, County of Hudson. The City is defined in Note 1A to the City's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Current Fund	\$355,653	\$607,509	\$3,230,297	\$4,193,459
Community Development Grant Fund	50,000			50,000
General Capital Fund		<u>17,349,932</u>		<u>17,349,932</u>
	<u>\$405,653</u>	<u>\$17,957,441</u>	<u>\$3,230,297</u>	<u>\$21,593,391</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. ADJUSTMENTS

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

**CITY OF HOBOKEN
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

The City's federal and state loans outstanding at June 30, 2009, which are not required to be reported on the schedule of expenditures of federal and state awards, are as follows:

<u>Loan Program</u>	<u>Total</u>
Underground Storage Tank Loan	\$48,946
State of New Jersey Green Acres Trust Loan	<u>2,084,425</u>
	<u>\$2,133,371</u>

**CITY OF HOBOKEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? X yes none reported

2. Material weakness(es) identified? yes X no

Noncompliance material to financial statements noted? yes X no

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$ 538,723

Auditee qualified as low-risk auditee? yes X no

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

Internal Control over compliance:

1. Significant deficiencies identified that are not considered to be material weaknesses? X yes none reported

2. Material weakness(es) identified? yes X no

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04, as amended? yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>N/A</u>	<u>NY/NJ Port Authority</u>
<u>480 078 6310</u>	<u>Highway Facilities Grant</u>
<u>506 042 4800</u>	<u>Department of Environmental Protection</u>

**CITY OF HOBOKEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009
(continued)**

Section II - Schedule of Financial Statement Findings

None

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

FINDING: 2009-1

STATEMENT OF CONDITION

Inadequate procedures for appropriately assessing and applying accounting principles.

CRITERIA

Procedures for assessing and applying accounting principles should be established in order to ensure the financial statements are presented fairly and in accordance with generally accepted accounting principles.

EFFECT

Transactions are often subject to risk of misclassification (e.g. expenditures).

CAUSE

Purchases are made prior to being encumbered in the accounting system.

RECOMMENDATION

All transactions should be approved and encumbered in the accounting system prior to purchase.

**CITY OF HOBOKEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009
(continued)**

STATUS OF PRIOR YEAR FINDINGS

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

FINDING: 2008-1

RECOMMENDATION

The City should consider designing an internal control structure that allows the proper monitoring of revenues collected, expenditures charged against its annual budgetary appropriation and payroll.

STATUS

Corrective action has been taken.

FINDING: 2008-2

RECOMMENDATION

The City should weigh the cost/benefits of implementing a proper segregation of duties.

STATUS

Corrective action has been taken.

FINDING: 2008-3

RECOMMENDATION

All transactions should be approved and encumbered in the accounting system prior to purchase.

STATUS

Unchanged

FINDING: 2008-4

RECOMMENDATION

The City should ensure appropriations are legally established prior to approving any contracts.

STATUS

Corrective action has been taken.

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CITY OF HOBOKEN
GENERAL COMMENTS

Contracts and Agreements Requiring Advertisement for Bid

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

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

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

Effective July 1, 2005 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$21,000 or \$29,000 if there is a certified purchasing agent.

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

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

Improvement of City Roadways
Waste Removal Services
3-Wheel Scooter with Dumper
Police Headquarters Roof Repair
Summer Food Services

CITY OF HOBOKEN

GENERAL COMMENTS, (continued)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on July 1, 2007 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

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

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

CITY OF HOBOKEN
GENERAL COMMENTS, (continued)

Delinquent Taxes and Tax Title Liens

A tax sale was not held in 2009.

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

The following comparison is made of the number of tax title liens receivable on June 30, of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2009	50
2008	50
2007	50

Verification of Delinquent Taxes and Other Charges

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

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

CITY OF HOBOKEN

OTHER COMMENTS

City Clerk

1. Fee ordinance for the Police Department does not agree to fees charged.

Finance/Treasurer

1. Not all financial transactions are being recorded in the general ledgers as required by Technical Accounting Directive #3 for the following funds:

Net Payroll
Payroll Agency
Housing Rehab-Upper Park Trust
CDBG Trust
Other Trust

2. The following bank accounts had a deficit reconciled balance at year end (N.J.S.A. 40A:5-5):

Net Payroll
Payroll Agency

3. Technical Accounting Directive #2, codified as N.J.A.C. 5:30-5.6., requires the City to place a value of all fixed assets put into service. 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 and has not been maintained to report new assets.
4. Petty cash disbursed to various departments does not agree to State approved petty cash application.
5. Change fund amount disbursed to Tax Office does not agree to amount approved.
6. Withdrawals are being made prior to maturity on CD.

CDBG Housing Assistance Trust Fund Reference

7. Deposits are not made within 48 hours of receipt as required by N.J.S.A. 40A:5-15 for the following accounts:

Other Trust
Community Development

8. Electronic wire transfers are not being processed through the Purchase Order procedures. Instead they are wired and a manual entry to record the payment is made in the General Ledger.

CITY OF HOBOKEN

OTHER COMMENTS, (continued)

Purchasing

1. Goods/services are being ordered prior to being encumbered as prescribed by Technical Directive #1.
2. Vendor documents were not always available to support expenditures as required by the Division of Local Government Services, Requirements of Audit for Expenditures and Disbursements.
3. Not all authorizing signatures are present on all purchase orders as required by the Division of Local Government Services, Requirements of Audit for Expenditures and Disbursements.
4. Instances where the budget account was not being charged correctly as required by Division of Local Government Services, Requirements of Audit for Expenditures and Disbursements.
5. Purchasing Agent is overriding the receiving and vendor certification as required per the City purchasing policy to expedite payment.

Payroll

1. There is no approved salary ordinance for the fiscal year as required by the Division of Local Government Services, Standard Audit Program and Procedures.
2. A report of accrued liability for sick and vacation time payable is not maintained as prescribed in the detailed walkthrough of the payroll cycle.
3. Lack of documentation to support some employee retirement/terminations.
4. Instance where penalties/fees were assessed to the City of Hoboken for late enrollment of eligible employees to the pension system.

CITY OF HOBOKEN

OTHER COMMENTS, (continued)

Departments

1. The following departments do not maintain supporting documentation for receipts as required by the Division of Local Government Services, Requirements of Audit for Revenue and Receipts:

Police Department
Planning and Zoning

2. The following departments do not make deposits within 48 hours of receipt as required by N.J.S.A. 40A:5-15:

Board of Health
Fire Prevention
Board of Construction
Recreation

3. The Municipal Court does not disburse monies collected to the proper agencies prior to the fifteenth of the following month.
4. The Municipal Court only has one authorizing signature on disbursement checks.
5. Instances where fees charged by the Police Department are not consistent with approved fee ordinance.
6. Some errors were identified with the allocation and labeling of individual Rent Control receipts.

CITY OF HOBOKEN
RECOMMENDATIONS

City Clerk

1. That an updated fee ordinance be approved by City Council to support the current fees being charged.

Finance/Treasurer

- 1.* General ledger entries are not being recorded in a timely manner in order to maintain accurate records for the following funds:

Net Payroll
Payroll Agency
Housing Rehab-Upper Park Trust
CDBG Trust
Other Trust

- 2.* That the following bank accounts be examined and the deficit in the reconciled balance be corrected:

Net Payroll
Payroll Agency

- 3.* That the appraisal company should be contacted to update the report yearly.
4. That an updated application be submitted to the State to approve various appointments of petty cash.
5. That the amount disbursed to the Tax office is approved through resolution in the minutes.
6. Withdrawals should occur once CD has completely matured in order to avoid early withdrawal fees/penalties.
7. That all receipts are deposited within 48 hours.
8. That controls are put into place for items that are paid through Bank wire. All expenditures should go through the Purchase Order process to ensure proper approval.

Purchasing

- 1.* That all goods/services be encumbered prior to being ordered.
- 2.* That supporting documentation for all purchases be made available for audit review.
- 3.* That all authorizing signatures are present on all purchase orders.

CITY OF HOBOKEN

RECOMMENDATIONS, (continued)

Purchasing, (continued)

- 4.* That all invoices be charged to the correct budget account to which the services were rendered.
5. That all required signatures are received prior to releasing funds to vendors.

Payroll

- 1.* That the salary ordinance be created and approved by Mayor and Council.
- 2.* That a report of accrued liability for sick and vacation time payable to updated and maintained by the payroll department.
3. That proper records are kept for retired/terminated employees documenting termination date and any termination pay outs.
4. That more care be taken to ensure all pension program enrollments are made in a timely manner to negate any additional penalties or fees.

Departments

1. That the following departments maintain a receipt journal to support receipts:
 - *Police Department
 - Planning and Zoning
2. That the following departments make deposits within 48 hours of receipt:
 - *Board of Health
 - *Fire Prevention
 - *Board of Construction
 - Cultural Affairs
3. That monies collected in the prior month be disbursed to the proper agencies prior to the fifteenth of the following month.
4. That disbursement checks have at least two authorizing signatures.
5. That more care be taken to ensure the proper fees are collected.
6. That rental control property allocates receipts to maintain accurate record keeping.

CITY OF HOBOKEN

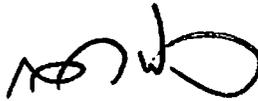
STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

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

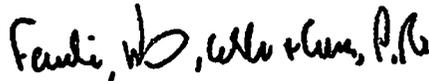
The problems and weaknesses noted in our audit were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

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

Respectfully submitted,



Steven D. Wielkotz
Registered Municipal Accountant
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

January 12, 2010