

**CITY OF HOBOKEN**

**Financial Statements With  
Supplementary Information**

**December 31, 2013**

**(With Independent Auditors' Reports Thereon)**

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**CITY OF HOBOKEN**

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**CITY OF HOBOKEN**

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**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2013**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Hoboken (the "City"), County of Hudson, New Jersey, as of December 31, 2013 and 2012, the related statement 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 December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the City of Hoboken on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Hoboken as of December 31, 2013 and 2012, or changes in financial position for the years then ended.

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

In our opinion, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2013 and 2012, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.



***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hoboken's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2014 on our consideration of the City of Hoboken's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over



Honorable Mayor and  
Members of the City Council  
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financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hoboken's internal control over financial reporting and compliance.



Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CROO413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

September 16, 2014



## CITY OF HOBOKEN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2013 and 2012

<u>Assets</u>		<u>2013</u>	<u>2012</u>
Current Fund:			
Current Assets:			
Cash - Operating Accounts	A-4	\$ 30,772,104	34,247,828
Cash - Change Fund	A-5	400	300
		<u>30,772,504</u>	<u>34,248,128</u>
Due from State of New Jersey:			
Per Ch. 129, P.L. 1976	A-6	38,743	31,901
Qualified Bond Aid	A-7	4,122,733	4,035,158
		<u>4,161,476</u>	<u>4,067,059</u>
		<u>34,933,980</u>	<u>38,315,187</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-8	1,164,281	1,545,434
Tax Title Liens	A-9	426,922	422,339
Property Acquired for Taxes - Assessed Valuation	A-10	2,806,900	2,806,900
Water Liens	A-11	945	945
Revenue Accounts Receivable	A-12	380,652	295,002
Interfunds Receivable	A-13	1,161,830	1,203,461
County of Hudson Open Space	A-14		460,963
		<u>5,941,530</u>	<u>6,735,044</u>
Deferred Charges	A-15	1,619,391	3,344,793
Deferred Charges - Special Emergency Authorizations	A-23	6,920,000	8,050,000
		<u>8,539,391</u>	<u>11,394,793</u>
		<u>49,414,901</u>	<u>56,445,024</u>
Federal and State Grant Fund:			
Cash - Operating Accounts	A-4	526,298	565,641
Expenditures without Appropriation	A-15		18,260
Grants Receivable	A-25	5,539,820	6,395,441
		<u>6,066,118</u>	<u>6,979,342</u>
		<u>\$ 55,481,019</u>	<u>63,424,366</u>

## CITY OF HOBOKEN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2013 and 2012

		<u>2013</u>	<u>2012</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves:			
Encumbered	A-3/A-16 \$	1,907,199	1,673,282
Unencumbered	A-3/A-16	5,017,740	6,456,683
County Taxes Payable	A-17	293,344	1,402,072
Tax Overpayment	A-18	251,224	571,714
Accounts Payable	A-20	140,047	10,547
Prepaid Taxes	A-21	858,214	856,040
Interfunds Payable	A-13	494	173,796
School Taxes Payable	A-19	17,886	17,886
Various Reserves	A-22	6,093,179	11,276,503
Special Emergency Notes Payable	A-24	<u>6,440,000</u>	<u>8,050,000</u>
		21,019,327	30,488,523
Reserve for Receivables	Contra	5,941,530	6,735,044
Fund Balance	A-1	<u>22,454,044</u>	<u>19,221,457</u>
		<u>49,414,901</u>	<u>56,445,024</u>
Federal and State Grant Fund			
Unappropriated Reserve for Grants	A-26	15,341	48,407
Interfunds Payable	A-27	1,259,975	1,268,524
Appropriated Reserve for Grants	A-28	4,157,047	4,475,444
Reserve for Encumbrances	A-29	<u>633,755</u>	<u>1,186,967</u>
		<u>6,066,118</u>	<u>6,979,342</u>
	\$	<u>55,481,019</u>	<u>63,424,366</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

For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenues and Other Income:		
Fund Balance Utilized	9,838,522	6,012,671
Miscellaneous Revenue Anticipated	44,711,357	46,829,638
Receipts from Delinquent Taxes	1,377,882	1,100,820
Receipts from Current Taxes	144,492,333	141,501,181
Non-Budget Revenue	1,833,562	826,842
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	4,811,332	3,472,490
Prior Year Interfunds Returned	69,683	2,873,738
Cancelled Liabilities	1,758	257,177
	<hr/>	<hr/>
Total Revenues and Other Income	207,136,429	202,874,557
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	40,035,205	39,471,574
Other Expenses	43,051,208	54,754,326
Capital Improvement Fund	403,175	116,000
Municipal Debt Service	6,863,689	6,300,184
Statutory Expenditures and Deferred Charges	12,611,928	13,046,599
Judgements	117,500	400,000
Local District School Tax	37,577,916	36,757,219
County Taxes	53,398,463	51,023,040
Municipal Open Space Taxes	605,409	619,563
Revenue Refunds		301,193
Interfund Advances	827	1,164,734
	<hr/>	<hr/>
Total Expenditures	194,665,320	203,954,432
Excess (Deficit) Revenue Over Expenditures	12,471,109	(1,079,875)
Adjustment to Income Before Fund Balance:		
Expenditures Included Above Which Are By Statute Deferred		
Charges to Budget of Succeeding Year:		
Emergency Appropriations		105,000
Special Emergency Amendment	600,000	8,050,000
	<hr/>	<hr/>
	600,000	8,155,000
Statutory Excess to Surplus	13,071,109	7,075,125
Fund Balance - December 31, 2012	<hr/>	<hr/>
	19,221,457	18,159,003
Decreased by:		
Fund Balance Utilized as Budget Revenue	<hr/>	<hr/>
	9,838,522	6,012,671
Fund Balance - December 31, 2013	<hr/>	<hr/>
	22,454,044	19,221,457

See accompanying notes to the financial statements.

## CITY OF HOBOKEN, N.J.

Exhibit A-2

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2013

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 9,838,522	9,838,522	
Miscellaneous Revenues:			
Licenses and Fees:			
Alcoholic Beverages	307,000	310,792	3,792
Other	209,000	147,363	(61,637)
Fees and Permits	393,000	301,274	(91,726)
Zoning Board of Adjustment Fees	135,000	201,184	66,184
Planning Board Fees	11,000	17,400	6,400
Rent Leveling Fees	48,000	52,005	4,005
Fines and Costs:			
Municipal Court	4,188,000	4,538,322	350,322
Interest and Costs on Taxes	263,000	239,992	(23,008)
Parking Tax	1,204,000	1,496,082	292,082
Riverview Cablevision Associates	578,250	578,250	
Interest on Investments and Deposits	54,013	129,058	75,045
Rents on City Owned Property	68,000	22,911	(45,089)
SJP Properties - Block A-Phase I	1,162,830	1,227,720	64,890
SJP Properties - Block A-Phase II	1,071,984	1,344,596	272,612
Applied Development Co. - South Waterfront - Block C	1,235,072	3,417,222	2,182,150
1300 Grand Street (Pilot Payment)	787,499	797,671	10,172
Grogan Marineview Plaza	743,665	682,912	(60,753)
Clocktowers	105,627	137,308	31,681
Marion Towers Associates	178,242	178,575	333
Church Towers Urban Renewal	531,240	517,679	(13,561)
Columbian Towers	127,152	121,118	(6,034)
Columbian Arms	29,872	27,369	(2,503)
Willow Avenue Associates - 800 - 812 Willow Avenue	70,520	78,237	7,717
1200 Grand Street	1,029,940	1,051,913	21,973
Applied Housing - 1203-1219 Williwow Avenue	102,132	160,077	57,945
Applied Housing - 1201-1221 Washington Estates	129,500	277,978	148,478
Applied Housing - 1200-1220 Hudson Estates	281,938	307,230	25,292
Applied Housing - 1301-1309 Bloomfield Estates	96,500	126,058	29,558
Applied Housing - Midway 500-508 Adams Street	80,502	97,076	16,574
Applied Housing - Elysian Estates	125,572	102,701	(22,871)
Applied Housing - Church Square	159,323	157,405	(1,918)
Applied Housing - Eastview Associates	134,390	143,428	9,038
Applied Housing - Westview Associates	214,582	212,390	(2,192)
Applied Housing - Northvale I - 911-923 Clinton Street	173,325	241,336	68,011
Applied Housing - Northvale II - 901-919 Clinton Street	129,831	147,170	17,339
Applied Housing - Northvale IIIA	106,895	124,678	17,783
Applied Housing - Northvale III B - 1106-1014 Clinton Street	148,240	183,200	34,960
Applied Housing - Northvale IV - 58 11th Street	21,041	21,744	703
1118 Adams St	122,684	24,968	(97,716)
1100 Adams Street	462,152	596,406	134,254
NJ Transit Block 139, Lot 1.1		7,639	7,639
PILOTS Interest		6,920	6,920

## CITY OF HOBOKEN, N.J.

Exhibit A-2

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2013

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Parking Utilities Surplus	3,500,000	3,500,000	
Consolidated Municipal Property Tax Relief Aid	4,103,226	4,103,226	
Energy Receipts Tax	7,009,809	7,009,809	
Uniform Construction Code Fees	1,280,000	1,426,787	146,787
Hoboken Housing Authority - Public Safety	510,480	502,401	(8,079)
Municipal Alliance	38,840	38,840	
New Jersey Historic Trust	37,500	37,500	
Junior Tennis Grant	1,500	1,500	
Hudson County Open Space	100,000	100,000	
Sustainable Jersey Grant	2,000	2,000	
Recycling Tonnage	82,998	82,998	
NJDOT - Newark Street Redesign	118,000	118,000	
Justice Assistance Grant	15,614	15,614	
Hoboken PAL	14,500	14,500	
FEMA - SAFER Grant	35,440	35,440	
Homeland Security Port Security	105,000	105,000	
Hudson County Home Support	64,602	64,602	
Recreation Opportunities	12,000	12,000	
Energy Initiative Allocation	142,080	142,080	
CSIP Grant Tree Pruning	20,000	20,000	
Cultural Affairs Partnership Arts	6,216	6,216	
Alcohol Education Rehabilitation	1,055	1,055	
Home Support and Adult Day Care	32,389	32,389	
Clean Communities	82,079	82,079	
Housing Inspection Program	70,000	70,000	
Summer Food Program 2013	41,385	41,385	
DOT - Various Roads	356,280	356,280	
Co-Operative Marketing Grant	15,750	15,750	
US Soccer Foundation	200,000	200,000	
Senior Citizens Home Care	32,387	32,387	
Forestry Grant	6,500	6,500	
State Housing Inspection Grant	19,570	19,570	
FEMA - Firefighters Assistance Grant	16,394	16,394	
Summer Food Program 2013	5,943	5,943	
Community Energy Response Team (CERT)	1,000	1,000	
Uniform Fire Safety Act	88,000	91,823	3,823
Outside Duty Police Administration	93,200	105,805	12,605
Verizon TV Franchise Fee	267,200	267,200	
1001 Jefferson	793,028	922,155	129,127
W Hotel	542,814	537,884	(4,930)
Hotel/Motel Occupancy Fee	525,959	543,563	17,604
800 Jackson Ave. (PILOT)	769,905	838,175	68,270
United Water Concession	182,000	168,000	(14,000)
FEMA Reimbursement	1,470,000	1,470,000	
Capital Fund Balance	992,150	992,150	
	<hr/>	<hr/>	<hr/>
Total Miscellaneous Revenues	40,825,306	44,711,357	3,886,051
	<hr/>	<hr/>	<hr/>
Receipts from Delinquent Taxes	1,375,000	1,377,882	2,882
	<hr/>	<hr/>	<hr/>
Subtotal General Revenues	52,038,828	55,927,761	3,888,933

CITY OF HOBOKEN, N.J.

Exhibit A-2

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	50,832,990	53,011,051	2,178,061
Minimum Library Tax	<u>3,199,493</u>	<u>3,199,493</u>	
Total Amount to be Raised by Taxes for Support of Municipal Budget	54,032,483	56,210,544	2,178,061
Non-Budget Revenue		<u>1,833,562</u>	<u>1,833,562</u>
	<u>\$ 106,071,311</u>	<u>112,138,305</u>	<u>6,066,994</u>
Adopted Budget	104,800,672		
Appropriations by 40a:4-87	<u>1,270,639</u>		
	<u>\$ 106,071,311</u>		

## CITY OF HOBOKEN, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2013

Analysis of Realized Revenues

Revenue from Current Tax Collections		\$ 144,492,333
Allocated to County of Hudson	\$ 53,398,463	
Local School District	37,577,916	
Municipal Open Space	<u>605,409</u>	
		<u>91,581,788</u>
Balance for Support of Municipal Budget Appropriations		52,910,545
Add : Appropriation - Reserve for Uncollected Taxes		<u>3,300,000</u>
Amount for Support of Municipal Budget Appropriations		\$ <u><u>56,210,545</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes		1,376,196
Tax Title Liens		<u>1,686</u>
		\$ <u><u>1,377,882</u></u>

Analysis of Non-budget Revenues

<u>Miscellaneous Revenue Not Anticipated</u>		
Refunds	\$	2,522
Miscellaneous		249,111
Settlement Payment		1,500,000
Hoboken Historic		6,550
Public Safety		15,875
Void Checks		6,433
Tax Searches		20
Variance		720
Recording Fee		22
Restitution		30,247
Duplicate Bills		<u>22,062</u>
	\$	<u><u>1,833,562</u></u>

See accompanying notes to the financial statements.

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	2013 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
General Government:					
Mayor and Council					
Salaries and Wages	258,952	258,952	258,952		
Other Expenses	26,160	26,160	12,709	13,451	
City Council					
Salaries and Wages	213,550	213,550	200,852	12,698	
Other Expenses	23,000	26,600	24,793	1,807	
Office of the Clerk					
Salaries and Wages	429,343	429,343	414,660	14,683	
Other Expenses	10,200	10,200	6,364	3,836	
Other Expenses - Legal Advertising	60,000	65,000	59,271	5,729	
Other Expenses - Codification of Ordinances	30,000	30,000		30,000	
Salaries and Wages - Elections	45,000	45,000	36,535	8,465	
Other Expenses - Elections	100,000	95,000	83,797	11,203	
Department of Administration					
Business Administrator's Office					
Salaries and Wages	431,085	427,585	415,799	11,786	
Other Expenses	107,500	102,900	83,487	19,413	
Purchasing					
Salaries and Wages	161,462	163,962	162,150	1,812	
Other Expenses	4,650	4,650	4,575	75	
Personnel and Health Benefits					
Salaries and Wages	258,542	258,542	209,814	48,728	
Other Expenses	4,500	5,500	4,714	786	
Zoning and Administration					
Salaries and Wages	132,770	132,770	114,519	18,251	
Other Expenses	3,800	3,800	1,738	2,062	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

Uniform Construction Code	2013 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Salaries and Wages	670,598	670,598	591,700	78,898	
Other Expenses	219,000	219,000	206,230	12,770	
Corporation Council					
Salaries and Wages	312,966	312,966	308,829	4,137	
Other Expenses	166,300	166,300	125,497	40,803	
Other Expenses - Special Council	1,664,000	1,664,000	1,133,868	530,132	
Other Expenses - Expert Witness & Appraisal	35,000	35,000	7,500	27,500	
Revenue and Finance Director					
Salaries	601,172	601,172	577,813	23,359	
Other Expenses	177,500	177,500	164,310	13,190	
Annual Audit					
Other Expenses	85,000	85,000	85,000		
Tax Collections					
Salaries and Wages	226,908	226,908	225,735	1,173	
Other Expenses	61,940	61,940	28,091	33,849	
Information Technology					
Other Expenses	114,000	114,000	106,105	7,895	
Municipal Court					
Salaries and Wages	998,558	998,558	931,961	66,597	
Other Expenses	161,400	161,400	106,710	54,690	
Public Defender					
Other Expenses	3,500	3,500	213	3,287	
Office of the Tax Assessor					
Salaries and Wages	308,164	309,164	308,784	380	
Other Expenses	238,745	238,745	171,189	67,556	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	2013 <u>Budget</u>	Budget after Modification and Transfer	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Department of Human Services					
Director's Office					
Salaries and Wages	184,179	184,179	182,099	2,080	
Other Expenses	2,000	2,000	1,614	386	
Rent Leveling					
Salaries and Wages	252,197	252,197	252,009	188	
Other Expenses	3,500	3,500	2,286	1,214	
Housing Inspections					
Salaries and Wages	97,157	101,157	100,697	460	
Other Expenses	1,250	1,250	1,232	18	
Health					
Salaries and Wages	551,592	547,592	537,284	10,308	
Other Expenses	137,505	137,505	108,646	28,859	
Senior Citizens					
Salaries and Wages	221,537	221,537	216,884	4,653	
Other Expenses	13,000	13,000	8,355	4,645	
Recreation and Cultural Affairs					
Salaries and Wages	427,066	427,066	421,948	5,118	
Other Expenses	148,600	148,600	136,031	12,569	
Cultural Affairs					
Salaries and Wages	78,810	78,810	77,775	1,035	
Department of Environmental Services					
Director's Office					
Salaries and Wages	169,255	169,255	162,895	6,360	
Other Expenses	22,800	22,800	2,627	20,173	
Parks					
Salaries and Wages	373,587	373,587	367,116	6,471	
Other Expenses	105,910	105,910	90,411	15,499	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	2013 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Public Property					
Salaries and Wages	734,771	734,771	710,884	23,887	
Other Expenses	297,000	302,050	299,158	2,892	
Streets and Roads					
Salaries and Wages	694,339	683,339	660,771	22,568	
Other Expenses	333,000	333,000	172,111	160,889	
Central Garage					
Salaries and Wages	186,526	197,526	193,357	4,169	
Other Expenses	244,000	244,000	227,558	16,442	
Sanitation					
Salaries and Wages	640,842	640,842	627,401	13,441	
Other Expenses	4,185,000	4,185,000	3,918,433	266,567	
Shade Tree Commission					
Other Expenses	50,000	50,000	49,808	192	
Department of Community Development					
Director's Office					
Salaries and Wages	169,500	169,502	169,500	2	
Other Expenses	4,000	4,000	2,934	1,066	
Grants Management					
Other Expenses	25,000	25,000	24,000	1,000	
Planning Board					
Salaries and Wages	92,850	92,848	85,636	7,212	
Other Expenses	96,575	126,575	110,140	16,435	
Zoning Board of Adjustment					
Other Expenses	154,125	124,125	54,668	69,457	
Redevelopment					
Other Expenses	345,000	345,000	209,435	135,565	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	2013 <u>Budget</u>	Budget after Modification and <u>Transfer</u>	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Historical Preservation Committee					
Other Expenses	12,000	12,000	932	11,068	
Department of Public Safety					
Police					
Salaries and Wages	15,952,292	15,927,792	15,840,407	87,385	
Other Expenses	636,500	636,500	456,965	179,535	
Fire					
Salaries and Wages	13,274,319	13,274,319	12,975,499	298,820	
Other Expenses	306,010	300,960	272,805	28,155	
Office of Emergency Management					
Salaries and Wages	370,636	395,136	391,331	3,805	
Other Expenses	10,750	10,750	7,101	3,649	
Insurance					
General Liability	1,700,000	1,700,000	1,436,198	263,802	
Worker's Compensation	900,000	1,200,000	1,047,147	152,853	
Employee Group Health	16,472,005	16,472,005	16,472,005		
Employee Group Waiver	30,000	30,000	30,000		
UNCLASSIFIED:					
Alcoholic Beverage Control Board					
Salaries and Wages	4,200	4,200	4,077	123	
Other Expenses	2,500	2,500	2,048	452	
Volunteer Ambulance					
Other Expenses	40,000	40,000	40,000		
North Hudson Regional Council of Mayors					
Other Expenses	56,700	56,700	56,693	7	
Settlement of Claims Against the City	10,000	10,000		10,000	
Towing/Storage of Abandoned Vehicles	7,500	7,500	4,583	2,917	
Engineering	320,000	320,000	285,113	34,887	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	2013 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Labor Arbitrations	45,000	45,000	4,826	40,174	
Municipal Dues and Memberships	3,500	3,500	2,907	593	
Celebration of Public Events	15,000	15,000	5,000	10,000	
Postage	130,000	130,000	115,633	14,367	
Copiers/ Printers	55,000	55,000	48,763	6,237	
PILOT Payments to Hudson County	240,000	240,000	147,680	92,320	
Stationary and Office Supplies	61,000	61,000	38,036	22,964	
Utilities:					
Electricity	525,000	605,000	528,424	76,576	
Street Lighting	735,000	655,000	580,931	74,069	
Gasoline	365,000	365,000	298,670	66,330	
Water and Sewer	60,000	60,000	51,199	8,801	
Communications	320,000	320,000	290,461	29,539	
Salary Adjustments	2,000,000	2,000,000	1,996,829	3,171	
Master Plan	70,000	70,000		70,000	
Anticipated Terminal Leave Appropriation	1,450,000	1,450,000	1,446,341	3,659	
Hurricane Sandy		600,000	600,000		
Total Operations within "CAPS"	<u>75,567,650</u>	<u>76,467,650</u>	<u>72,838,571</u>	<u>3,629,079</u>	
Total Operations Including Contingent-within "CAPS"	<u>75,567,650</u>	<u>76,467,650</u>	<u>72,838,571</u>	<u>3,629,079</u>	
Detail:					
Salaries & Wages	39,524,725	39,524,725	38,735,673	789,052	
Other Expenses (Including Contingent)	36,042,925	36,942,925	34,102,898	2,840,027	
Total:	<u>75,567,650</u>	<u>76,467,650</u>	<u>72,838,571</u>	<u>3,629,079</u>	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

		Current Fund				Unexpended
		2013	Budget after	Paid or	Reserved	Balance
		Budget	Modification	Charged		Cancelled
			and Transfer			
<b>Year Ended December 31, 2013</b>						
<b>(E) Deferred Charges and Statutory Expenditures-</b>						
<b>Municipal within "CAPS"</b>						
<b>DEFERRED CHARGES:</b>						
Expenditures Without Authorization	1,009	1,009	1,009	1,009		
Overexpenditures of Grants	18,260	18,260	18,260	18,260		
Prior Years Bills:						
RSC Architects	3,294	3,294	3,294	3,294		
James Mastriani-Arbitrator	8,160	8,160	8,160	8,160		
Audio Edge-Transcriptions	495	495	495	495		
EFB Associates-Planning	6,372	6,372	6,372	5,045		1,327
Vandor & Vandor-Planning	8,680	8,680	8,680	8,680		
Kaufman Bern-Legal	5,363	5,363	5,363	5,363		
<b>STATUTORY EXPENDITURES:</b>						
Contribution to:						
Social Security System (O.A.S.I.)	1,620,000	1,320,000	1,268,855	51,145		
Consolidated Police and Firemen's Pension Fund	34,000	34,000	15,397	18,603		
Police and Firemen's Retirement System	6,269,414	6,269,414	6,269,414			
Public Employees Retirement System	1,323,815	1,323,815	1,211,060	112,755		
Unemployment Compensation Insurance	160,000	160,000	22,560	137,440		
<b>Total Deferred Charges and Statutory Expenditures-Municipal within "CAPS"</b>		<b>9,458,862</b>	<b>9,158,862</b>	<b>8,837,592</b>	<b>319,943</b>	<b>1,327</b>
<b>Total General Appropriations for Municipal Purposes within "CAPS"</b>						
		<b>85,026,512</b>	<b>85,626,512</b>	<b>81,676,163</b>	<b>3,949,022</b>	<b>1,327</b>

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	2013 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Operations - Excluded from "CAPS"					
Maintenance of Free Public Library(P.L. 1985 Ch. 22)					
Other Expenses	3,199,493	3,199,493	3,199,493		
Employee Group Health	1,164,944	1,164,944	259,752	905,192	
Reserve for Tax Appeals	1,000	1,000	1,000		
Intercolor Municipal Service Agreements					
Hoboken Housing Authority					
Police Salaries & Wages	510,480	510,480	510,480		
<b>Total Other Operations - Excluded from "CAPS"</b>	<b>4,875,917</b>	<b>4,875,917</b>	<b>3,970,725</b>	<b>905,192</b>	
Public and Private Programs Offset by Revenues					
Hudson County Open Space	100,000	100,000	100,000		
Sustainable Jersey Grant	2,000	2,000	2,000		
Recycling Tonnage	82,998	82,998	82,998		
New Jersey Historic Trust	37,500	37,500	37,500		
Justice Assistance Grant	15,614	15,614	15,614		
Hoboken PAL	14,500	14,500	14,500		
FEMA Safer Grant	35,440	35,440	35,440		
Homeland Security Port Security	105,000	105,000	105,000		
Junior Tennis Grant	1,500	1,500	1,500		
NJDOT-Newark Street Redesign	118,000	118,000	118,000		
County of Hudson-Home Support	64,602	64,602	64,602		
Recreation Opportunities	12,000	12,000	12,000		
Energy Allocation Initiative	142,080	142,080	142,080		
CSIP Grant Tree Pruning	20,000	20,000	20,000		
Alcohol Education Rehabilitation	1,055	1,055	1,055		

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	2013 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Home Support and Adult Day Care	32,389	32,389	32,389		
Clean Communities	82,079	82,079	82,079		
Housing Inspection Program	70,000	70,000	70,000		
Summer Food	41,385	41,385	41,385		
DOT-Various Roads	356,280	356,280	356,280		
Cultural Affairs Partnership Arts	6,216	6,216	6,216		
Senior Citizen Home Care	32,387	32,387	32,387		
Municipal Alliance	38,840	38,840	38,840		
Match	9,710	9,710	9,710		
Co-Operative Marketing Grant	15,750	15,750	15,750		
US Soccer Foundation-Synthetic Fields	200,000	200,000	200,000		
Forestry Grant	6,500	6,500	6,500		
State Housing Inspection Grant	19,570	19,570	19,570		
FEMA Firefighters Assistance Grants	16,394	16,394	16,394		
Summer Food Program	5,943	5,943	5,943		
Cert Community Energy Response Team	1,000	1,000	1,000		
Matching Funds for Grants	56,114	56,114	23,760	32,354	
Total Public and Private Programs Offset by Revenues	1,742,846	1,742,846	1,710,492	32,354	
Total Operations-Excluded from "CAPS"	6,618,763	6,618,763	5,681,217	937,546	
Detail:					
Salaries and Wages	510,480	510,480	510,480		
Other Expenses	6,108,283	6,108,283	5,170,737	937,546	
Total:	6,618,763	6,618,763	5,681,217	937,546	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

	Current Fund				Unexpended
	2013	Budget after	Paid or	Reserved	Balance
	Budget	Modification	Charged		Canceled
		and Transfer			
<b>Year Ended December 31, 2013</b>					
<b>Capital Improvements-Excluded from "CAPS"</b>					
Containers Environmental Services Yard					
Computer Technology Updates	25,000	25,000	21,098	3,902	
Washington Street Redesign	190,000	190,000	189,150	850	
Sinatra Drive Redesign	110,000	110,000		110,000	
Fire Safety Equipment	78,175	78,175	61,755	16,420	
	<u>403,175</u>	<u>403,175</u>	<u>272,003</u>	<u>131,172</u>	
Total Capital Improvements Excluded from "CAPS"					
<b>Municipal Debt Service - Excluded from "CAPS"</b>					
Payment of Bond Principal	3,555,000	3,555,000	3,555,000		
Payment of Note Principal	885,020	885,020	885,020		
Interest on Bonds	1,612,757	1,612,757	1,507,981		104,776
Interest on Notes	720,253	720,253	720,250		3
Green Trust Loan Program					
Loan Repayments for Principal and Interest	195,438	195,438	195,438		
	<u>6,968,468</u>	<u>6,968,468</u>	<u>6,863,689</u>		<u>104,779</u>
Total Municipal Debt Service-Excluded from "CAPS"					
<b>DEFERRED CHARGES:</b>					
Emergency Authorization	105,000	105,000	105,000		
Overexpenditure of Appropriations	1,619,393	1,619,393	1,619,393		
5 Year Emergency Authorization	1,730,000	1,730,000	1,730,000		
	<u>3,454,393</u>	<u>3,454,393</u>	<u>3,454,393</u>		
Total Deferred Charges - Municipal - Excluded from "CAPS"					
Judgements	300,000	300,000	117,500		182,500

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	2013 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>17,744,799</u>	<u>17,744,799</u>	<u>16,388,802</u>	<u>1,068,718</u>	<u>287,279</u>
Subtotal General Appropriations Reserve for Uncollected Taxes	102,771,311 3,300,000	103,371,311 3,300,000	98,064,965 3,300,000	5,017,740	288,606
Total General Appropriations	<u>\$ 106,071,311</u>	<u>106,671,311</u>	<u>101,364,965</u>	<u>5,017,740</u>	<u>288,606</u>
Adopted Budget		104,800,672			
Appropriations by 40a:4-87		1,270,639			
Emergency Appropriation		600,000			
		<u>106,671,311</u>			
Reserve for Uncollected Taxes			3,300,000		
Deferred Charges			3,473,662		
Federal and State Grants			1,668,472		
Interfunds			42,020		
Various Reserves			998,989		
Encumbrances			1,907,199		
State Aid - Debt Payments			4,567,891		
Cash Disbursements			<u>85,406,732</u>		
			<u>\$ 101,364,965</u>		

See accompanying notes to the financial statements.

**CITY OF HOBOKEN**  
**Comparative Balance Sheet - Regulatory Basis**  
**Trust Funds**  
**December 31, 2013 and 2012**

<u>Assets</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Animal License Fund:			
Cash	B-1	\$ 25,503	23,081
Other Trust Funds:			
Cash	B-1	10,220,564	8,711,722
Interfunds	B-5	489	157,649
		<u>10,221,053</u>	<u>8,869,371</u>
Section 8 - Housing Assistance Program:			
Cash	B-1	735,478	789,102
Interfunds	B-5	5	
		<u>735,483</u>	<u>789,102</u>
Community Development Block Grant Trust Fund:			
Grants Receivable	B-12	666,556	537,320
Due from Section 8 - Housing Assistance Program	B-10	118,170	111,809
Due from Federal and State Grant Fund	B-14	105,000	105,000
		<u>889,726</u>	<u>754,129</u>
		<u>\$ 11,871,765</u>	<u>10,435,683</u>

## CITY OF HOBOKEN

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Liabilities and Reserves</u>			
Animal License Fund:			
Reserve for Animal License Fund expenditures	B-2	24,178	13,257
Due to State of New Jersey	B-3	421	627
Interfund	B-5	904	9,197
		<u>25,503</u>	<u>23,081</u>
Other Trust Funds:			
Due to State of New Jersey	B-4	70,254	93,245
Interfunds	B-5	5,124	1,210
Reserve for Other Trust Fund Deposits	B-6	10,145,675	8,774,916
		<u>10,221,053</u>	<u>8,869,371</u>
Section 8 - Housing Assistance Program:			
Due to Grantor - Section 8 Housing Assistance	B-8	47,711	47,711
Due to Community Development Block Grant Trust	B-9	118,170	111,809
Reserve for Sect. 8 - Housing Assistance Program	B-7	569,602	629,582
		<u>735,483</u>	<u>789,102</u>
Community Development Block Grant Trust Fund			
Reserve for Community Dev. Block Grant	B-11	889,726	724,599
Due to Current Fund	B-13		29,530
		<u>889,726</u>	<u>754,129</u>
		<u>\$ 11,871,765</u>	<u>10,435,683</u>

See accompanying notes to financial statements.

## CITY OF HOBOKEN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2013 and 2012

<u>Assets</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash	C-2/C-3	\$ 39,034	10,656,192
Accounts Receivable:			
Port Authority	C-4	1,658,521	1,658,521
NJ DEP	C-4	951,000	951,000
Developer - Maxwell Place Walkway	C-4	101,730	101,730
Green Acres	C-4	400,000	
Hudson County Open Space	C-4	19,974	
Interfunds	C-7	1,600,000	1,600,000
Deferred Charges to Future Taxation:			
Funded	C-5	27,963,284	31,691,108
Unfunded	C-6	74,218,025	70,801,571
		<u>\$ 106,951,568</u>	<u>117,460,122</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	\$ 26,962,442	30,517,442
Bond Anticipation Notes	C-9	42,009,000	42,894,270
Green Acres Trust Loan Payable	C-10	1,000,842	1,173,666
Improvement Authorizations:			
Funded	C-11	2,236,925	2,855,175
Unfunded	C-11	24,562,867	22,307,850
Reserve for Encumbrances	C-12	5,683,049	12,637,840
Capital Improvement Fund	C-13	680,327	913,577
Reserve for Hazmat Funds - Due from Grant	C-14	17,630	17,630
Reserve for Green Acres - 1600 Adams Street	C-14	200,000	200,000
Reserve for Green Acres - 1600 Park Avenue	C-14	341,000	341,000
Reserve for Unappropriated Reserve	C-14	283,250	
Reserve for Grants Receivable:			
Reconstruction of Pier C	C-14	2,609,521	2,609,521
Impr. to 1600 Park Ave & Hoboken Cove	C-14	19,974	
Fund Balance	C-1	344,741	992,151
		<u>\$ 106,951,568</u>	<u>117,460,122</u>

There were \$32,209,025 and \$27,907,301 of Bonds and Notes Authorized but Not Issued on December 31, 2013 and December 31, 2012 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 December 31,

	<u>2013</u>	<u>2012</u>
Balance, December 31,	\$ 992,151	2,422,966
Increased by:		
Premium on Sale of Bond Anticipation Notes	<u>344,740</u>	<u>169,185</u>
	1,336,891	2,592,151
Decreased by:		
Budgeted Revenue	<u>992,150</u>	<u>1,600,000</u>
Balance, December 31,	<u>\$ 344,741</u>	<u>992,151</u>

See accompanying notes to the financial statements.

CITY OF HOBOKEN, N.J.

Comparative Balance Sheet - Regulatory Basis

Parking Utility Fund

December 31, 2013 and 2012

<u>Assets</u>		<u>2013</u>	<u>2012</u>
Parking Utility Operating Fund:			
Cash	D-4	\$ 3,542,415	2,958,549
Due From Parking Utility Capital Fund	D-5	<u>                    </u>	<u>200</u>
Total Parking Utility Operating Fund		<u>3,542,415</u>	<u>2,958,749</u>
Capital Fund:			
Cash	D-4	346,307	517,000
Fixed Capital	D-11	45,157,185	45,157,185
Fixed Capital Authorized and Uncompleted	D-12	<u>15,741,120</u>	<u>1,600,000</u>
Total Capital Fund		<u>61,244,612</u>	<u>47,274,185</u>
		<u>\$ 64,787,027</u>	<u>50,232,934</u>

## CITY OF HOBOKEN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Parking Utility Fund

December 31, 2013 and 2012

		<u>2013</u>	<u>2012</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Parking Utility Operating Fund:			
Appropriation Reserves	D-3,6	523,852	1,165,480
Security Deposits	D-7	233,776	233,776
Accrued Interest on Bonds and Notes	D-8	435,536	408,969
Reserve for Encumbrances	D-9	525,915	150,552
Reserve for Retro Pay - HPU	D-10	500,000	
Fund Balance	D-1	<u>1,323,336</u>	<u>999,972</u>
Total Parking Utility Operating Fund		<u>3,542,415</u>	<u>2,958,749</u>
Capital Fund:			
Interfund Accounts Payable:			
Due to General Capital Fund	D-13	1,600,000	1,600,000
Due to Parking Utility Operating Fund	D-14		200
Bond Anticipation Notes	D-15	5,494,000	5,800,000
Serial Bonds Payable	D-16	16,295,000	17,545,000
Capital Lease Payable	D-17	141,120	
Improvement authorization:			
Unfunded	D-18	14,546,307	716,800
Reserve for:			
Amortization	D-19	<u>23,168,185</u>	<u>21,612,185</u>
Total Capital Fund		<u>61,244,612</u>	<u>45,674,185</u>
		<u>\$ 64,787,027</u>	<u>48,632,934</u>

There were \$15,800,000 and \$1,800,000 of Bonds and Notes Authorized But Not Issued on December 31, 2013 and December 31, 2012 respectively (Exhibit D-20).

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

Year Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenue and other income:		
Fund Balance Utilized	\$ 792,223	1,474,500
Revenues Anticipated	14,567,214	14,311,090
Miscellaneous Revenues not Anticipated	38,879	
Unexpended balance appropriation reserve	235,387	105,254
Total revenue and other income	<u>15,633,703</u>	<u>15,890,844</u>
Expenditures:		
Operating	7,574,135	8,406,842
Capital Improvements	444,000	110,000
Debt service	2,374,981	2,293,658
Deferred charges and statutory expenditures	625,000	620,000
Surplus (General Budget)	3,500,000	3,500,000
Total expenditures	<u>14,518,116</u>	<u>14,930,500</u>
Excess in revenues	1,115,587	960,344
Fund balance, Beginning	<u>999,972</u>	<u>1,514,128</u>
	2,115,559	2,474,472
Decreased by utilization by parking operating budget	<u>792,223</u>	<u>1,474,500</u>
Balance, Ending	<u>\$ 1,323,336</u>	<u>999,972</u>

See accompanying notes to financial statements.

CITY OF HOBOKEN, N.J.

Statement of Revenues - Regulatory Basis

Parking Utility Operating Fund

Year Ended December 31, 2013

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus Anticipated	\$ 792,223	792,223	
Parking Fees - Continuing Operations	8,984,000	9,315,496	331,496
Permits	1,331,000	1,738,510	407,510
Coupons	299,600	252,376	(47,224)
Boot Releases	700,000	515,595	(184,405)
Meter Income	2,500,000	2,420,876	(79,124)
Rentals	85,000	74,286	(10,714)
Miscellaneous	<u>                    </u>	<u>250,075</u>	<u>250,075</u>
	<u>\$ 14,691,823</u>	<u>15,359,437</u>	<u>667,614</u>
		Surplus Anticipated \$ 792,223	
		Cash <u>14,567,214</u>	
		<u>\$ 15,359,437</u>	

See accompanying notes to financial statements.

## CITY OF HOBOKEN, N.J.

## Statement of Expenditures - Regulatory Basis

## Parking Utility Operating Fund

Year Ended December 31, 2013

	Appropriations		Paid or charged	Reserved	Canceled
	Budget	Budget after Modification			
Operating:					
Salaries and Wages	\$ 3,350,364	3,350,364	3,348,925	1,439	
Other Expenses	3,067,400	3,067,400	2,677,119	390,281	
Other Expenses - Group Health Benefits	1,156,371	1,156,371	1,156,371		
Total Operating	7,574,135	7,574,135	7,182,415	391,720	
Capital Improvements					
Capital Outlay	444,000	444,000	311,868	132,132	
Total Capital Improvements	444,000	444,000	311,868	132,132	
Debt Service:					
Payment of Bond Principal	1,250,000	1,250,000	1,250,000		
Payment of Note Principal	306,000	306,000	306,000		
Interest on Bonds	851,928	851,928	681,734		170,194
Interest on Notes	140,760	140,760	137,247		3,513
	2,548,688	2,548,688	2,374,981		173,707
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Prior Years Bill:					
M&A Investments - Trustee Fees	5,000	5,000	5,000		
Statutory Expenditures - Contribution to:					
Public Employees' Retirement System	250,000	250,000	250,000		
Social Security	280,000	280,000	280,000		
Unemployment Compensation	90,000	90,000	90,000		
Total Deferred Charges and Statutory Expenditures	625,000	625,000	625,000		
Surplus (General Budget)	3,500,000	3,500,000	3,500,000		
	\$ 14,691,823	14,691,823	13,994,264	523,852	173,707
			Cash Disbursed \$ 12,649,368		
			Encumbered 525,915		
			Accrued Interest 818,981		
			\$ 13,994,264		

See accompanying notes to financial statements.

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CITY OF HOBOKEN, N.J.

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2013 and 2012

	<u>2013</u>	Restated <u>2012</u>
General Fixed Assets:		
Land	\$ 14,141,602	13,656,500
Buildings and Improvements	37,329,488	36,200,800
Equipment	4,073,269	3,314,774
Vehicles	<u>10,257,224</u>	<u>9,202,084</u>
	<u>65,801,583</u>	<u>62,374,158</u>
Investment in General Fixed Assets	\$ <u>65,801,583</u>	<u>62,374,158</u>

See accompanying notes to financial statements.

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**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**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 DECEMBER 31, 2013 AND 2012**  
**(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.

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.

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.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

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

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

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 the 11<sup>th</sup> day of the 11<sup>th</sup> month of the current year that taxes are levied, 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 DECEMBER 31, 2013 AND 2012**  
**(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 DECEMBER 31, 2013 AND 2012**  
**(continued)**

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

Basis of Accounting, (continued)

During the year ended December 31, 2013, the Council approved additional revenues and appropriations of \$1,270,639 in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body. The Council also approved \$600,000 of special emergency appropriations for Hurricane Sandy expenditures.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. 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 December 31 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.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

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

Basis of Accounting, (continued)

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.

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 DECEMBER 31, 2013 AND 2012**  
**(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 December 31, 2013, \$-0- of the City's bank balance of \$49,435,223 was exposed to custodial credit risk.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(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 December 31, 2013 consisted of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Bonds Payable:</b>					
General Obligation Debt	\$30,522,442	\$	\$3,555,000	\$26,967,442	\$3,775,000
Parking Utility Obligation Debt	<u>17,545,000</u>	<u>          </u>	<u>1,250,000</u>	<u>16,295,000</u>	<u>1,270,000</u>
Total Bonds Payable	<u>48,067,442</u>	<u>          </u>	<u>4,805,000</u>	<u>43,262,442</u>	<u>5,045,000</u>
<b>Other Liabilities:</b>					
Green Acres Trust Loan	1,173,666		172,824	1,000,842	176,247
Pension Deferrals Payable	2,997,732		159,116	2,838,616	177,485
Compensated Absences Payable	<u>14,987,333</u>	<u>18,193</u>	<u>5,160,066</u>	<u>* 9,845,460</u>	<u>          </u>
Total Other Liabilities	<u>19,158,731</u>	<u>18,193</u>	<u>5,492,006</u>	<u>13,684,918</u>	<u>353,732</u>
	<u>\$67,226,173</u>	<u>\$18,193</u>	<u>\$10,297,006</u>	<u>\$56,947,360</u>	<u>\$5,398,732</u>

\* - Current year balance was adjusted to reflect actual amounts outstanding. The prior year was estimated and did not reflect actual amounts of accumulated absences.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(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:

	Year Ended December 31, <u>2013</u>	Year Ended December 31, <u>2012</u>	Year Ended December 31, <u>2011</u>
Issued:			
General Bonds, Notes and Loans	\$69,972,284	\$74,585,377	\$66,553,816
Parking Utility Bonds, Notes and Loans	21,789,000	23,345,000	24,730,000
Local School District Debt		268,280	
Hoboken Hospital Authority*			<u>48,230,000</u>
Net Debt Issued	<u>91,761,284</u>	<u>98,198,657</u>	<u>139,513,816</u>
Authorized But Not Issued:			
General Bond, Notes and Loans	32,209,025	27,907,301	39,907,301
Parking Utility Bonds, Notes and Loans	<u>15,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>
Total Authorized But Not Issued	<u>48,009,025</u>	<u>29,707,301</u>	<u>41,707,301</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$139,770,309</u>	<u>\$127,905,958</u>	<u>\$181,221,117</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 1.005% for 2013.

<b><u>2013</u></b>	<b><u>Gross Debt</u></b>	<b><u>Deductions</u></b>	<b><u>Net Debt</u></b>
Parking Utility Debt	\$37,589,000	\$37,589,000	
General Debt	<u>102,181,309</u>	<u>341,000</u>	<u>101,840,309</u>
	<u>\$139,770,309</u>	<u>\$37,930,000</u>	<u>\$101,840,309</u>

Net Debt \$101,840,309 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$10,132,594,885 equals 1.005%.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS,  
(continued)

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 1.037% for 2012.

<u>2012</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$268,280	\$268,280	\$0
Parking Utility Debt	25,145,000	25,145,000	0
General Debt	<u>102,492,678</u>	<u>341,000</u>	<u>102,151,678</u>
	<u>\$127,905,958</u>	<u>\$25,754,280</u>	<u>\$102,151,678</u>

Net Debt \$102,151,678 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$9,847,950,817 equals 1.037%.

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

	<u>2013</u>	<u>2012</u>
3 ½% of equalized valuation basis (municipal)	\$354,640,821	\$344,678,279
Net Debt	<u>101,840,309</u>	<u>102,151,678</u>
Remaining borrowing power	<u>\$252,800,512</u>	<u>\$242,526,601</u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE", PARKING UTILITY PER  
N.J.S.A. 40A:2-45

	<u>2013</u>	<u>2012</u>
Cash receipts from fees, rents or other charges for year	\$15,398,316	\$15,785,590
Deductions:		
Operating and Maintenance Cost	8,199,135	9,026,842
Debt Service	<u>2,374,981</u>	<u>2,293,658</u>
Total Deductions	<u>\$10,574,116</u>	<u>\$11,320,500</u>
Excess in Revenue - Self Liquidating	<u>\$4,824,200</u>	<u>\$4,465,090</u>

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The City's long term debt consisted of the following at December 31, 2013 and 2012:

	<u>Amount Outstanding</u>	
	<u>2013</u>	<u>2012</u>
<u>General Obligation Bonds - Paid by Current Fund</u>		
\$7,382,000 Early Retirement Pension Refunding Bonds - with an interest rate of 5.45% to 7.14%, issued August 1, 2003, due through April 1, 2033	\$6,972,442	\$7,112,442
\$38,325,000 Refunding Serial Bonds - with an interest rate of 5.45% to 6.00%, issued November 1, 2003, due through February 1, 2018	<u>19,990,000</u>	<u>23,405,000</u>
	<u>\$26,962,442</u>	<u>\$30,517,442</u>

Green Acres Loans - Paid By Current Fund

The City has three 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:

	<u>Amount Outstanding</u>	
	<u>2013</u>	<u>2012</u>
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	\$260,101	\$360,573
The 2003 Castle Point Park project award is at a rate of 2.0%, 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	181,446	200,844
The 2005 Multiple Park Project award is at a rate of 2.0%, 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	<u>559,295</u>	<u>612,249</u>
	<u>\$1,000,842</u>	<u>\$1,173,666</u>

Parking Utility Bonds - Paid by Parking Utility Fund

	<u>Amount Outstanding</u>	
	<u>2013</u>	<u>2012</u>
\$26,530,000 Parking Utility General Obligation Bonds Series 2002 - with an interest rate of 3.80% to 5.25% issued January 1, 2003, due through January 1, 2023	<u>16,295,000</u>	<u>\$17,545,000</u>
	<u>\$16,295,000</u>	<u>\$17,545,000</u>

**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The City's principal and interest for bonded debt and loans issued and outstanding as of December 31, 2013 is as follows:

	General Capital				Parking Utility		
	General Bonds		Green Acres Loan		Parking Bonds		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2014	\$3,775,000	\$1,315,519	\$176,298	\$19,140	\$1,270,000	\$778,425	\$7,334,382
2015	4,010,000	1,106,675	179,841	15,596	1,320,000	718,375	7,350,487
2016	4,260,000	884,604	129,865	11,981	1,390,000	647,238	7,323,688
2017	4,495,000	649,374	78,348	9,907	1,460,000	572,425	7,265,054
2018	4,760,000	400,634	79,923	8,332	1,540,000	493,675	7,282,564
2019-2023	2,180,000	1,036,750	356,567	17,260	9,315,000	1,176,463	14,082,040
2024-2028	2,446,576	2,117,562					4,564,138
2029-2033	<u>1,035,867</u>	<u>6,164,133</u>					<u>7,200,000</u>
	<u>\$26,962,443</u>	<u>\$13,675,251</u>	<u>\$1,000,842</u>	<u>\$82,216</u>	<u>\$16,295,000</u>	<u>\$4,386,601</u>	<u>\$62,402,353</u>

**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.

In November 2011, the HMHA completed negotiations with Bayonne Medical Center (BMC) to purchase the Hoboken Hospital. The sale was completed and ownership was transferred to Hoboken University Medical Center Hold Co., a for profit entity, whose purchase of the hospital from the HMHA defeased the bonds guaranteed by the City of Hoboken.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**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 December 31, 2013 and 2012, the City had \$42,009,000 and \$42,894,270, respectfully, in outstanding General Capital Bond Anticipation Notes. The City also had \$5,494,000 and \$5,800,000 of Parking Utility Capital Bond Anticipation Notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2013 and 2012:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
General Capital Fund (through Hudson County Improvement Authority)	\$42,894,270	\$42,009,000	\$42,894,270	\$42,009,000
Parking Utility Capital Fund (through Hudson County Improvement Authority)	<u>5,800,000</u>	<u>5,494,000</u>	<u>5,800,000</u>	<u>5,494,000</u>
	<u>\$48,694,270</u>	<u>\$47,503,000</u>	<u>\$48,694,270</u>	<u>\$47,503,000</u>

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
General Capital Fund (through Hudson County Improvement Authority)	\$31,338,290	\$42,894,270	\$31,338,290	\$42,894,270
Parking Utility Capital Fund (through Hudson County Improvement Authority)	<u>6,000,000</u>	<u>5,800,000</u>	<u>6,000,000</u>	<u>5,800,000</u>
	<u>\$37,338,290</u>	<u>\$48,694,270</u>	<u>\$37,338,290</u>	<u>\$48,694,270</u>

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**NOTE 5. SPECIAL EMERGENCY NOTES**

Following the adoption of an ordinance or resolution for special emergency appropriations, the City may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/3 or 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the third or fifth year following the date of the special emergency resolution.

On December 31, 2013 and 2012, the City had \$6,440,000 and \$8,050,000, respectfully, in outstanding Current Fund Special Emergency notes.

The following activity related to special emergency notes occurred during the calendar years ended December 31, 2013 and 2012:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
TD Securities	<u>\$8,050,000</u>	<u>\$6,440,000</u>	<u>\$8,050,000</u>	<u>\$6,440,000</u>
	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Investors Bank	<u>\$</u>	<u>\$8,050,000</u>	<u>\$</u>	<u>\$8,050,000</u>

**NOTE 6. OPERATING LEASES PAYABLE**

The City has entered into Operating Lease Purchase Agreements for the acquisition of automatic license plate readers for the Parking Utility. Principal and interest payments for the equipment are due annually through 2018. The following is a schedule of the future minimum lease payments under the agreements, and the present value of the net minimum lease payments at December 31, 2013:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2014	\$53,491	\$52,605	\$886
2015	23,491	21,338	2,153
2016	23,491	21,857	1,634
2017	23,490	22,388	1,102
2018	<u>23,491</u>	<u>22,933</u>	<u>558</u>
	<u>\$147,454</u>	<u>\$141,121</u>	<u>\$6,333</u>

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**NOTE 7. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	Balance Dec. 31,	Subsequent Year Budget Appropriation	Balance Succeeding Year Budget
<u>2013</u>			
Current Fund:			
Overexpenditure of Appropriations Reserves	\$1,619,391	\$1,619,391	\$
Special Emergency Authorizations:			
Revaluation of Real Property	1,040,000	260,000	780,000
Hurricane Sandy	5,400,000	1,350,000	4,050,000
Hurricane Sandy Amendment	<u>480,000</u>	<u>120,000</u>	<u>360,000</u>
Total Deferred Charges	<u>\$8,539,391</u>	<u>\$3,349,391</u>	<u>\$5,190,000</u>
	Balance Dec. 31,	Subsequent Year Budget Appropriation	Balance Succeeding Year Budget
<u>2012</u>			
Current Fund:			
Emergency Authorizations	\$105,000	\$105,000	\$
Overexpenditure of Appropriations Reserves	3,238,784	1,619,393	1,619,391
Overexpenditure of Appropriations	1,009	1,009	
Special Emergency Authorizations:			
Revaluation of Real Property	1,300,000	260,000	1,040,000
Hurricane Sandy	6,750,000	1,350,000	5,400,000
Federal and State Grant Fund:			
Overexpenditure of Appropriations	<u>18,260</u>	<u>18,260</u>	<u>          </u>
Total Deferred Charges	<u>\$11,413,053</u>	<u>\$3,353,662</u>	<u>\$8,059,391</u>

**NOTE 8. 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.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems, (continued)

*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 certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. 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 1/55th 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. 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.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems, (continued)

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

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

*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 compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. 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.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

*Police and Firemens' Retirement System (PFRS), (continued)*

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.

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 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. 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>PERS</u>	<u>PFRS</u>
December 31, 2013	\$1,573,815	\$6,269,414
December 31, 2012	1,549,592	6,468,188
December 31, 2011	1,051,735	7,200,973

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Defined Contribution Retirement Program, (continued)

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

**NOTE 9. 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. Employees are allowed to accumulate unused vacation pay and redeem such unused time in cash (with certain limitations) upon death or retirement.

The estimated accumulated vacation time liability as of December 31, 2013 and 2012 was \$9,845,460 and \$14,987,333, respectively.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**NOTE 10. FIXED ASSETS**

The following is a summary of General Fixed Assets Account Group as of December 31, 2013:

	Restated Balance <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2013</u>
Land	\$13,656,500	\$485,102	\$	\$14,141,602
Building and Improvements	36,200,800	1,128,688		37,329,488
Equipment	3,314,774	758,495		4,073,269
Vehicles	<u>9,202,084</u>	<u>1,055,140</u>		<u>10,257,224</u>
	<u>\$62,374,158</u>	<u>\$3,427,425</u>	<u>\$</u>	<u>\$65,801,583</u>

**NOTE 11. DUE TO/FROM OTHER FUNDS**

Balances due from/to other funds at December 31, 2013 consist of the following:

\$1,600,000	Due to the General Capital Fund from the Parking Utility Capital Fund for interfund advance.
904	Due to the Current Fund from the Animal License Trust Fund for statutory excess.
4,488	Due to the Current Fund from the Other Trust Fund for reimbursement of expenses.
636	Due to the Current Fund from the Escrow Trust Fund for interest earnings.
5	Due to the Section 8 Housing Trust Fund from the Current Fund for reimbursement of expenses paid
489	Due to the Law Enforcement Trust Fund from the Current Fund for receipts deposited in error.
105,000	Due to the Community Development Trust Fund from the Federal and State Grant Fund for reimbursement of expenses paid.
1,154,975	Due to the Current Fund from the Federal and State Grant Fund for reimbursement on expenses and net cancellations.
827	Due to the Current Fund from the Flexible Spending Fund for reimbursement of expenses paid.
<u>29,530</u>	Due to the Current Fund from the Community Development Trust Fund for receipts deposited in error.
<u>\$2,896,854</u>	

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

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**NOTE 12. RISK MANAGEMENT**

The City is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has obtained insurance coverage to guard against these events which will provide minimum exposure to the City should they occur. During the 2013 calendar year, the City did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The City of Hoboken is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City of Hoboken is a member of the Garden State Municipal Joint Insurance Fund (the "JIF"). The JIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage for member municipalities. The City of Hoboken pays an annual assessment to the JIF and should it be determined that payments received by the JIF are deficient, additional assessments may be levied.

The JIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The JIF's members are also members of the New Jersey Municipal Environmental Risk Management Fund which provides commercial insurance coverage for environmental impairment liability.

The JIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program arranged by the MEL acting as a lead agency.

Financial statements for the Funds are available at the office of the Funds' Executive Director, Conner Strong/PERMA Risk Management Services.

The City of Hoboken continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**NOTE 13. 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>Dec. 31, 2013</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Prepaid Taxes	<u>\$858,214</u>	<u>\$856,040</u>
Cash Liability for Taxes Collected in Advance	<u>\$858,214</u>	<u>\$856,040</u>

**NOTE 14. 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 v. Ponte Equities, Inc., et al.**  
**Docket No. L-4095-12**

This matter commenced with the filing of a Verified Complaint in eminent domain on August 23, 2012 to acquire several lots in Block 12 in return for the payment of compensation of \$2.35 M. to the property owners. The matter was dismissed without prejudice on January 3, 2013 and several actions were ordered to be taken by the Court. The January 3, 2013 Order also allowed the City to move to reinstate the Complaint or an Amended Complaint after the terms of the Order were fulfilled.

The City moved to reinstate the Complaint and other related relief. On August 14, 2013, the Honorable Peter F. Bariso ordered that an Amended Complaint be reinstated to acquire said property for the increased amount offered by the City of \$2.937M. and that three disinterested Commissioners be appointed to establish the value of the property. The Court further ordered that the City pay Defendants reasonable counsel fees for bringing the original motion to dismiss the City's Complaint. Defendant's counsel filed an Affidavit of Services with the Court and the City challenged the reasonableness thereof. The Court reduced the requested counsel fees from \$64,776.15 to \$16,118.65.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)**

In reinstating the complaint, the Court established a pre-Commissioner's hearing to determine the date of valuation. Defendants sought to have the date of valuation set at June 11, 2008, the date that the City took certain actions that allegedly detrimentally impacted the value of the property. During the post-balance period, the hearing was held and the Court denied Defendant's request, setting the valuation date as August 23, 2012, the date the original Verified Complaint was filed. In this post-balance period we are preparing for the Commissioner's Hearing which will establish the initial value of the property as of August 23, 2012.

At this time, there are no claims being made outside of the value of the property as of August 23, 2012.

**DeNardo v. City of Hoboken - HUD-L-00690-10**

Plaintiff's filed a class action lawsuit against the City of Hoboken indicating that for the last 25 years the City has engaged in a violation of the civil property rights of all landowners by its confiscatory application of the Chapter 155-1 et seq. – the Rental Control Ordinance. The Class Plaintiff's allege that the City Administered Rent Control in an arbitrary, capricious and unreasonable manner. The Complaint alleges the following three causes of action:

Count I – alleges violations of the New Jersey Civil Rights Act through the confiscatory application of the Ordinance.

Count II – alleges violations of civil rights under 42 U.S.C. §§ 1983 and 1988 through the confiscatory application of the Ordinance.

Count III – seeks injunctive relief against the continued enforcement of the Rent Control Ordinance.

The City's exposure in this matter could be well in excess of \$32,000.00 and could be \$1,000,000.00 or higher since damages are sought for an entire class of Plaintiffs. On June 11, 2013 this firm obtained a complete dismissal of the lawsuit by the Hudson County Superior Court – Law Division. Plaintiffs filed a motion for reconsideration which was denied.

The matter is currently on appeal, having been fully briefed, at the Appellate Division. No oral argument date has yet been set.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)**

**Tartaglia v. City of Hoboken**

This matter was argued on December 12, 2013, and Plaintiff's prevailed. The City's financial exposure is three hundred fifty thousand, nine hundred and eight dollars (\$350,908.00). The remaining balance of eight hundred and eighteen thousand, seven hundred eighty-four dollars (\$818,784.00) will be paid over the next two years (2015-2016).

**Belfiore v. City of Hoboken**

The City elected to resolve this matter. The financial exposure is eight hundred and two thousand dollars (\$802,000).

**Jonathan Cummins v. City of Hoboken**

This matter is before the Appellate Division. Cummins was terminated after a breach in email security was linked to the I.T. department. Should Cummins be reinstated, the City's financial exposure for back-pay is estimated at one-hundred forty thousand dollars (\$140,000).

**Judith Smith and Ivy Baron v. City of Hoboken**

**Docket No. HUD-L-5005-13**

**Ramos, 107 Jefferson Street**  
**Moyeno, 105 Jefferson Street**

These actions all involve damage allegedly caused by a spill from an underground storage tank located on City owned property where the Boys & Girls Club is located. These matters are in the early stages of discovery. An Answer as well as a Third Party Complaint have now been filed. Investigative work as well as expert testing along with title work will then be performed. I anticipate motion practice based upon the City's possible exemption from certain Spill Act liability. I further anticipate disputes over discovery and motion practice concerning same.

As detailed in recent correspondence with the City, Counsel for the Plaintiffs has reached out to discuss settlement. Settlement would involve assisting the home owners in obtaining grants to pay for any required site remediation. The City's Construction Officer has also recently performed a site visit and is working with structural engineers for the Plaintiffs to determine if the subject parcels contain "unsafe structures". Depositions of multiple experts and plaintiffs will also be required.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)**

The Plaintiffs have not yet made a monetary demand. Answers to interrogatories indicate approximately \$800,000 in potential damages.

**Angel Alicea v. Dawn Zimmer and the City of Hoboken**  
**Superior Court of New Jersey, Law Division, Hudson County**  
**Docket No. L-005680-11**

1. On December 12, 2013, the trial judge dismissed the CEPA claim against both Defendants. On December 18, 2013, a jury found that Mayor Dawn Zimmer was not liable for violating the NJLAD, found that the City was liable for violating the NJLAD and awarded compensatory damages in the amount of \$440,000. On January 2, 2014, the jury awarded the Plaintiff an additional \$625,000 in punitive damages. On March 6, 2014, the Court awarded Plaintiff's counsel \$132,605.50 in legal fees and costs.
2. The City has appealed the judgment and its appeal is pending. Plaintiff has cross-appealed the dismissal of his CEPA claim. The City is engaged in negotiations with Plaintiff's counsel to attempt to settle the matter while on appeal.
3. The City is confident about its position on the appeal.
4. The possible loss is equal to the amounts awarded by the Court and the Jury, see ¶2 above, plus additional legal fees incurred in prosecuting the appeal and cross-appeal.

**Tax Appeals**

There were approximately 140 tax appeal cases pending at the State Tax Court at December 31, 2013. These cases, when resolved, will be paid by future taxation or reserve for tax appeals. The reserve for tax appeals at December 31, 2013 has a balance of \$1,058,108.

**NOTE 15. 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.

**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
(continued)**

**NOTE 15. DUE TO HOBOKEN PARKING AUTHORITY/HOBOKEN PARKING UTILITY,  
(continued)**

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, 2013 and December 31, 2012, was \$64,950. The aggregate amount due to HPA is \$2,425,066 and \$2,360,116 as of December 31, 2013 and December 31, 2012, respectively.

**NOTE 16. FUND BALANCES**

Fund balances as of December 31, 2013 that have been anticipated as revenue in the 2014 budget is as follows:

Current Fund	\$9,838,522
Public Parking System Utility Operating Fund	\$1,182,550

**NOTE 17. POST RETIREMENT MEDICAL BENEFITS**

**Plan Description**

The City provides a post-employment healthcare plan for its eligible retirees and their spouses. The plan is a single-employer defined benefit healthcare plan administered by the City. In accordance with City ordinances, contracts and/or policies, the City provides payment of insurance premiums after retirement upon request by the retiree the entire cost of the premiums for health insurance selected by the City which shall include administrative fees and eligible dependents who have retired after 25 years or more of service credit in a State administered retirement system and a period of 25 years with the City at the time of retirement; or who have retired and reached the age of 65 years or older with 25 years or more of service credit in a State administered retirement system and a period of service of 15 years with the City at the time of retirement.

**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
(continued)**

**NOTE 17. POST RETIREMENT MEDICAL BENEFITS, (continued)**

The City shall assume upon request by the retiree fifty (50%) percent of the costs for health insurance premiums selected by the City which shall include administrative fees and eligible dependents for retirees from a State administered retirement system who have retired and reached the age of 62 years or older with at least 15 years of service with the City; or who have retired on a disability pension with at least 10 years of service with the City.

**Covered Benefits**

Medical, prescription drugs, dental and vision benefits are offered to certain pre-65 and post-65 retirees on a fully insured basis through Horizon Blue Cross Blue Shield of New Jersey. Upon completing twenty-five (25) years of service, retiree is eligible for full coverage including medical, pharmacy, dental, and vision benefits. If employee retires at age 62 or later with 20 to 24 years of service, then eligible for medical and pharmacy benefits only. Retirees and spouses that are eligible for Medicare receive reimbursements for their Medicare Part B premium payments.

The number of retirees receiving premium-free benefits as of January 1, 2013, the effective date of the biannual Other Post-Employment Benefit, herein referred to as "OPEB", valuation is 482. Active employees number 984 as of the same valuation date.

**Funding Policy**

The required contribution is funded on a pay-as-you-go basis.

**Annual OPEB Cost and Net OPEB Obligation**

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan.

Annual Required Contribution	\$33,259,803
Interest on Net OPEB Obligation	
Adjustment to ARC	
	_____
Total Annual OPEB Cost (Expense)	33,259,803
Contributions Made	(10,268,335)
	_____
Increase in Net OPEB Obligation	22,991,468
Net OPEB Obligation – Beginning of Year	
Net OPEB Obligation – End of Year	\$22,991,468

**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
(continued)**

**NOTE 17. POST RETIREMENT MEDICAL BENEFITS, (continued)**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years 2013, 2012 and 2011 were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligations</u>
December 31, 2013	\$ 10,268,335	30.87	\$ 22,991,468
December 31, 2012	7,670,000	25.17	22,801,517
December 31, 2011	Not available		Not available

**Funded Status and Funding Progress**

As of December 31, 2013 the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$458,114,337, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$458,114,337.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan member) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2013, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 5.0 percent investment rate of return (net of administrative expense) which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(continued)**

**NOTE 17. POST RETIREMENT MEDICAL BENEFITS, (continued)**

funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5 percent after five years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investment over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013 was 30 years.

**NOTE 18. RETROACTIVE RESTATEMENT DUE TO UPDATED FIXED ASSET SCHEDULE**

During 2013, the City's fixed asset report was updated to reflect adjustments not made prior to the issuance of the December 31, 2012 audit report. The City's fixed asset report had not been updated since 2004. When reviewing the 2004 report, it was discovered that land improvements were included; however, the value of land was excluded. Also, Equipment and Vehicles have been reported together in previous reports and have been separated in the current year report. The following adjustments have been made to the General Fixed Assets Group as of December 31, 2012.

	Balance		Restated
	<u>Dec. 31, 2012</u>	<u>Restatement</u>	<u>Balance</u>
			<u>Dec. 31, 2013</u>
Land	\$229,500	\$13,427,000	\$13,656,500
Building and Improvements	27,987,274	8,213,526	36,200,800
Equipment	8,168,216	(4,853,442)	3,314,774
Vehicles		<u>9,202,084</u>	<u>9,202,084</u>
	<u>\$36,384,990</u>	<u>\$25,989,168</u>	<u>\$62,374,158</u>

**NOTE 19. SUBSEQUENT EVENTS**

On January 22, 2014, the City awarded the sale of \$10,980,000 Parking Utility Capital Improvement Refunding Bonds at an interest rate of 1.250% to 5.00%. The Bonds will mature over nine years with the first maturity due January 1, 2015.

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**SUPPLEMENTARY DATA AND SCHEDULES**

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**CITY OF HOBOKEN**

**Supplementary data**

Comparative Schedule of Tax Rate Information

	Year ended December 31, <u>2013</u>	Year ended December 31, <u>2012</u>	Year ended December 31, <u>2011</u>
Tax rate	<u>4.798</u>	<u>4.750</u>	<u>4.621</u>
Apportionment of tax rate:			
Municipal	1.803	1.841	1.844
School	1.241	1.238	1.221
County	<u>1.754</u>	<u>1.671</u>	<u>1.556</u>
	<u>Assessed Value</u>		
	2013		\$ 3,029,016,830
	2012		2,969,743,789
	2011		3,010,230,709

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Collections</u>	<u>Percentage of Collection</u>
2013	\$ 146,136,303	144,492,333	98.88%
2012	145,788,683	141,501,181	97.06%
2011	140,400,124	135,682,665	96.64%

Delinquent Taxes and Tax Title Liens

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

<u>Dec. 31</u>	<u>Amount of delinquent taxes</u>	<u>Tax title liens</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2013	\$ 1,164,281	426,922	1,591,203	1.09%
2012	1,545,434	422,339	1,967,773	1.35%
2011	2,297,349	433,044	2,730,393	1.94%

**CITY OF HOBOKEN**

**Supplementary data**

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2013 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by litigation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>		<u>Amount</u>
2013	\$	2,806,900
2012		2,806,900
2011		2,806,900

Comparative Schedule of Fund Balance

	<u>Year</u>	<u>Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund			
Twelve Months ended December 31, 2013	\$	22,454,044	9,838,522
Twelve Months ended December 31, 2012		19,221,457	9,838,522
Twelve Months ended December 31, 2011		19,104,592	6,012,671
Six Months ended December 31, 2010		25,850,342	9,585,000
Twelve Months ended June 30, 2010		20,613,946	1,900,000
Parking Utility Operating Fund			
Twelve Months ended December 31, 2013		1,323,336	1,182,550
Twelve Months ended December 31, 2012		999,972	792,223
Twelve Months ended December 31, 2011		1,514,128	1,474,500
Six Months ended December 31, 2010		4,008,783	3,972,791
Twelve Months ended June 30, 2010		1,917,298	131,000

# CITY OF HOBOKEN

## Supplementary Data

### Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>
Dawn Zimmer	Mayor	
Ravinder Bhalla	Councilmember	
David Mello	Councilmember	
Theresa Castellano	Councilmember	
Elizabeth Mason	Councilmember	
Michael Russo	Councilmember	
Jennifer Giattino	Councilmember	
Tim Occhipinti	Councilmember	
Peter Cunningham	Councilmember	
Quentin Wiest	Business Administrator	(A)
James J. Farina	City Clerk	(A)
George DeStefano	Chief Financial Officer	(A)
Sharon Curran	Tax Collector	(A)
Michael Mongiello	Municipal Court Judge	(A)
Cataldo Fazio	Municipal Court Judge	(A)
Rose Ann Gohde	Municipal Court Administrator	(A)

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

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## CITY OF HOBOKEN, N.J.

## Cash Receipts and Disbursements -Treasurer

## Current Fund

Year Ended December 31, 2013

	Current Fund	Federal and State Grant Fund
Balance December 31, 2012	\$ 34,247,828	565,641
Increased by Receipts:		
Tax Collector	144,961,272	
Miscellaneous Revenue Not Anticipated	1,833,562	
Interfunds Received	41,958	43,180
Due From State of New Jersey	32,908	
Revenue Accounts Receivable	38,378,869	
Tax Title Lien	1,686	
Tax Overpayments	703,756	
Prepaid Taxes	858,214	
Special Emergency Note	6,440,000	
Various Reserves	911,155	
Unappropriated Reserves for Grants		15,341
State and Federal Grants Receivable		2,484,236
	<u>194,163,380</u>	<u>2,542,757</u>
	228,411,208	3,108,398
Decreased by:		
Current Year Budget Appropriations	85,406,732	
Appropriation Reserves	3,078,586	
Tax Overpayments	500,032	
County Taxes Payable	54,507,191	
Local District School Taxes	37,577,916	
Accounts Payable	8,789	
Open Space Taxes	605,409	
Various Reserves	7,706,215	
Interfunds	198,134	
Change Fund	100	
Special Emergency Notes	8,050,000	
Appropriated Reserves for Grants		1,395,134
Encumbrances Payable		1,186,966
	<u>197,639,104</u>	<u>2,582,100</u>
Balance December 31, 2013	<u>\$ 30,772,104</u>	<u>526,298</u>

CITY OF HOBOKEN, N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2013

Balance December 31, 2012	\$	300
Increased by:		
Cash Receipt		<u>100</u>
Balance December 31, 2013	\$	<u><u>400</u></u>
Analysis of Balance:		
Tax Collector	\$	300
Construction Code		<u>100</u>
	\$	<u><u>400</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 December 31, 2013

Balance December 31, 2012		\$	31,901
Increased by:			
Senior Citizens' Deductions Per Tax Billing	\$	11,000	
Veterans' Deductions Per Tax Billing		31,500	
Senior Citizen's, Veteran's, and Disabled Allowed		<u>250</u>	
			<u>42,750</u>
			74,651
Decreased by:			
Senior Citizen Deductions Disallowed		3,000	
State Share of Senior Citizens and Veteran Deductions Received in Cash		<u>32,908</u>	
			<u>35,908</u>
Balance December 31, 2013		\$	<u><u>38,743</u></u>

Schedule of Amount Due from/(to) State of New Jersey

Year Ended December 31, 2013

Balance December 31, 2012		\$	4,035,158
Increased by:			
Anticipated Revenue		<u>4,655,466</u>	
			8,690,624
Decreased by:			
Qualified Debt Payments		<u>4,567,891</u>	
Balance December 31, 2013		\$	<u><u>4,122,733</u></u>
Qualified Bond Aid		\$	<u>4,122,733</u>
		\$	<u><u>4,122,733</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2013

Period	Balance, December 31, 2012	Levy	2012 Collected	2013 Collected	Senior Citizen and Veteran Deductions	Tax Overpayments Applied	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2013
SFY 2008	21			21					
SFY 2010	22,587			22,587					
2011	36,796			36,796					
2012	1,486,030			1,316,792				168,988	250
	1,545,434			1,376,196				168,988	250
2013		146,136,303	856,040	143,585,076	39,750	11,467	6,269	473,670	1,164,031
		146,136,303	856,040	144,961,272	39,750	11,467	6,269	642,658	1,164,281
	\$ 1,545,434								

Analysis of Tax Levy

Tax yield:	
General Purpose Tax	\$ 145,332,228
Added/Omitted Taxes	804,075
	\$ 146,136,303

Tax Levy:	
Local District School Tax	\$ 37,577,916
Municipal Open Space Taxes	605,409
County Tax	\$ 53,105,119
County Added and Omitted Taxes	293,344
	53,398,463
	91,581,788

Local Tax for Municipal Purposes	54,032,483
Additional Taxes	522,032
	54,554,515
	\$ 146,136,303

**Exhibit A-9**

**CITY OF HOBOKEN, N.J.**

**Schedule of Tax Title Liens**

**Current Fund**

**Year Ended December 31, 2013**

Balance December 31, 2012	\$	422,339
Increased by:		
Transfers from Taxes Receivable		<u>6,269</u>
		428,608
Decreased by:		
Cash Receipt		<u>1,686</u>
Balance December 31, 2013	\$	<u><u>426,922</u></u>

**Exhibit A-10**

**Schedule of Property Aquired for Taxes**

**Current Fund**

**Year Ended December 31, 2013**

Balance December 31, 2012	\$	<u>2,806,900</u>
Balance December 31, 2013	\$	<u><u>2,806,900</u></u>

**CITY OF HOBOKEN, N.J.**  
**Schedule of Water Liens Receivable**  
**Current Fund**  
**Year Ended December 31, 2013**

Balance December 31, 2012	\$ <u>945</u>
Balance December 31, 2013	\$ <u><u>945</u></u>

## CITY OF HOBOKEN, N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

## Year Ended December 31, 2013

<u>Source</u>	Balance December 31, <u>2012</u>	<u>Accrued</u>	<u>Collected</u>	Balance December 31, <u>2013</u>
Licenses and Fees:				
Alcoholic Beverages	\$	310,792	310,792	
Other		147,363	147,363	
Fees and Permits		301,274	301,274	
Zoning Board of Adjustment Fees		201,184	201,184	
Planning Board Fees		17,400	17,400	
Rent Leveling Fees		52,005	52,005	
Fines and Costs:				
Municipal Court	295,002	4,623,972	4,538,322	380,652
Interest and Costs on Taxes		239,992	239,992	
Parking Tax		1,496,082	1,496,082	
Riverview Cablevision Associates		578,250	578,250	
Interest on Investments and Deposits		129,058	129,058	
Rents on City Owned Property		22,911	22,911	
SJP Properties - Block A-Phase I		1,227,720	1,227,720	
SJP Properties - Block A-Phase II		1,344,596	1,344,596	
Applied Development Co. - South Waterfront - Block C		3,417,222	3,417,222	
1300 Grand Street (Pilot Payment)		797,671	797,671	
Grogan Marineview Plaza		682,912	682,912	
Clocktowers		137,308	137,308	
Marion Towers Associates		178,575	178,575	
Church Towers Urban Renewal		517,679	517,679	
Columbian Towers		121,118	121,118	
Columbian Arms		27,369	27,369	
Willow Avenue Associates - 800 - 812 Willow Avenue		78,237	78,237	
1200 Grand Street		1,051,913	1,051,913	
Applied Housing - 1203-1219 Williwow Avenue		160,077	160,077	
Applied Housing - 1201-1221 Washington Estates		277,978	277,978	
Applied Housing - 1200-1220 Hudson Estates		307,230	307,230	
Applied Housing - 1301-1309 Bloomfield Estates		126,058	126,058	
Applied Housing - Midway 500-508 Adams Street		97,076	97,076	
Applied Housing - Elysian Estates		102,701	102,701	
Applied Housing - Church Square		157,405	157,405	
Applied Housing - Eastview Associates		143,428	143,428	
Applied Housing - Westview Associates		212,390	212,390	
Applied Housing - Northvale I - 911-923 Clinton Street		241,336	241,336	
Applied Housing - Northvale II - 901-919 Clinton Street		147,170	147,170	
Applied Housing - Northvale IIIA		124,678	124,678	
Applied Housing - Northvale III B - 1106-1014 Clinton Street		183,200	183,200	
Applied Housing - Northvale IV - 58 11th Street		21,744	21,744	
1118 Adams Street		24,968	24,968	
1100 Adams Street		596,406	596,406	
NJ Transit Block 139 Lot 1.1		7,639	7,639	
PILOTS Interest		6,920	6,920	
Parking Utilities Surplus		3,500,000	3,500,000	
Consolidated Municipal Property Tax Relief Aid		4,103,226	4,103,226	

## CITY OF HOBOKEN, N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

## Year Ended December 31, 2013

<u>Source</u>	Balance December 31, <u>2012</u>	<u>Accrued</u>	<u>Collected</u>	Balance December 31, <u>2013</u>
Energy Receipts Tax		7,009,809	7,009,809	
Uniform Construction Code Fees		1,426,787	1,426,787	
Hoboken Housing Authority - Public Safety		502,401	502,401	
Uniform Fire Safety Act		91,823	91,823	
Outside Duty Police Administration		105,805	105,805	
Verizon TV Franchise Fee		267,200	267,200	
1001 Jefferson		922,155	922,155	
W Hotel		537,884	537,884	
Hotel/Motel Occupancy Fee		543,563	543,563	
800 Jackson Ave. (PILOT)		838,175	838,175	
United Water Concession		168,000	168,000	
FEMA Reimbursement		1,470,000	1,470,000	
Capital Fund Balance		992,150	992,150	
	<u>\$ 295,002</u>	<u>43,119,985</u>	<u>43,034,335</u>	<u>380,652</u>
			\$ 38,378,869	
			<u>4,655,466</u>	
			<u>\$ 43,034,335</u>	

## CITY OF HOBOKEN, N.J.

## Schedule of Interfunds Due from/(to) Various Funds

## Current Fund

Year Ended December 31, 2013

Fund	Balance December 31, 2012	Increases	Decreases	Balance December 31, 2013
Federal and State Grant Fund	1,163,524	43,180	51,729	1,154,975
Trust Funds:				
Animal License Trust	9,197	904	9,197	904
Other Trust	567	4,488	567	4,488
Law Enforcement Trust			489	(489)
Developers Escrow Trust	643	636	643	636
Tax Collector Premium Trust	(131,315)	131,315		
O&M Trust Loan	(8,817)	8,817		
Open Space Trust Fund	(17,517)	622,926	605,409	
Community Development Trust	29,530		29,530	
Section 8 Housing		1,527	1,532	(5)
Payroll Fund	(16,147)	16,147		
Flexible Spending Fund		827		827
	<u>1,029,665</u>	<u>830,767</u>	<u>699,096</u>	<u>1,161,336</u>
Due to Current Fund	1,203,461	50,035	91,666	1,161,830
Due from Current Fund	<u>(173,796)</u>	<u>780,732</u>	<u>607,430</u>	<u>(494)</u>
	\$ <u>1,029,665</u>	<u>830,767</u>	<u>699,096</u>	<u>1,161,336</u>

## Analysis of Changes

Receipts	\$	41,958
Disbursements	198,134	
Open Space Taxes	605,409	605,409
Reimbursement for expenses paid	24,146	9,709
Interest Earnings	2,163	
Liabilities Cancelled	572	
Statutory Excess	343	
Appropriations		<u>42,020</u>
	\$	<u>830,767</u>
		<u>699,096</u>

**CITY OF HOBOKEN, N.J.**

**Schedule of Due from County of Hudson Open Space**

**Current Fund**

**Year Ended December 31, 2013**

Balance December 31, 2012	\$ <u>460,963</u>
Decreased by:	
Cancelled	\$ <u><u>460,963</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2013

Description	Balance December 31, <u>2012</u>	Raised in 2013 <u>Budget</u>	Balance December 31, <u>2013</u>
Current Fund:			
Emergency Authorizations	\$ 105,000	105,000	
Overexpenditure of Appropriation Reserves	3,238,784	1,619,393	1,619,391
Overexpenditure of Appropriations	1,009	1,009	
Federal and State Grant Fund:			
Overexpenditure of Appropriations	<u>18,260</u>	<u>18,260</u>	<u>          </u>
	<u>\$ 3,363,053</u>	<u>1,743,662</u>	<u>1,619,391</u>

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2013

	Balance, December 31, <u>2012</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
General Government:				
Mayor and Council				
Salaries and Wages	75	75		75
Other Expenses	13,894	22,108	8,244	13,864
City Council				
Salaries and Wages	7,898	7,898		7,898
Other Expenses	6,033	6,633	2,400	4,233
Office of the Clerk				
Salaries and Wages	1,011	1,011		1,011
Other Expenses	2,708	2,877	187	2,690
Other Expenses - Legal Advertising	7,404	19,758	5,076	14,682
Other Expenses - Codification of Ordinances	22,834	22,834	6,140	16,694
Salaries and Wages - Elections	536	536		536
Other Expenses - Elections	5,948	6,048	100	5,948
Department of Administration				
Business Administrator's Office				
Salaries and Wages	20,722	20,722		20,722
Other Expenses	38,250	97,596	38,316	59,280
Purchasing				
Salaries and Wages	35,307	35,307		35,307
Other Expenses	1,537	1,921	1,110	811
Personnel and Health Benefits				
Salaries and Wages	657	657		657
Other Expenses	1,418	1,751	1,591	160
Zoning and Administration				
Salaries and Wages	355	355		355
Other Expenses	1,981	1,981		1,981
Uniform Construction Code				
Salaries and Wages	15,366	15,366		15,366
Other Expenses	25,019	38,187	15,034	23,153
Corporation Council				
Salaries and Wages	13,618	13,618		13,618
Other Expenses	37,796	42,845	11,838	31,007
Other Expenses - Special Council	73,912	471,035	171,932	299,103
Other Expenses - Expert Witness & Appraisal	33,500	33,503	1,253	32,250
Revenue and Finance Director				
Salaries	13,941	13,941		13,941
Other Expenses	5,403	18,707	18,565	142

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2013

	Balance, December 31, <u>2012</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Tax Collections				
Salaries and Wages	27,925	27,925		27,925
Other Expenses	34,871	37,346	2,475	34,871
Information Technology				
Other Expenses	11,948	19,107	13,899	5,208
Municipal Court				
Salaries and Wages	90,837	90,837		90,837
Other Expenses	64,524	72,422	13,153	59,269
Public Defender				
Other Expenses	2,703	2,703		2,703
Office of the Tax Assessor				
Salaries and Wages	49,026	49,026		49,026
Other Expenses	46,456	69,735	31,638	38,097
Department of Human Services				
Director's Office				
Salaries and Wages	310	310		310
Other Expenses	357	1,140	837	303
Rent Leveling				
Salaries and Wages	5,046	5,046		5,046
Other Expenses	51	1,240	650	590
Housing Inspections				
Other Expenses	44	821	749	72
Health				
Salaries and Wages	1,686	1,686		1,686
Other Expenses	38,630	65,528	26,369	39,159
Senior Citizens				
Salaries and Wages	15,631	15,631		15,631
Other Expenses	1,699	8,330	6,616	1,714
Recreation and Cultural Affairs				
Salaries and Wages	36,751	36,751		36,751
Other Expenses	7,916	32,807	32,368	439
Cultural Affairs				
Salaries and Wages	316	316		316
Department of Environmental Services				
Director's Office				
Salaries and Wages	109,793	109,793		109,793
Other Expenses	13,452	21,506	1,279	20,227
Parks				
Salaries and Wages	10,867	10,867		10,867
Other Expenses	179,210	201,255	198,564	2,691

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2013

	Balance, December 31, <u>2012</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Public Property				
Salaries and Wages	65,623	65,623		65,623
Other Expenses	98,985	127,605	31,140	96,465
Streets and Roads				
Salaries and Wages	2,670	2,670		2,670
Other Expenses	167,894	175,546	144,300	31,246
Central Garage				
Salaries and Wages	15,954	15,954		15,954
Other Expenses	22,372	82,411	31,250	51,161
Sanitation				
Salaries and Wages	61,151	61,151		61,151
Other Expenses	527,664	656,304	643,562	12,742
Shade Tree Commission				
Other Expenses	776	32,276	31,746	530
Department of Community Development				
Director's Office				
Salaries and Wages	538	538		538
Other Expenses	27	102	35	67
Grants Management				
Other Expenses	912	1,000		1,000
Planning Board				
Salaries and Wages	35,080	35,080		35,080
Other Expenses	29,121	51,573	50,014	1,559
Zoning Board of Adjustment				
Other Expenses	27,662	43,949	30,457	13,492
Redevelopment				
Other Expenses	14,956	130,568	57,270	73,298
Historical Preservation Committee				
Other Expenses	128	128		128
Department of Public Safety				
Police				
Salaries and Wages	522,061	522,061		522,061
Other Expenses	167,923	281,008	153,574	127,434
Fire				
Salaries and Wages	197,168	197,168		197,168
Other Expenses	148,484	177,065	63,992	113,073
Office of Emergency Management				
Salaries and Wages	35,648	35,648		35,648
Other Expenses	5,853	8,079	2,146	5,933

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2013

	Balance, December 31, <u>2012</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Insurance				
General Liability	212,287	237,929	61,021	176,908
Worker's Compensation	119,521	213,553	209,937	3,616
Employee Group Health	652,234	677,512	33,602	643,910
UNCLASSIFIED:				
Alcoholic Beverage Control Board				
Salaries and Wages	202	202		202
Other Expenses	1,039	1,039		1,039
North Hudson Regional Council of Mayors				
Other Expenses	7	7		7
Settlement of Claims Against the City	10,000	10,000		10,000
Towing/Storage of Abandoned Vehicles	4,766	4,900	734	4,166
Engineering	123,512	148,812	148,380	432
Labor Arbitrations	19,060	32,069	14,670	17,399
Municipal Dues and Memberships	644	644		644
Celebration of Public Events	10,000	10,000		10,000
Postage	11,498	28,892	17,394	11,498
Office Machines	9,268	9,926	9,926	
PILOT Payments to Hudson County	180,000	180,000	90,192	89,808
Stationary and Office Supplies	38,374	49,471	12,108	37,363
Utilities:				
Electricity	74,145	98,124	71,081	27,043
Street Lighting	138,659	187,284	98,251	89,033
Gasoline	92,261	115,055	22,794	92,261
Fuel	50,000	50,000		50,000
Water and Sewer	24,790	24,790	963	23,827
Communications	7,807	51,617	43,022	8,595
Master Plan	30,088	97,896	76,024	21,872
Anticipated Terminal Leave Appropriation	132,440	132,440	132,440	
Total Operations within "CAPS"	<u>5,228,424</u>	<u>6,845,067</u>	<u>2,892,408</u>	<u>3,952,659</u>
STATUTORY EXPENDITURES:				
Contribution to:				
Social Security System (O.A.S.I.)	595,092	595,092	58,911	536,181
Consolidated Police and Firemen's Pension Fund	21,959	21,959		21,959
Public Employees Retirement System	363,852	363,852	299,513	64,339
Unemployment Compensation Insurance	194,818	194,818	15,971	178,847

CITY OF HOBOKEN, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2013

	Balance, December 31, <u>2012</u>	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	<u>1,175,721</u>	<u>1,175,721</u>	<u>374,395</u>	<u>801,326</u>
Public and Private Programs Offset by Revenues:				
Matching Funds for Grants				
FEMA Fire Apparatus	<u>34,500</u>	<u>34,500</u>		<u>34,500</u>
Total Public and Private Programs Offset by Revenues	<u>34,500</u>	<u>34,500</u>		<u>34,500</u>
Capital Improvements-Excluded from "CAPS"				
Containers Environmental Services Yard	666	666		666
Computer Technology Updates	17,113	24,011	2,089	21,922
Acquisition of Mason Dump Truck	<u>259</u>	<u>50,000</u>	<u>49,741</u>	<u>259</u>
Total Capital Improvements-Excluded from "CAPS"	<u>18,038</u>	<u>74,677</u>	<u>51,830</u>	<u>22,847</u>
Total Expenditures	<u>\$ 6,456,683</u>	<u>8,129,965</u>	<u>3,318,633</u>	<u>4,811,332</u>

Appropriation Reserves \$ 6,456,683  
 Encumbrances 1,673,282

\$ 8,129,965

Transfer to Reserves \$ 100,000  
 Accounts Payable 140,047  
 Cash 3,078,586

\$ 3,318,633

**CITY OF HOBOKEN, N.J.**  
**Schedule of County Taxes Payable**  
**Current Fund**  
**Year Ended December 31, 2013**

Balance December 31, 2012	\$ 1,402,072
Increased by:	
Levied	<u>53,398,463</u>
	54,800,535
Decreased by:	
Cash Disbursements	<u>54,507,191</u>
Balance December 31, 2013	\$ <u><u>293,344</u></u>

**CITY OF HOBOKEN, N.J.**

**Schedule of Tax Overpayments**

**Current Fund**

**Year Ended December 31, 2013**

Balance December 31, 2012		\$	571,714
Increased by:			
Collections			<u>703,756</u>
			1,275,470
Decreased by:			
Overpayments Applied	\$	11,467	
Transfer to Reserves		512,747	
Refunds		<u>500,032</u>	
			<u>1,024,246</u>
Balance December 31, 2013		\$	<u><u>251,224</u></u>

**CITY OF HOBOKEN, N.J.**

**Schedule of Local District School Taxes Payable**

**Current Fund**

**Year Ended December 31, 2013**

Balance December 31, 2012	\$	17,886
Increased by:		
Levy		<u>37,577,916</u>
		37,595,802
Decreased by:		
Payments		<u>37,577,916</u>
Balance December 31, 2013	\$	<u>17,886</u>

**CITY OF HOBOKEN, N.J.**

**Schedule of Accounts Payable**

**Current Fund**

**Year Ended December 31, 2013**

Balance December 31, 2012		\$	10,547
Increased By:			
Transferred from Appropriation Reserves			<u>140,047</u>
			150,594
Decreased By:			
Cash Disbursements	\$	8,789	
Prior Year Encumbrances cancelled		<u>1,758</u>	
			<u>10,547</u>
Balance December 31, 2013		\$	<u><u>140,047</u></u>

**CITY OF HOBOKEN, N.J.**

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2013**

Balance December 31, 2012	\$ 856,040
Increased By:	
Cash Receipts	<u>858,214</u>
	1,714,254
Decreased By:	
Applied	<u>856,040</u>
Balance December 31, 2013	\$ <u><u>858,214</u></u>

## CITY OF HOBOKEN, N.J.

## Schedule of Various Reserves

## Current Fund

Year Ended December 31, 2013

<u>Program</u>	Balance, December 31, <u>2012</u>	Increased by	Decreased by	Balance, December 31, <u>2013</u>
Tax Appeals	\$ 1,591,071	513,747	1,046,710	1,058,108
Reserve for Retroactive Pay	2,329,318	397,989	1,814,224	913,083
PILOT - County Share	810,133		202,519	607,614
FEMA Fire Apparatus	25,824		2,534	23,290
Hurricane Sandy Expenditures	5,220,157	600,000	4,048,793	1,771,364
Snow Removal		100,000		100,000
Deferred Revenue - Sandy Reimbursements		911,155		911,155
Revaluation	<u>1,300,000</u>		<u>591,435</u>	<u>708,565</u>
	<u>\$ 11,276,503</u>	<u>2,522,891</u>	<u>7,706,215</u>	<u>6,093,179</u>
Disbursements		\$	7,706,215	
Receipts		911,155		
Transfer from Tax Overpayments		512,747		
Appropriation Reserves		100,000		
Appropriations		<u>998,989</u>		
		<u>\$ 2,522,891</u>	<u>7,706,215</u>	

CITY OF HOBOKEN, N.J.

Schedule of Deferred Charges N.J.S.A. 40A:4-53, Special Emergency Authorizations

Current Fund

Year Ended December 31, 2013

<u>Purpose</u>	<u>Date</u>	<u>Amount Authorized</u>	<u>Not Less Than 1/5 of Amount Authorized</u>	<u>Balance, Dec. 31, 2012</u>	<u>Added in 2013</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2013</u>
Revaluation of Real Property	9/19/2012	1,300,000	260,000	1,300,000		260,000	\$ 1,040,000
Hurricane Sandy	11/13/2012	6,750,000	1,350,000	6,750,000		1,350,000	5,400,000
Hurricane Sandy	2/20/2013	600,000	120,000		600,000	120,000	480,000
				\$ 8,050,000	600,000	1,730,000	\$ 6,920,000

CITY OF HOBOKEN, N.J.

Schedule of Special Emergency Notes Payable

Current Fund

Year Ended December 31, 2013

<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, Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2013</u>
Revaluation of Real Property	December 28, 2012	6/27/13	1/28/14	1.75% \$	1,300,000	1,040,000	1,300,000	1,040,000
Hurricane Sandy	December 28, 2012	6/27/13	1/28/14	1.75%	6,750,000	5,400,000	6,750,000	5,400,000
					<u>\$ 8,050,000</u>	<u>6,440,000</u>	<u>8,050,000</u>	<u>6,440,000</u>
				Cash \$			1,610,000	
				Renewed		<u>6,440,000</u>	<u>6,440,000</u>	
				\$		<u>6,440,000</u>	<u>8,050,000</u>	

## CITY OF HOBOKEN, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2013

	Balance, December 31, <u>2012</u>	2013 Budget Revenue <u>Realized</u>	<u>Collections</u>	Balance, December 31, <u>2013</u>
1600 Park Ave Development	\$ 300,000			300,000
State Local Cooperative Housing Inspection Program	25,003			25,003
Multi Service Center Roof Replacement	200,000			200,000
Click it or Ticket	4,000			4,000
2008 Roadway Improvement Project	67,289			67,289
Walk Safe Hoboken Pedestrians	2,800			2,800
Clean Energy Program	41,692			41,692
Over Limit/Under Arrest	600			600
2009 Pedestrian Safety/Walk Safe	800			800
Senior Emergency Funds	2,583		265	2,318
Home Support and Adult Daycare	62,221			62,221
NJDOT 2010 Aid Program Various Streets	165,594		165,594	
NJEDA Hazardous Site Remediation	29,387			29,387
NJ Dept of Health H1N1	56,754			56,754
Hudson County Open Space 1600 Park Ave	300,000		298,630	1,370
Hudson County Cultural and Heritage	1,184			1,184
Body Armor Replacement Fund	1,743			1,743
Clean Communities	12,084			12,084
Homeland Security Safer Grant	42,491			42,491
Hoboken 911 Memorial on Pier	250,000			250,000
Business Stimulus Fund Grant	6,500			6,500
Summer Food Program	168			168
State Local Cooperative Housing Inspection Program	54,716			54,716
Cultural Affairs Studio Tour/Concert	800			800
Green Acres - DEP Waterfront Reconstruction	900,000			900,000
Municipal Alliance - Grant (2011)	1,184		1,184	
Hudson Co. HHS Senior Citizens - 2011 #688	360			360
Hudson Co. HHS Senior Citizens - 2011 #88	29,144			29,144
FEMA - Fire Equipment Grant - Match	4,530			4,530
Municipal Court DWI Grant	1			1
NJ DOT - 2011 Aid for Various Streets	113,512			113,512
NJ DOT - 2009 Roadway Improvements	265,220			265,220
NJ DOT 2008/2009 Safe Streets to Transit	80,000			80,000
US Soccer Foundation - 2011 Planning Grant	8,000			8,000
US Dept of Justice - National Police Athletic League - 2011-2012 Mentoring Program	30,000		1,619	28,381

## CITY OF HOBOKEN, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2013

	Balance, December 31, <u>2012</u>	2013 Budget Revenue <u>Realized</u>	<u>Collections</u>	Balance, December 31, <u>2013</u>
Cultural Affairs Partnership Arts	1,470			1,470
Home Support and Adult Daycare	96,507		96,505	2
FEMA - Fire Boat	364,464		364,460	4
Hoboken PAL	15,000		3,029	11,971
Municipal Alliance - Grant (2012)	35,461		35,461	
Hudson County Open Space	250,000		217,404	32,596
Sustainable Jersey Grant	10,000			10,000
Port Authority Security Grant	297,000			297,000
Justice Assistance Grant	14,579			14,579
Hoboken PAL	10,974			10,974
FEMA Safer Grant	1,118,600			1,118,600
Homeland Security Port Security	24,824			24,824
Firefighters Assistance Grant	14,708			14,708
Dirve Sober or Get Pulled Over	350			350
Pedestrian Safety Highway Grant	15,000		5,800	9,200
Hudson County Open Space	650,000		587,000	63,000
Firefighter Assistance Grant	16,394			16,394
DOT - Various Roads	396,000		297,000	99,000
Cultural Affairs Partnership Arts	3,750		3,750	
Municipal Alliance - 2013		38,840		38,840
2013 Housing Inspection Program		70,000	55,185	14,815
Cultural Affairs Marketing Program		15,750	11,812	3,938
US Soccer Foundation - Synthetic Field 1600 Park		200,000		200,000
County of Hudson - Home Support & Adult Daycare		129,378	95,407	33,971
Forestry Grant		6,500	6,500	
State Housing Inspection Program		19,570	19,570	
FEMA - Firefighters Assistance Grant		16,394	16,394	
Summer Food Program		5,943	5,943	
Cert. Community Emergency Response Team		1,000		1,000
Clean Communities		82,079	82,079	
Junior Tennis Foundation - 2013		1,500	1,500	
2013 Cultural & Heritage Affairs Grant		6,216	4,662	1,554
Hoboken PAL 2013 Grant		14,500	7,296	7,204
NJ DOT - 2013 Road Improvement Program		356,280		356,280
NJ DOT - 2013 Transportation Enhancement, Redesign of Newark Street		118,000		118,000
NJ Historic Trust Grant		37,500		37,500

CITY OF HOBOKEN, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2013

	Balance, December 31, <u>2012</u>	2013 Budget Revenue <u>Realized</u>	<u>Collections</u>	Balance, December 31, <u>2013</u>
Alcohol Education and Rehabilitation		1,055	1,055	
Dept. of Homeland Security - FY12 Firefighters Assistance		35,440	35,440	
2013 Summer Food Program		41,385	27,101	14,284
2013 Byrne Justice Assistance Grant		15,614		15,614
2013 Port Security Grant CBRNE Detection Unit - K-9		105,000		105,000
Sustainable Jersey Grant		2,000	2,000	
Dept. of Environmental Protection: CSIP Tree Pruning Grant		20,000		20,000
NJ Energy Allocation Initiative - 2013		142,080		142,080
Recycling Tonnage Grant 2011		82,998	82,998	
Recreation Opportunities for Individuals with Special Needs		12,000		12,000
Hudson County Open Space - 2013 Allotment - Cove Boathouse		100,000		100,000
	<u>\$ 6,395,441</u>	<u>1,677,022</u>	<u>2,532,643</u>	<u>5,539,820</u>
		Received	2,484,236	
		Transfer from Unappropriated Reserves	<u>48,407</u>	
			<u>\$ 2,532,643</u>	

CITY OF HOBOKEN, N.J.

Schedule of Unappropriated Reserves

Federal and State Grant Fund

Year Ended December 31, 2013

<u>Program</u>	Balance, December 31, <u>2012</u>	<u>Received</u>	Anticipated Revenue in <u>2013</u>	Balance, December 31, <u>2013</u>
Forestry Grant	\$ 6,500		6,500	
State Housing Inspection Grant	19,570		19,570	
FEMA Firefighters Assitance Grant - 2010	16,394		16,394	
Summer Food Program	5,943		5,943	
Body Armor Replacement Fund - 2013		15,341		15,341
	<u>\$ 48,407</u>	<u>15,341</u>	<u>48,407</u>	<u>15,341</u>

CITY OF HOBOKEN, N.J.

Schedule of Interfunds Due from/(to) Various Funds

Federal and State Grant Fund

Year Ended December 31, 2013

	Balance, December 31, <u>2012</u>	<u>Increase</u>	<u>Decrease</u>	Balance, December 31, <u>2013</u>
Current Fund	(1,163,524)	51,729	43,180	(1,154,975)
Community Development Trust Fund	<u>(105,000)</u>	<u>                    </u>	<u>                    </u>	<u>(105,000)</u>
	<u>\$ (1,268,524)</u>	<u>51,729</u>	<u>43,180</u>	<u>(1,259,975)</u>

Budget Appropriations	\$ 42,020		
Reimbursement for Expenses Paid	9,709		
Cash Receipts		<u>                    </u>	<u>43,180</u>
		<u>\$ 51,729</u>	<u>43,180</u>

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

## Year Ended December 31, 2013

<u>Grant</u>	Balance, December 31, <u>2012</u>	2013 Grants <u>Budgeted</u>	<u>Expenditures</u>	Balance, December 31, <u>2013</u>
Hudson County Open Space	1			1
1600 Park Ave Development	300,000			300,000
2008 Pedestrian Safety Walk Safe	941			941
Summer Food Program	4,822			4,822
Home Support and Adult Day Care	25,400			25,400
City Recreation Program	10,000			10,000
Click it or Ticket	4,000			4,000
Body Armor Replacement Fund	5,061		4,064	997
Walk Safe Hoboken Pedestrians	3,600			3,600
Clean Communities	11,475			11,475
Clean Communities	2,604		1,591	1,013
2008 Roadway Improvement Project	63,205			63,205
Save the Youth	86			86
2009 Roadway Improvement Project	12,536			12,536
Over Limit/Under Arrest	200			200
2009 Pedestrian Safety/Walk Safe	90,905			90,905
NJDOT 2010 Aid Program Various Streets	3,680			3,680
NJDOT-Safe Streets to Transit	80,000			80,000
Drunk Driving Enforcement Grant	5,942		1,717	4,225
NJEDA Hazardous Site Remediation	374			374
Clean Communities	1,636		500	1,136
Clean Communities	12,084			12,084
NJ Dept of Health H1N1	55,752			55,752
Hepatitis B	4,705			4,705
NJ Health Officers Assn	300			300
Hudson County Open Space - 1600 Park Ave	1,371		1,371	
NJ Body Armor	12,642		8,078	4,564
Pal of NJ, Juvenile Justice Program: FY'09/10 Afterschool	23,360			23,360
Alcohol Education and Rehab 2009	955		900	55
Alcohol Education and Rehab 2008	53			53
Hoboken 911 Memorial on Pier	186,729			186,729
Recycling Tonnage	23,868		(1,153)	25,021
Summer Food Program	351			351
Clean Communities	5,372		5,160	212
Cultural Affairs Studio Tour/Concert	2,650			2,650
FEMA Grant - Fire Apparatus	23,242		22,806	436
Green Acres - DEP Waterfront Reconstruction				

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2013

<u>Grant</u>	Balance, December 31, <u>2012</u>	2013 Grants <u>Budgeted</u>	<u>Expenditures</u>	Balance, December 31, <u>2013</u>
Municipal Alliance - Grant (2011)				
Safe the Youth Program (2007)	1,760			1,760
FEMA - Fire Equipment Grant	65,474			65,474
Municipal Court DWI Grant	1,510		1,363	147
NJ DOT - 2010 Hudson Place Funding	31,553			31,553
NJ DOT - 2009 Roadway Improvements	410,732			410,732
FY 2011 State Tourism Grant	207			207
NJ DOT 2008/2009 Safe Streets to Transit	5,040			5,040
Summer Food Program 2011	2,824			2,824
US Soccer Foundation - 2011 Planning Grant	8,000			8,000
Domestic Violence	1,250			1,250
Public Healthcare Management Caregivers	5,291			5,291
Public Healthcare Management Caregivers	38,424			38,424
Walk Safe Hoboken	8,000			8,000
Computer Program for the Elderly - DYFS	674			674
Clean Communities	97,387			97,387
Fire Department Grant	47,438			47,438
Senior Emergency Funds	3,059			3,059
08-09 Summer Food	25,728			25,728
Over the Limit Under Arrest	300			300
Public Health Priority Funding	17,409			17,409
Body Armor Replacement Fund	14,377			14,377
Adult Day Care	27,055			27,055
Cultural Affairs Studio Tourism	7,680			7,680
Bullet Proof Vest - Federal	5,132		1,252	3,880
Save the Youth	17,881			17,881
Community Development Block Grant - 2011	6,600			6,600
US Dept of Justice - National Police Athletic League - 2011-2012 Mentoring Program	13,508		12,493	1,015
Recycling Tonnage	23,922			23,922
Edward Byrne Memorial Justice Assitance Grant - (JAG)	39			39
Body Armor Replacement Fund	1,489		1,489	
Safety Performance Award	100		100	
Cultural Affairs Partnership Arts				
Bike Corrals	1,034		515	519
Alcohol Education Rehabilitation	1,295		325	970
Clean Communities	69,909		69,909	
FEMA - Fire Boat	4			4

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2013

<u>Grant</u>	Balance, December 31, <u>2012</u>	2013 Grants <u>Budgeted</u>	<u>Expenditures</u>	Balance, December 31, <u>2013</u>
Hoboken PAL	3,883		3,883	
Municipal Alliance - Grant (2012)	34,495		34,474	21
Municipal Alliance - Grant (2012) - Match	2,353		112	2,241
Firefighters Assistance Grant 2011-2012	58			58
Firefighters Assistance Grant 2011-2013 - Match	14			14
Body Armor Replacement Fund	12,146		12,146	
Hudson County Open Space	250,000		232,507	17,493
Sustainable Jersey Grant	20,000		4,000	16,000
Recycling Tonnage Grant	37,033			37,033
Port Authority Security Grant	297,000		21,031	275,969
Justice Assistance Grant	14,579		14,475	104
Hoboken PAL	30,000			30,000
FEMA Safer Grant	1,118,600			1,118,600
Homeland Security Port Security	24,824			24,824
Firefighters Assistance Grant	3,380		(1)	3,381
Firefighters Assistance Grant - Match	3,678			3,678
Dirve Sober or Get Pulled Over	350			350
Pedestrian Safety Highway Grant	15,000		7,400	7,600
Hudson County Open Space	658,438		658,438	
Summer Food	961			961
Firefighter Assistance Grant	4,270			4,270
DOT - Various Roads				
Cultural Affairs Partnership Arts	2,395		1,500	895
Municipal Alliance - 2013		38,840	18,709	20,131
Municipal Alliance - 2013 Match		9,710	6,770	2,940
2013 Housing Inspection Program		70,000	70,000	
Cultural Affairs Marketing Program		15,750		15,750
US Soccer Foundation - Synthetic Field 1600 Park		200,000	200,000	
County of Hudson - Home Support & Adult Daycare		129,378	129,378	
Forestry Grant		6,500		6,500
State Housing Inspection Program		19,570		19,570
FEMA - Firefighters Assistance Grant		16,394		16,394
Summer Food Program		5,943		5,943
Cert. Community Emergency Response Team		1,000	385	615
Clean Communities		82,079	74,079	8,000
Junior Tennis Foundation - 2013		1,500	1,296	204
2013 Cultural & Heritage Affairs Grant		6,216	6,216	
Hoboken PAL 2013 Grant		14,500		14,500

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2013

<u>Grant</u>	Balance, December 31, <u>2012</u>	2013 Grants <u>Budgeted</u>	<u>Expenditures</u>	Balance, December 31, <u>2013</u>
NJ DOT - 2013 Road Improvement Program		356,280	356,280	
NJ DOT - 2013 Transportation Enhancement, Redesign of Newark Street		118,000		118,000
NJ Historic Trust Grant		37,500		37,500
Historic Trust Grant - Match		12,500		12,500
Alcohol Education and Rehabilitation		1,055	976	79
Dept. of Homeland Security - FY12 Firefighters Assistance		35,440	10,125	25,315
Firefighters Assistance - Match		8,860	3,375	5,485
2013 Summer Food Program		41,385	28,855	12,530
2013 Byrne Justice Assistance Grant		15,614		15,614
2013 Port Security Grant CBRNE Detection Unit - K-9		105,000		105,000
Sustainable Jersey Grant		2,000		2,000
Dept. of Environmental Protection: CSIP Tree Pruning Grant		20,000		20,000
NJ Energy Allocation Initiative - 2013		142,080		142,080
Recycling Tonnage Grant 2011		82,998		82,998
Recreation Opportunities for Individuals with Special Needs		12,000		12,000
ROID Grant - Match		2,400		2,400
Hudson County Open Space - 2013 Allotment - Cove Boathouse		100,000		100,000
	<u>\$ 4,475,444</u>	<u>1,710,492</u>	<u>2,028,889</u>	<u>4,157,047</u>
		Budget Appropriations \$ 416,093		
		Match 23,760		
		Appropriations by 40a:4-87 <u>1,270,639</u>		
		<u>\$ 1,710,492</u>		
		Cash Disbursements \$ 1,395,134		
		Encumbrances <u>633,755</u>		
			<u>\$ 2,028,889</u>	

**CITY OF HOBOKEN, N.J.**

**Schedule of Reserve for Encumbrances**

**Federal and State Grant Fund**

**Year Ended December 31, 2013**

Balance December 31, 2012		\$ 1,186,967
Increased By:		
Transferred from Budget Appropriations		<u>633,755</u>
		1,820,722
Decreased By:		
Cash Disbursements	\$ 1,186,966	
Prior Year Encumbrances cancelled	<u>1</u>	
		<u>1,186,967</u>
Balance December 31, 2013		\$ <u><u>633,755</u></u>

## CITY OF HOBOKEN

## Schedule of Cash - Treasurer

## Trust Funds

Year Ended December 31, 2013

	Animal License Fund	Other Trust Funds	Section 8 - Housing Assistance Program
Balance - December 31, 2012	\$ 23,081	8,711,722	789,102
Increased by:			
Animal License Fees	11,277		
Due to State of New Jersey - Dog License Fees	1,790		
Marriage Licenses		12,925	
Burial Permits		15	
Construction Code DCA Fees		93,338	
Various Reserves		7,911,633	
Interfund - Current Fund		162,762	1,527
Community Development Block Grant Receipts			280,764
Reserve for Section 8 - Housing Assis. Program			11,679
	<u>13,067</u>	<u>8,180,673</u>	<u>293,970</u>
	<u>36,148</u>	<u>16,892,395</u>	<u>1,083,072</u>
Decreased by:			
Reserve for Animal License Expenditures	13		
Due to State of New Jersey	1,435	129,259	
Various Reserves		6,541,363	
Interfunds	9,197	1,209	31,062
Community Development Block Grant Disbursements			244,873
Section 8 - Housing Assistance Program			71,659
	<u>10,645</u>	<u>6,671,831</u>	<u>347,594</u>
Balance - December 31, 2013	\$ <u>25,503</u>	<u>10,220,564</u>	<u>735,478</u>

**CITY OF HOBOKEN**  
**Schedule of Reserve for Expenditures -**  
**Animal License Fund**

**Trust Funds**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$	13,257
Increased by:		
Dog license fees		<u>11,277</u>
		24,534
Decreased by:		
Statutory Excess	\$	343
Cash Disbursements		<u>13</u>
		<u>356</u>
Balance - December 31, 2013	\$	<u><u>24,178</u></u>

<u>License Fees Collected</u>		
	2012	12,509
	2011	<u>11,669</u>
		<u>\$ 24,178</u>

CITY OF HOBOKEN

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

Trust Funds

Year Ended December 31, 2013

Balance - December 31, 2012		\$	627
Increased by:			
2013 Fees Collected			<u>1,790</u>
			2,417
Decreased by:			
Interfunds	\$	561	
Cash Disbursements		<u>1,435</u>	
			<u>1,996</u>
Balance - December 31, 2013		\$	<u><u>421</u></u>

CITY OF HOBOKEN

Schedule of Due to State of New Jersey  
Trust Funds

Year Ended December 31, 2013

	Due to/(from) Balance December 31, <u>2012</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance December 31, <u>2013</u>
Marriage Licenses	\$ 1,800	12,925	11,500	3,225
Burial Permits	15	15	20	10
Construction Code DCA Fees	<u>91,430</u>	<u>93,338</u>	<u>117,749</u>	<u>67,019</u>
	<u>\$ 93,245</u>	<u>106,278</u>	<u>129,269</u>	<u>70,254</u>
Cash Receipts	\$ 106,278			
Cash Disbursements			129,259	
Interfunds			<u>10</u>	
		<u>\$ 106,278</u>	<u>129,269</u>	

CITY OF HOBOKEN

Schedule of Amount Due from/(to) Various Funds  
Trust Funds

Year Ended December 31, 2013

<u>Fund</u>	Balance December 31, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2013</u>
Current Fund:				
Animal License Fund	(9,197)	9,197	904	(904)
Other Trust	(567)	567	4,488	(4,488)
Law Enforcement Trust		489		489
Developers Escrow Trust	(642)	642	636	(636)
Tax Collector Premium Trust	131,315		131,315	
O&M Trust Loan	8,817		8,817	
Open Space Trust	17,517	605,409	622,926	
Section 8 Housing		<u>1,532</u>	<u>1,527</u>	<u>5</u>
	<u>147,243</u>	<u>617,836</u>	<u>770,613</u>	<u>(5,534)</u>
Due to Trust Funds	157,649	607,430	764,585	494
Due from Trust Funds	<u>(10,406)</u>	<u>10,406</u>	<u>6,028</u>	<u>(6,028)</u>
	<u>\$ 147,243</u>	<u>617,836</u>	<u>770,613</u>	<u>(5,534)</u>

Analysis of Changes

Receipts	\$	164,289
Disbursements		11,938
Statutory Excess		343
Liability Cancelled		572
Deposit in Error		489
Open Space Trust		<u>605,409</u>
	\$	<u>617,836</u>
		<u>770,613</u>

## CITY OF HOBOKEN

## Schedule of Miscellaneous Reserves

## Trust Funds

Year Ended December 31, 2013

	Balance, December 31 <u>2012</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2013</u>
Reserve for:				
150th Anniversary	\$ 9,710			9,710
Community Resource Account	24,885			24,885
Cultural Affairs Account	336,089	351,677	357,028	330,738
Police Outside Employment	36,010	1,470,614	1,467,246	39,378
Hoboken PAL	2,602	2,095	1,873	2,824
Police Department Investigation	601			601
Sept. 11th Memorial Fund	22,527			22,527
Shade Tree Commission	24	129,040		129,064
Unclaimed Bail	37,361	1,003		38,364
Municipal Court Public Defender	6,287	100		6,387
Ragamuffin Parade	125			125
Fire Education Fund	92,615	149,586	111,430	130,771
Fire Regular Penalties	76,696	8,025	464	84,257
Police-LETF	283,982	66,760	14,434	336,308
POAA Trust	661,016	81,587	112,466	630,137
POAA Furniture Municipal Court	14,470	32,915	43,125	4,260
Municipal Court-OT-POAA	20,685	75,490	61,571	34,604
POAA Municipal Court Carpeting	27,045	1,295	28,340	
Tax Collector Premiums		646,600	636,737	9,863
St Patricks Day Parade	6,250		3,600	2,650
Bike Rack Donations	875	1,180		2,055
Open Space	1,975,856	612,059		2,587,915
Escrow	561,046	478,966	298,626	741,386
Tax Sale Premiums	485,721	4,000		489,721
Law Enforcement	191,302	8,490	22,415	177,377
O & M Fund	1,598,056	477,797	676,129	1,399,724
O & M Fund-Hoboken South Waterfront	1,199,928	828,529	317,244	1,711,213
O & M Fund-W Hotel	518,499	110,966		629,465
Wanaque RCA Escrow	194		194	
North Haledon RCA Escrow	24,346	229	31	24,544
Hazmat	130,041		4,293	125,748
Redevelopment	19,557			19,557
Board Inspection	19,895	2,450		22,345
Collector of Revenue Redemption Trust	350,318	2,240,413	2,228,574	362,157
Recreation Fees	23,857	138,277	152,292	9,842
City Parks	14,691	350	13,529	1,512
Hurricane Sandy Donations	1,754	50	1	1,803
Recreation Umpires		250		250
Green Team		2,060	452	1,608
	<u>\$ 8,774,916</u>	<u>7,922,853</u>	<u>6,552,094</u>	<u>10,145,675</u>

Cash	\$ 7,911,633
Reclass	10,731
Interfunds	<u>489</u>

\$ 7,922,853

Cash	\$ 6,541,363
Reclass	<u>10,731</u>
	<u>\$ 6,552,094</u>

**Exhibit B-7**

**CITY OF HOBOKEN**

**Section 8 - Housing Assistance Program**

**Schedule of Reserves for Section 8 - Housing Assistance Program**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ <u>629,582</u>
Increased by:	
Cash Receipts	<u>11,679</u>
	641,261
Decreased by:	
Cash Disbursements	<u>71,659</u>
Balance - December 31, 2013	\$ <u><u>569,602</u></u>

**Exhibit B-8**

**Section 8 - Housing Assistance Program**

**Schedule of Due to Grantor**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ <u>47,711</u>
Balance - December 31, 2013	\$ <u><u>47,711</u></u>

CITY OF HOBOKEN

Section 8 - Housing Assistance Program

Schedule of Due to(from) Community Development Block Grant Trust Fund

Year Ended December 31, 2013

Balance - December 31, 2012	\$ (111,809)
Increased by:	
Cash Disbursements	<u>274,403</u>
	162,594
Decreased by:	
Cash Reciepts	<u>280,764</u>
Balance - December 31, 2013	\$ <u><u>(118,170)</u></u>

Community Development Block Grant Trust Fund

Schedule of Due from(to) Section 8 - Housing Assistance Program

Year Ended December 31, 2013

Balance - December 31, 2012	\$ 111,809
Increased by:	
Cash Receipts	<u>280,764</u>
	392,573
Decreased by:	
Cash Disbursements	<u>274,403</u>
Balance - December 31, 2013	\$ <u><u>118,170</u></u>

**Exhibit B-11**

**CITY OF HOBOKEN**

**Community Development Block Grant Trust Fund**

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

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$	724,599
Increased by:		
Grant Awards		<u>410,000</u>
		1,134,599
Decreased by:		
Cash Disbursements		<u>244,873</u>
Balance - December 31, 2013	\$	<u><u>889,726</u></u>

**Exhibit B-12**

**Community Development Block Grant Trust Fund**

**Schedule of Community Development Block Grant Receivable**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$	537,320
Increased by:		
Grant Awards		<u>410,000</u>
		947,320
Decreased by:		
Receipts		<u>280,764</u>
Balance - December 31, 2013	\$	<u><u>666,556</u></u>

**CITY OF HOBOKEN**

**Community Development Block Grant Trust Fund**

**Schedule of Due to Current Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ <u>29,530</u>
Decreased by:	
Cash Disbursements	\$ <u><u>29,530</u></u>

**CITY OF HOBOKEN**

**Community Development Block Grant Trust Fund**

**Schedule of Due From/(To) Federal and State Grant Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ <u>105,000</u>
Balance - December 31, 2013	\$ <u><u>105,000</u></u>

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## CITY OF HOBOKEN, N.J.

## Schedule of Cash

## General Capital Fund

Year Ended December 31, 2013

Balance, December 31, 2012		\$	10,656,192
Increased by Receipts:			
Grant Proceeds Received and Applied	\$	330,026	
Various Reserves		283,250	
Fund Balance		<u>344,740</u>	
Reserves			<u>958,016</u>
			11,614,208
Decreased by Disbursements:			
Encumbrances	\$	10,583,024	
Fund Balance		<u>992,150</u>	
			<u>11,575,174</u>
Balance, December 31, 2013		\$	<u><u>39,034</u></u>

## CITY OF HOBOKEN, N.J.

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2013

Reserve for Receivables	\$	2,629,495
Reserve for Hazmat Fund		17,630
Reserve for Green Acres - 1600 Adams Street		200,000
Reserve for Green Acres - 1600 Park Avenue		341,000
Reserve for Unappropriated Reserves		283,250
Reserve for Encumbrances		5,683,049
Amount Due to Parking Utility Capital Fund		(1,600,000)
Capital Improvement Fund		680,327
Fund Balance		344,741
Grants Receivable		(3,131,225)

## Improvement Authorizations:

## Ordinance

<u>Number</u>	<u>Improvement Description</u>	
	Creation of North Park	(267,836)
	Bond Ordinance for Tax Overpayment Refunds	(371,667)
R302	Improvements - City Hall	21,397
DR261/388	Various Road Improvements	(970,044)
DR326	Reconstruction of Pier C	(2,603,711)
	Construction of Waterfront Walkway	98,412
Z-18	Improvements to 1600 Park and Hoboken Cove	(1,410,718)
Z-23	Acquisition of Fire Apparatus	(429,179)
Z-30	Castle Point and Sinatra Park Waterfront Walkway	149,053
Z-33	Various Capital Improvements	123,915
Z-77	Acquisition of Quantar Station & SX8MCX Conventional Master Repeaters	32,700
Z-94	Acquisition of Various Parcels of Land	544,484
Z-95	Improvements to Various Parks	2,125
Z-149	Acquisition of Capital Equipment and the Completion of Various Capital Improvements	(607,585)
Z-218	Affordable Housing Projects	1,406,682
Z-234	Completion of Capital Improvements to Various Parks and Recreation Facilities	(1,060,511)
Z-235	Rehabilitation/Reconstruction of Pier "A"	125,000
Z-248	Acquisition of emergency back-up electrical generators and a high water vehicle	8,250
Z-262	Completion of Various Improvements to Elysian Park	(200,000)
		<hr/>
		\$ 39,034

**CITY OF HOBOKEN, N.J.**  
**Schedule of Grants Receivable**  
**General Capital Fund**  
**Year Ended December 31, 2013**

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance, Dec. 31, 2012</u>	<u>Awarded</u>	<u>Balance, Dec. 31, 2013</u>
DR-326	Port Authority: Reconstruction of Pier C	\$ 1,658,521		\$ 1,658,521
DR-326	New Jersey Department of Environmental Protection: Reconstruction of Pier C	951,000		951,000
Z-252	Various Improvements to Elysian Park		400,000	400,000
Z-18	Hudson County Open Space Improvements to 1600 Park Ave & Hoboken Cove		19,974	19,974
	Developer's Share: Reserve for Maxwell Place Walkway	<u>101,730</u>		<u>101,730</u>
		<u>\$ 2,711,251</u>	<u>419,974</u>	<u>\$ 3,131,225</u>

CITY OF HOBOKEN, N.J.

Schedule of Deferred Charges to Future  
Taxation - Funded

General Capital Fund

Year Ended December 31, 2013

Balance, December 31, 2012		\$ 31,691,108
Decreased by:		
Green Acres Loans Paid	\$ 172,824	
General Serial Bonds Paid	<u>3,555,000</u>	
		<u>3,727,824</u>
Balance, December 31, 2013		<u>\$ 27,963,284</u>

CITY OF HOBOKEN, N.J.

Schedule of Deferred Charges to  
Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2013

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	Authorizations	Funded	Balance Dec. 31, 2013	Analysis of Balance - December 31, 2013		
						Financed by Bond	Anticipation Notes	Unexpended Improvement Authorization
	<u>General Improvements:</u>							
R13	Reconstruction & Renovation of Certain Piers Creation of North Park	700,000 371,667		40,000	660,000 371,667	660,000	371,667	
	Bond Ordinance for Tax Overpayment Refunds	267,836			267,836		267,836	
DR42	Various Projects and Improvements	3,740,000		180,000	3,560,000	3,560,000		
DR233	Improvements of Buildings and Equipment	2,462,940		179,270	2,283,670	2,283,670		
DR233	Acquisition of Vehicles and Equipment	422,580			422,580	422,580		
DR233	Land Parcel Acquisition	2,000,000			2,000,000	2,000,000		
DR261/388	Various Road Improvements	1,765,000		45,000	1,720,000	670,000	970,044	79,956
DR326	Reconstruction of Pier C	2,609,521			2,609,521		2,603,711	5,810
Z-18	Improvements to 1600 Park Ave & Hoboken Cove	4,127,000		382,026	3,744,974	1,448,000	1,410,718	886,256
Z-23	Acquisition of Fire Apparatus	579,500			579,500		429,179	150,321
Z-30	Castle Point and Sinatra Park Waterfront Walkway	12,000,000		104,000	11,896,000	11,896,000		
Z-33	Various Capital Improvements	403,750		14,000	389,750	389,750		
Z-40	Acquisition of Public Works Garage	15,950,000		271,000	15,679,000	15,679,000		
Z-94	Acquisition of Various Parcels of Land	19,000,000			19,000,000			19,000,000
Z-95	Improvements to Various Parks	1,520,000			1,520,000	1,520,000		
Z-149	Acquisition of Capital Equipment and the Completion of Various Capital Improvements	2,881,777			2,881,777	1,480,000	607,585	794,192
Z-234	Completion of Capital Improvements to Various Parks and Recreation Facilities		1,140,000		1,140,000		1,060,511	79,489
Z-235	Rehabilitation and Reconstruction of Pier "A"		2,375,000		2,375,000			2,375,000

CITY OF HOBOKEN, N.J.

Schedule of Deferred Charges to  
Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2013

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	Authorizations	Funded	Balance Dec. 31, 2013	Analysis of Balance - December 31, 2013	
						Financed by Bond Anticipation Notes	Unexpended Improvement Authorization
Z-248	Improvement Back-Up Electrical Generators and a High Water Vehicle	916,750	916,750		916,750		916,750
Z-262	Completion of Various Improvements to Elysian Park	200,000	200,000		200,000		
		\$ 70,801,571	4,631,750	1,215,296	74,218,025	42,009,000	24,287,774

Budget Appropriations \$	885,020
Grant Proceeds Received and Applied	330,026
Paydown of Bond Anticipation Notes	250
	\$ 1,215,296

Improvement Authorizations - Unfunded		24,562,867
Less: Unexpended Bond Anticipation Note Proceeds:		
Ordinance	Z30	149,053
	Z33	123,915
	Z95	2,125
		<u>275,093</u>
		\$ 24,287,774

CITY OF HOBOKEN, N.J.

Schedule of Interfund Due from/(to) Various Funds

General Capital Fund

Year Ended December 31, 2013

	Balance Dec. 31, <u>2012</u>	Balance Dec. 31, <u>2013</u>
Parking Utility Capital Fund	\$ <u>1,600,000</u>	<u>1,600,000</u>
	\$ <u><u>1,600,000</u></u>	<u><u>1,600,000</u></u>



CITY OF HOBOKEN, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2013

Ordinance Number	Improvement Description	Amount of Original Issue	Original Date of Issue	Date of Maturity	Interest Rate	Balance		Decreased	Balance Dec. 31, 2013
						Dec. 31, 2012	Increased		
R-13	Various Improvements	3,890,000	1/21/2004	7/25/2014	2.00%	\$ 700,000	660,000	700,000	660,000
DR-233	Acquisition of Land, Vehicles & Equipment	11,400,000	1/30/2006	7/25/2014	2.00%	4,885,520	4,706,250	4,885,520	4,706,250
DR-42	Improvement to City Buildings & Parks	4,987,500	4/18/2006	7/25/2014	2.00%	3,740,000	3,560,000	3,740,000	3,560,000
DR-388	Various Road Improvements	850,000	9/9/2009	7/25/2014	2.00%	715,000	670,000	715,000	670,000
Z-33	Various Capital Improvements	403,750	8/31/2010	7/25/2014	2.00%	403,750	389,750	403,750	389,750
Z-40	Acquisition of Public Works Garage	15,950,000	8/31/2010	7/25/2014	2.00%	15,950,000	15,679,000	15,950,000	15,679,000
Z-30	Repair of Castle Point Park & Sinatra Walkway	9,000,000	8/7/2012	7/25/2014	2.00%	9,000,000	9,000,000	9,000,000	9,000,000
Z-95	Improvements to Various Parks	1,520,000	8/7/2012	7/25/2014	2.00%	1,520,000	1,520,000	1,520,000	1,520,000
Z-149	Acquisition of Capital Equipments & Completion of Various Capital Improvements	1,480,000	8/7/2012	7/25/2014	2.00%	1,480,000	1,480,000	1,480,000	1,480,000
Z-18	Improvements to 1600 Park Ave & Hoboken Cove	1,500,000	7/1/2010	5/23/2014	1.00%	1,500,000	1,448,000	1,500,000	1,448,000
Z-30	Repair of Castle Point Park & Sinatra Walkway	3,000,000	7/1/2010	5/23/2014	1.00%	3,000,000	2,896,000	3,000,000	2,896,000
						\$ 42,894,270	42,009,000	42,894,270	42,009,000

Deferred Charges - Unfunded \$	250
Renewed	42,009,000
Budget Appropriation	885,020
	<u>\$ 42,009,000</u>

**CITY OF HOBOKEN, N.J.**

**Schedule of Green Acres Loans Payable**

**General Capital Fund**

**Year Ended December 31, 2013**

Balance, December 31, 2012	\$ 1,173,666
Decreased by:	
Payments	<u>172,824</u>
Balance, December 31, 2013	\$ <u><u>1,000,842</u></u>

CITY OF HOBOKEN, N.J.  
 Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2013

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2012		Paid or Charged	Balance Dec. 31, 2013	
				Funded	Unfunded		Funded	Unfunded
	<b>General Improvements:</b>							
R302	Improvements - City Hall	04/01/08	156,000	22,169		772	21,397	
DR261/388	Various Road Improvements	06/16/06	2,000,000		103,018	23,062		79,956
DR326	Reconstruction of Pier C	09/19/07	20,000,000			(5,810)		5,810
Z-18	Construction of Waterfront Walkway	03/04/09	11,621,723	98,412			98,412	
Z-23	Improvements to 1600 Park and Hoboken Cove	07/01/10	4,127,000		886,850	594		886,256
Z-30	Acquisition of Fire Apparatus	09/03/10	610,000		150,321	98,539		150,321
Z-33	Castle Point and Sinatra Park Waterfront Walkway	09/03/10	12,000,000		247,592			149,053
Z-40	Various Capital Improvements	09/03/10	425,000		123,915	199,817		123,915
Z-77	Acquisition of Public Works Garage	09/03/10	15,950,000		199,817			
Z-94	Acquisition of Quanter Station & SX8MCX	01/05/11	310,000	32,700			32,700	
Z-95	Conventional Master Repeaters	03/16/11	20,000,000	775,894	19,000,000	231,410	544,484	19,000,000
Z-149	Improvements to Various Parks	03/16/11	1,600,000		207,873	205,748		2,125
Z-218	Acquisition of Capital Equipment and the Completion of Various Capital Improvements	12/21/11	3,033,450		1,388,464	594,272		794,192
Z-234	Affordable Housing Projects	10/17/12	1,950,000	1,926,000		519,318	1,406,682	
Z-235	Completion of Capital Improvements to Various Parks and Recreation Facilities	03/20/13	1,200,000			1,120,511		79,489
Z-248	Rehabilitation/Reconstruction of Pier "A"	10/02/13	2,500,000				125,000	2,375,000
Z-252	Acquisition of emergency back-up electrical generators and a high water vehicle	09/03/13	965,000		965,000	40,000		916,750
Z-262	Various Improvements to Elysian Park	09/17/13	400,000		400,000	400,000		
	Completion of Various Improvements to Elysian Park	11/06/13	200,000		200,000	200,000		
			\$ 2,855,175	22,307,850	5,265,000	3,628,233	2,236,925	24,562,867
	Capital Improvement Fund \$			233,250				
	Grants Receivable			400,000				
	Bonds & Notes Authorized			4,631,750				
				\$ 5,265,000				
	Encumbrances			3,628,233				
				3,628,233				

CITY OF HOBOKEN, N.J.

Schedule of Reserve for Encumbrances

General Capital Fund

Year Ended December 31, 2013

Balance, December 31, 2012	\$ 12,637,840
Increased by:	
Improvement Authorizations	<u>3,628,233</u>
	16,266,073
Decreased by:	
Payments	<u>10,583,024</u>
Balance, December 31, 2013	\$ <u><u>5,683,049</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2013

Balance, December 31, 2012	\$ 913,577
Decreased by:	
Appropriated	<u>233,250</u>
Balance, December 31, 2013	<u><u>\$ 680,327</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Reserves

General Capital Fund

Year Ended December 31, 2013

	Balance Dec. 31, <u>2012</u>	<u>Increases</u>	Balance Dec. 31, <u>2013</u>
Reserve for:			
Hazmat Fund	\$ 17,630		17,630
Green Acres - 1600 Adams Street	200,000		200,000
Green Acres - 1600 Park Avenue	341,000		341,000
Grants Receivable:			
Reconstruction of Pier C	2,609,521		2,609,521
Impr. to 1600 Park Ave & Hoboken Cove		19,974	19,974
Unappropriated Reserve - Metro Stop, 800 Jackson Street		283,250	283,250
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	\$ 3,168,151	303,224	3,471,375
	<u>                    </u>	<u>                    </u>	<u>                    </u>

## CITY OF HOBOKEN, N.J.

## Schedule of Bonds and Notes Authorized But Not Issued

## General Capital Fund

Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>Authorizations</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2013</u>
<u>General Improvements:</u>					
	Creation of North Park	267,836			267,836
	Bond Ordinance for Tax Overpayment Refunds	371,667			371,667
DR621/388	Various Road Improvements	1,050,000			1,050,000
DR326	Reconstruction of Pier C	2,609,521			2,609,521
Z-18	Improvements to 1600 Park Ave & Hoboken Cove	2,627,000		330,026	2,296,974
Z-23	Acquisition of Fire Apparatus	579,500			579,500
Z-94	Acquisition of Various Parcels of Land	19,000,000			19,000,000
Z-149	Acquisition of Capital Equipment and the Completion of Various Capital Improvements	1,401,777			1,401,777
Z-234	Completion of Capital Improvements to Various Parks and Recreation Facilities		1,140,000		1,140,000
Z-235	Rehabilitation and Reconstruction of Pier "A"		2,375,000		2,375,000
Z-248	Acquisition of Emergency Back-Up Electrical Generators and a High Water Vehicle		916,750		916,750
Z-262	Completion of Various Improvements to Elysian Park		200,000		200,000
		<u>\$ 27,907,301</u>	<u>4,631,750</u>	<u>330,026</u>	<u>32,209,025</u>

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CITY OF HOBOKEN, N.J.

Schedule of Cash - Treasurer

Parking Utility Fund

Year Ended December 31, 2013

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2012	\$ 2,958,549	517,000
Increased by Receipts:		
Budget Revenues	14,567,214	
Miscellaneous Revenue Not Anticipated	38,879	
Interfunds	200	
	<hr/>	<hr/>
Total Receipts	14,606,293	
Decreased by Disbursements:		
2013 Appropriations	12,649,368	
2012 Appropriation Reserves	580,645	
Interfunds		200
Improvement Authorizations		170,493
Interest on Bonds and Notes	792,414	
	<hr/>	<hr/>
Total Disbursements	14,022,427	170,693
Balance, December 31, 2013	\$ <u>3,542,415</u>	\$ <u>346,307</u>

CITY OF HOBOKEN, N.J.

Schedule of Interfunds Due from/(to) Various Funds

Parking Utility Operating Fund

Year Ended December 31, 2013

	Balance December 31, <u>2012</u>	<u>Decreased</u>
Parking Utility Capital Fund	\$ <u>200</u>	<u>200</u>
	\$ <u><u>200</u></u>	<u><u>200</u></u>

CITY OF HOBOKEN, N.J.

Schedule of 2012 Appropriation Reserves

Parking Utility Operating Fund

Year Ended December 31, 2013

	Balance Dec. 31, 2012	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 1,000,091	1,000,091	768,785	231,306
Other Expenses	92,138	282,690	278,609	4,081
Other Expenses - Trustee Fees	40,000			
	<u>1,132,229</u>	<u>1,282,781</u>	<u>1,047,394</u>	<u>235,387</u>
Total Operating				
Capital Improvements				
Capital Outlay	33,251	33,251	33,251	
	<u>33,251</u>	<u>33,251</u>	<u>33,251</u>	
Total Capital Improvements				
	<u>\$ 1,165,480</u>	<u>1,316,032</u>	<u>1,080,645</u>	<u>235,387</u>
Appropriation Reserves	\$ 1,165,480			
Encumbrances		<u>150,552</u>		
		<u>\$ 1,316,032</u>		
Transferred to Reserve			\$ 500,000	
Cash Disbursements			<u>580,645</u>	
			<u>\$ 1,080,645</u>	

**CITY OF HOBOKEN, N.J.**  
**Schedule of Security Deposits**  
**Parking Utility Operating Fund**  
**Year Ended December 31, 2013**

Balance, December 31, 2012	\$ <u>233,776</u>
Balance, December 31, 2013	\$ <u><u>233,776</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Accrued Interest Payable

Parking Utility Operating Fund

Year Ended December 31, 2013

Balance, December 31, 2012		\$	408,969
Increased By:			
Interest on Bonds	\$	681,734	
Interest on Notes		<u>137,247</u>	
			<u>818,981</u>
			1,227,950
Decreased By:			
Interest Paid on Bonds		681,734	
Interest Paid on Notes		<u>110,680</u>	
			<u>792,414</u>
Balance, December 31, 2013		\$	<u><u>435,536</u></u>

Analysis of Accrued Interest Payable at December 31 2013:

	<u>Outstanding</u>	<u>Interest</u>	<u>Terms</u>	<u>Accrued</u>
	<u>Principal</u>	<u>Rate</u>		<u>Interest</u>
Bond Anticipation Notes	\$ 3,600,000	1.13%	07/25/13 - 12/31/13	
Bond Anticipation Notes	\$ 1,894,000	1.00%	05/23/13 - 12/31/13	
Bonds	\$ 1,270,000	Various	07/01/13 - 12/31/13	<u>401,913</u>
				\$ <u><u>401,913</u></u>

**CITY OF HOBOKEN, N.J.**

**Schedule of Reserve for Encumbrances**

**Parking Utility Operating Fund**

**Year Ended December 31, 2013**

Balance, December 31, 2012	\$	150,552
Increased By:		
Current Year Encumbrances		<u>525,915</u>
		676,467
Decreased By:		
Transfer to Appropriation Reserves		<u>150,552</u>
Balance, December 31, 2013	\$	<u><u>525,915</u></u>

**CITY OF HOBOKEN, N.J.**

**Schedule of Reserve for Retro Pay - HPU**

**Parking Utility Operating Fund**

**Year Ended December 31, 2013**

Increased By:	
Transferred from Appropriation Reserves	\$ <u>500,000</u>
Balance, December 31, 2013	\$ <u><u>500,000</u></u>

**CITY OF HOBOKEN, N.J.**

**Schedule of Fixed Capital**

**Parking Utility Capital Fund**

**Year Ended December 31, 2013**

Balance, December 31, 2012	\$ <u>45,157,185</u>
Balance, December 31, 2013	\$ <u><u>45,157,185</u></u>



**CITY OF HOBOKEN, N.J.**

**Schedule of Due From/(To) General Capital Fund**

**Parking Utility Capital Fund**

**Year Ended December 31, 2013**

Balance, December 31, 2012	\$ <u>(1,600,000)</u>
Balance, December 31, 2013	\$ <u><u>(1,600,000)</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Interfunds Due from/(to) Various Funds

Parking Utility Capital Fund

Year Ended December 31, 2013

	Balance, December 31, <u>2012</u>	<u>Decreased</u>
Parking Utility Operating Fund	\$ <u>(200)</u>	<u>200</u>
	\$ <u><u>(200)</u></u>	<u><u>200</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Bond Anticipation Notes Payable

Parking Utility Capital Fund

Year Ended December 31, 2013

<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 December 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2013</u>
DR69/94	Parking Utility Notes Series 2008C	12/01/05	7/25/13	7/25/14	1.13%	\$ 3,800,000	3,600,000	3,800,000	3,600,000
DR399	Parking Utility Notes Series 2010	07/01/10	5/23/13	5/23/14	1.00%	2,000,000	1,894,000	2,000,000	1,894,000
						<u>\$ 5,800,000</u>	<u>5,494,000</u>	<u>5,800,000</u>	<u>5,494,000</u>
						Notes Issued \$	5,494,000	5,494,000	
						Budget Appropriation		306,000	
							<u>\$ 5,494,000</u>	<u>5,800,000</u>	<u>5,800,000</u>

CITY OF HOBOKEN, N.J.

Schedule of Parking Utility Serial Bonds

Parking Utility Capital Fund

Year Ended December 31, 2013

Purpose	Date of issue	Original issue	Maturities of bonds outstanding, December 31, 2013		Interest rate	Balance, December 31, 2012	Decreased	Balance, December 31, 2013
			Date	Amount				
Parking Utility General Obligation Bonds - Series 2002	January 1, 2003	26,530,000	January 1, 2014	1,270,000	4.00-5.25%	\$ 17,545,000	1,250,000	16,295,000
			January 1, 2015	1,320,000	4.00-5.25%			
			January 1, 2016	1,390,000	4.00-5.25%			
			January 1, 2017	1,460,000	4.00-5.25%			
			January 1, 2018	1,540,000	4.00-5.25%			
			January 1, 2019	1,690,000	4.00-5.25%			
			January 1, 2020	1,770,000	4.00-5.25%			
			January 1, 2021	1,860,000	4.00-5.25%			
			January 1, 2022	1,950,000	4.00-5.25%			
			January 1, 2023	2,045,000	4.00-5.25%			
						\$ 17,545,000	1,250,000	16,295,000

CITY OF HOBOKEN, N.J.

Schedule of Improvement Authorizations

Parking Utility Capital Fund

Year Ended December 31, 2013

Ordinance number	Improvement description	Ordinance		Balance, December 31, 2012		2013 Authorizations		Balance, December 31, 2013	
		Date	Amount	Funded	Unfunded	Authorizations	Expended	Funded	Unfunded
Unknown	Improvements to Parking Garage	12/19/07	2,200,000 \$		224,274		170,493	224,274	
Z-99	Various Parking Utility Improvements	4/20/11	1,600,000		492,526			322,033	
Z-254	Refunding Bond Ordinance	10/17/13	14,000,000			14,000,000		14,000,000	
				\$	716,800	14,000,000	170,493	14,546,307	



**CITY OF HOBOKEN, N.J.**

**Schedule of Reserve for Amortization**

**Parking Utility Capital Fund**

**Year Ended December 31, 2013**

Balance, December 31, 2012		\$ 21,612,185
Increased by:		
Payment of Serial Bond Principal	\$ 1,250,000	
Payment of Bond Anticipation Note Principal	<u>306,000</u>	
		<u>1,556,000</u>
Balance, December 31, 2013		\$ <u><u>23,168,185</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Parking Utility Capital Fund

Year Ended December 31, 2013

Ordinance number	Improvement description	Ordinance		Balance December 31, 2012	2013 Authorizations	Balance 2013
		Date	Amount			
???	Improvements to Parking Garage	12/19/07	2,200,000	200,000		200,000
Z-99	Various Parking Utility Improvements	4/20/11	1,600,000	1,600,000		1,600,000
Z-254	Refunding Bond Ordinance	10/17/13	14,000,000		14,000,000	14,000,000
				\$ 1,800,000	14,000,000	15,800,000

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**CITY OF HOBOKEN**

**LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2013**

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

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

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

We have audited, 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, the financial statements-regulatory basis of the City of Hoboken in the County of Hudson as of and for the year ended December 31, 2013 and the related notes to the financial statements, and have issued our report thereon dated September 16, 2014, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for fixed assets not being audited.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements-regulatory basis, we considered the City of Hoboken's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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. Accordingly, we do not express an opinion on the effectiveness of the City of Hoboken's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Honorable Mayor and  
Members of the City Council  
Page 2.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We did identify a certain immaterial deficiency in internal control, described in the accompanying schedule of findings and questioned costs, Finding 2013-1, that we consider to be a significant deficiency.

### **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*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the City of Hoboken in the accompanying comments and recommendations section of this report.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Hoboken's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hoboken's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

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

  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey



September 16, 2014

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

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

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

### **Report on Compliance for Each Major Federal and State Program**

We have audited the City of Hoboken in the County of Hudson compliance 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 could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2013. 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.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Hoboken's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 a major federal and state program 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination on the City of Hoboken's compliance.

### **Opinion on Each Major Federal and State Program**

In our opinion, the City of Hoboken complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2013.

### **Report on Internal Control Over Compliance**

Management of the City of Hoboken is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Hoboken's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal and state program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance with OMB Circular A-133 and N.J. OMB Circular 04-04, 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 deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Honorable Mayor and  
Members of the City Council  
Page 3.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.



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



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

September 16, 2014



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CITY OF HOBOKEN, N.J.

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2013

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2012	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2013	MEMO Cumulative Total Expenditures
<u>Federal Grantor Pass Through Grantor Program Title:</u>										
Passed Through Hudson County Dept. of Finance and Admin:										
Community Development Block Grant - 2000	14.218	2000	90,000	30,029	21,010				51,039 *	389,961
Community Development Block Grant - 2001	14.218	2001	60,000		60,000				60,000 *	
Community Development Block Grant - 2005	14.218	2005	90,000	(802)	20,802				20,000 *	70,000
Community Development Block Grant - 2006	14.218	2006	489,400	4,663					4,663 *	484,737
Community Development Block Grant - 2007	14.218	2007	150,000	23,642					23,642 *	126,358
Community Development Block Grant - 2008	14.218	2008	200,000	49,118					49,118 *	150,882
Community Development Block Grant - 2009	14.218	2009	250,000	720				(720)		249,280
Community Development Block Grant - 2010	14.218	2010	225,000	13,125	19,021				32,146 *	162,415
Community Development Block Grant - 2010 Admin. Costs	14.218	2010	50,000	50,000					50,000 *	
Community Development Block Grant - 2011	14.218	2011	457,000	36,851	13,149				50,000 *	407,000
Community Development Block Grant - 2012	14.218	2012	425,000	(20,067)	97,899	241,300		(19,295)	(182,763) *	294,173
Community Development Block Grant - 2013	14.218	2013	425,000		48,882	57,135			(8,253) *	57,135
Total Pass-Through Programs			2,911,400	187,279	280,763	298,435		(20,015)	149,592 *	2,391,941
Total U.S. Dept. of Housing and Urban Development			2,911,400	187,279	280,763	298,435		(20,015)	149,592 *	2,391,941
<u>U.S. Department of Justice:</u>										
Public Safety Partnership and Community Policing Grants										
Bulletproof Vest Partnership	16.710	2010	5,132	5,132						3,880 *
National Police Athletic League - 2011-12 Mentoring Program	16.541	2011	30,000	(16,492)	1,619	12,493			(27,366) *	28,985
Byrne Justice Assistance Grant (JAG) Prosecutor	16.738	2011	18,585	39					39 *	18,546
Byrne Justice Assistance Grant (JAG) Prosecutor	16.738	2012	14,579			14,475			(14,475) *	14,475
Byrne Justice Assistance Grant (JAG) Prosecutor	16.738	2013	15,614							
Save the Youth Grant	16.540	2007	1,760	1,760					1,760 *	
Save the Youth Grant	16.540	2011	17,881	17,881					17,881 *	
Save the Youth Grant	16.540	2009	223,587	86					86 *	223,501
Total U.S. Department of Justice			327,138	8,406	1,619	28,220			(18,195) *	286,759

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2013

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2012	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2013	MEMO Cumulative Total Expenditures
<b>Department of Agriculture:</b>										
Passed Through the NJ Department of Agriculture										
Summer Food Service	10.559	Prior Year	20,000							20,000
Summer Food Service	10.559	2007	15,823	4,822					4,822	11,001
Summer Food Service	10.559	2010	31,374	183					183	31,023
Summer Food Service	10.559	2010	25,728	25,728					25,728	
Summer Food Service	10.559	2011	34,115	2,824					2,824	31,291
Summer Food Service	10.559	2012	32,653	961					961	31,692
Summer Food Service	10.559	2012	5,943	5,943					5,943	
Summer Food Service	10.559	2013	41,385		27,101	28,855			(1,754)	28,855
			207,021	40,461	27,101	28,855			38,707	153,862
<b>Department of Transportation</b>										
Passed Through the NJ Department of Transportation										
1600 Park Avenue Development	20.205	2008	300,000	300,000				(300,000)		
Various Street Improvements	20.205	2009	400,374	12,536					12,536	387,838
2008 Roadway Improvements Project	20.205	2008	400,000	(4,084)					(4,084)	336,795
2009 Roadway Improvements Project	20.205	2009	410,732	145,512					145,512	
2009 Safe Streets to Transit	20.205	2010	80,000	(74,960)					(74,960)	74,960
2010 Various Street Improvements	20.205	2010	460,531	(297,068)	165,594		135,154		3,680	456,851
2010 Safe Streets to Transit	20.205	2010	80,000	80,000					80,000	
2010 Hudson Place Funding	20.205	2010	80,000	31,553					31,553	48,447
2011 Aid for Various Streets	20.205	2011	400,125	(113,512)					(113,512)	400,125
2012 Aid for Various Roads	20.205	2012	396,000	(396,000)	297,000				(99,000)	396,000
2013 Road Improvement Program	20.205	2013	356,280			356,280			(356,280)	356,280
2013 Transportation Enhancement, Redesign of Newark Street	20.205	2013	118,000							
			3,482,042	(316,023)	462,594	356,280		(164,846)	(374,555)	2,457,296
<b>Department of Transportation</b>										
Passed Through the NJ Division of Law & Public Safety										
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2007	20,000	941					941	19,059
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2008	18,000	800					800	14,400
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2009	90,905	90,105					90,105	
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2010	8,000	8,000					8,000	7,400
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2012	15,000		5,800	7,400			(1,600)	4,050
Drive Sober or Get Pulled Over	20.601	2012	4,400			7,400			98,246	44,909
			156,305	99,846	5,800	7,400				

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2013

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2012	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2013	MEMO Cumulative Total Expenditures
Department of Transportation Passed Through the National Highway Traffic Safety Over the Limit Under Arrest	20.601 20.601	2008 2009	5,000 4,700 9,700	(400) 300 (100)					(400) 300 (100)	4,800 4,400 9,200
Department of Homeland Security FEMA - Staffing for Adequate Fire and Emergency Response	97.044	2010	453,441	(42,491)		22,806			(42,491)	453,441
FEMA - Fire Apparatus	97.044	2011	427,962	23,242					436	427,526
FEMA - Fire Equipment	97.044	2011	118,827	65,474					65,474	53,353
FEMA - Fire Boat	97.044	2012	364,464	(364,464)	364,460				(4)	364,460
FEMA - Safer Grant	97.044	2012	1,118,600							
FEMA - Firefighters Assistance Grant	97.044	2010	16,394	16,394					16,394	
Firefighters Assistance Grant	97.044	2012	272,697	58					58	272,639
Firefighters Assistance Grant	97.044	2012	14,708	(11,328)		(1)			(11,327)	11,327
Firefighters Assistance Grant	97.044	2012	16,394	(12,124)					(12,124)	12,124
Firefighters Assistance Grant	97.044	2013	35,440		35,440	10,125			25,315	10,125
Port Authority Security Grant	97.056	2012	24,824							
Port Authority Security Grant	97.056	2012	297,000			21,031			(21,031)	21,031
Port Authority Security Grant	97.056	2012	105,000							
Port Authority Security Grant	97.056	2013	4,058,181		2,381,155	4,058,181			(1,677,026)	4,058,181
FEMA - Hurricane Sandy	97.036	2013	7,323,932	(325,239)	2,781,055	4,112,142			(1,656,326)	5,684,207
Total Federal and State Grant Fund Expenditures			14,417,538	(305,370)	3,558,932	4,831,332		(184,861)	(1,762,631)	11,028,174
General Capital Fund: Dept. of Highway Facilities: Maxwell Place Walkway	20.205	2008	9,109,567	(644,074)				644,074		9,109,567
Total General Capital Fund Expenditures			9,109,567	(644,074)				644,074		9,109,567
Total Federal Awards			\$ 23,527,105	\$ (949,444)	3,558,932	4,831,332		459,213	(1,762,631)	20,137,741

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

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CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State Financial Assistance

Year Ended December 31, 2013

Grant number	Grant period	Award Amount	Balance at Dec. 31, 2012	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2013	MEMO Cumulative Total Expenditures
<b>Federal and State Grant Fund:</b>									
<b>Department of Community Affairs</b>									
<b>Domestic Violence</b>									
	2008	1,250	1,250					1,250 *	
State Cooperative Housing Inspections	2009	100,000	(25,003)					(25,003) *	100,000
State Cooperative Housing Inspections	2011	100,000	(54,716)					(54,716) *	100,000
State Cooperative Housing Inspections	2012	19,570	19,570					19,570 *	
Mafi Services Center Replacement	2009	200,000	(200,000)					(200,000) *	139,833
Hoboken 911 Memorial on Pier	2010	250,000	(63,271)					(63,271) *	63,271
<b>Recreation Opportunities for Individuals with Special Needs (ROID)</b>									
Housing Inspection Program	2013	12,000		55,185	70,000			(14,815) *	70,000
Total Dept. Of Community Affairs		70,000	(322,170)	55,185	70,000			(336,985) *	473,104
<b>Dept. of Environmental Protection</b>									
Clean Communities Program	2008	97,387	97,387					97,387 *	
Clean Communities Program	2009	43,810	11,475					11,475 *	32,335
Clean Communities Program	2010	43,548	2,604		1,591			1,013 *	31,531
Clean Communities Program	2010	56,800	1,636		500			1,136 *	55,664
Clean Communities Program	2011	70,961	5,372		5,160			212 *	70,749
Clean Communities Program	2012	69,909	69,909		69,909			8,000 *	69,909
Clean Communities Program	2013	82,079	82,079	82,079	74,079			25,021 *	74,079
Recycling Tonnage Grant	2010	25,021	23,868		(1,153)			23,922 *	
Recycling Tonnage Grant	2011	23,922	23,922					37,033 *	
Recycling Tonnage Grant	2012	37,033	37,033					82,998 *	
Recycling Tonnage Grant	2013	82,998		82,998				6,500 *	
Forestry Grant	2012	6,500		6,500					
CSIP Tree Pruning Grant	2013	20,000							
Green Acres									
DEP Waterfront Reconstruction	2010	900,000	(900,000)					(900,000) *	900,000
Total Dept. of Environmental Protection		900,000	(626,794)	171,577	150,086			(605,303) *	1,234,267
<b>Dept. of Health &amp; Senior Services Direct</b>									
Public Healthcare Mgmt. Caregivers	2008	118,921	38,424					38,424 *	80,497
Public Healthcare Mgmt. Caregivers	2010	5,291	5,291					5,291 *	58,796
Public Health Priority Funding	2010	9,703	17,409					17,409 *	318
Senior Emergency Funds	2008	5,529	(2,583)	265				(2,318) *	5,529
Senior Emergency Funds	2009	3,059	3,059					3,059 *	
Hepatitis B Incubation Fund	2010	4,705	4,705					4,705 *	
HINI Grant	2010	104,454	(1,002)	265				(1,002) *	48,702
Total Dept. of Health & Senior Services-Direct		104,454	65,303	265				65,568 *	193,842

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State Financial Assistance

Year Ended December 31, 2013

	Grant number	Grant period	Award Amount	Balance at Dec. 31, 2012	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2013	MEMO Cumulative Total Expenditures
<b>Dept. of Law and Public Safety</b>										
Body Armor Replacement Program	098-718-066-1020-001	2009	15,374	5,061		4,064			997	14,377
Body Armor Replacement Program	098-718-066-1020-001	2010	14,377	12,634					12,634	4,064
Body Armor Replacement Program	098-718-066-1020-001	2011	11,833	1,489		1,489				1,489
Body Armor Replacement Program	098-718-066-1020-001	2012	Prior Year	12,642		8,078			4,564	28,525
Body Armor Replacement Program	098-718-066-1020-001	2013	15,341	12,146	15,341	12,146			15,341	12,146
Body Armor Replacement Program	098-718-066-1020-001	2009	4,000							
Click-It-Or-Ticket		2010	12,377	5,942		1,717		(1)	4,225	8,152
Drunk Driving Enforcement Fund		2010	1,510	1,510		1,363		(1)	146	1,363
Municipal Court DWI Grant		2011	1,510	51,424	15,341	28,857		(1)	37,907	70,116
Total Dept. of Law and Public Safety										
<b>Dept. of Justice</b>										
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2007								
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2008	1,253	53					53	1,200
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2009	1,253	955		900			55	1,198
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2012	1,295	1,295		325			970	325
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2013	1,055		1,055	976			79	976
Total Dept. of Justice				2,303	1,055	2,201			1,157	3,699
<b>Department of Treasury</b>										
State Contingency Fund		2010	6,500	(6,500)					(6,500)	6,500
Business Stimulus Fund Grant			47,438	47,438					47,438	
Fire Department Grant				40,938					40,938	
Total State Contingency Fund										6,500
<b>Other State Agencies:</b>										
Safety Performance Award	N/A	2012	100	100		100				100
Cultural Affairs Partnership Arts	N/A	2012	5,880	(1,470)					(1,470)	5,880
Cultural Affairs Partnership Arts	N/A	2012	18,750	(1,355)	3,750	1,500			895	17,855
Cultural Affairs Partnership Arts	N/A	2013	6,216		4,662	6,216			(1,554)	6,216
Bike Corals	N/A	2012	5,000	1,034		515			519	4,481
Sustainable Jersey Grant	N/A	2012	20,000	10,000		4,000			6,000	4,000
Sustainable Jersey Grant	N/A	2013	2,000		2,000				2,000	
Clean Energy Program	N/A	2009	41,692	(41,692)					(41,692)	41,692
NJEDA Hazardous Site Remediation	N/A	2010	10,299	(29,013)					(29,013)	9,925
Junior Tennis Foundation	N/A	2013	1,500		1,500	1,296			204	1,296
Cert. Community Emergency Response Team	N/A	2013	1,000			385			(385)	385
NJ Historic Trust Grant	N/A	2013	37,500							
Cultural Affairs Marketing Program	N/A	2013	15,750		11,812	200,000			11,812	200,000
US Soccer Foundation - Synthetic Field	N/A	2013	200,000							
NJ Energy Allocation Initiative	N/A	2013	142,080							
State Tourism Grant	N/A	2011	7,504	207	23,724	214,012			207	7,297
Total State Contingency Fund				(62,189)					(32,477)	299,127
Total State Assistance				(851,185)	267,147	465,156		(1)	(849,195)	2,280,655

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State Financial Assistance

Year Ended December 31, 2013

Grant number	Grant period	Award Amount	Balance at Dec. 31, 2012	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2013	MEMO Cumulative Total Expenditures
<b>Federal and State Grant Fund:</b>									
<b>Passed Through Hudson County Dept. of Finance and Administration:</b>									
	2007	300,000	1					1	299,999
	2009	300,000	1,371		1,371				300,000
	2010	300,000	(300,000)	298,630				(1,370)	300,000
	2012	250,000		217,404	232,507			(15,103)	232,507
	2012	100,000							100,000
	2012	3,000,000	8,438	587,000	658,438			(63,000)	3,000,000
	2013	100,000							
	2011	40,261	(1,184)					(1,184)	40,261
	2012	40,261	(966)	35,461	34,474			21	40,240
	2013	38,840			18,709			(18,709)	18,709
	2009	126,998	(36,821)					(36,821)	101,598
	2010	27,055	27,055					27,055	
	2010	127,000	(18,027)					(18,027)	69,400
	2012	127,796	(96,507)	96,505				(2)	127,796
	2013	129,378		95,407	129,378			(33,971)	129,378
	2009	10,000	10,000					10,000	
		674	674					674	
	2010	4,734	(1,184)	1,184					4,734
	2011	12,000	(360)					(360)	12,000
	2011	115,000	(29,144)					(29,144)	115,000
			(436,654)	1,331,591	1,074,877			(179,940)	4,891,622
<b>Other Direct Programs:</b>									
	2008	1,513,420	7,680						1,513,420
	2010	30,000	23,360					7,680	6,640
	2010	2,500	300					23,360	2,200
	2011	3,200	1,850					300	550
	2011	8,000						1,850	
	2012	15,000	(11,117)	3,029	3,883			(11,971)	15,000
	2012	30,000	19,026					19,026	
	2013	14,500		7,296				7,296	
			41,099	10,325	3,883			47,541	1,537,810
			(395,555)	1,341,916	1,078,760			(132,999)	6,429,432
<b>Total County/Other Assistance</b>									
<b>General Capital Fund:</b>									
	2008	17,479,834	(1,455,337)						17,276,650
			(1,455,337)						(1,455,337)
<b>Total NY/NJ Port Authority</b>									

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State Financial Assistance

Year Ended December 31, 2013

Grant number	Grant period	Award Amount	Balance at Dec. 31, 2012	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2013	MEMO Cumulative Total Expenditures
Dept. of Environmental Protection Reconstruction of Pier C 1600 Park Avenue Hoboken Cove	2008 2010 2010 2013	2,520,166 1,700,000 1,000,000 400,000	(54,362) 490,225 797,451 1,233,314		400,000 400,000			(54,362) 490,225 797,451 833,314	1,623,558 1,209,775 202,549 3,435,882
Total State Dept. of Environmental Protection									
Developer's Share - Toll Brothers Maxwell Place Walkway Total Developer's Share	2008	3,061,262	(101,730) (101,730)					(101,730) (101,730)	3,061,262 3,061,262
Hudson County Open Space 1600 Park Avenue Improvements to 1600 Park Ave and Hoboken Cove Acquisition of Various Parcels of Land Total Developer's Share	2010 2010 2011	200,000 350,000 1,000,000	200,000 1,000,000 1,200,000				(19,974) (19,974)	200,000 (19,974) 1,000,000 1,180,026	350,000 350,000
Total General Capital Assistance			876,247		400,000		(19,974)	456,273	24,123,794
Total State and County/Other Assistance		\$	(370,493)	1,609,063	1,943,916		(19,975)	(525,321)	32,833,881

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 DECEMBER 31, 2013**

**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	\$4,532,897	\$465,156	\$1,078,760	\$6,076,813
General Capital Fund		400,000		400,000
Community Development Block Grant Trust Fund	<u>298,435</u>	_____	_____	<u>298,435</u>
	<u>\$4,831,332</u>	<u>\$865,156</u>	<u>\$1,078,760</u>	<u>\$6,775,248</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 DECEMBER 31, 2013  
(CONTINUED)**

**NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING**

The City's federal and state loans outstanding at December 31, 2013, 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>
State of New Jersey Green Acres Trust Loan	<u>\$1,000,842</u>

**CITY OF HOBOKEN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: adverse - USGAAP  
unmodified - OCBOA

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

**Federal Awards Section**

Dollar threshold used to distinguish between type A and type B programs: \$  300,000

Auditee qualified as low-risk auditee?  X  yes   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?   yes  X  none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?   yes  X  no

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program**

97.036

FEMA — Hurricane Sandy

20.205

Department of Transportation

**CITY OF HOBOKEN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**(continued)**

*Section I – Summary of Auditor’s Results, (continued)*

**State Awards Section**

Dollar threshold used to determine type A programs: \$ 300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes      X no

Type of auditors’ report on compliance for major programs: unmodified

Internal Control over compliance:

1. Material weakness(es) identified? \_\_\_\_\_ yes      X no

2. Were significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X no

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (Section 510(a))? \_\_\_\_\_ yes      X no

Identification of major programs:

<b><u>GMIS Number(s)</u></b>	<b><u>Name of State Program</u></b>
<u>505 042 4800 002 720020</u>	<u>Green Acres – Improvements to Elysian Park</u>

**CITY OF HOBOKEN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**(continued)**

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

NONE

**STATUS OF PRIOR YEAR FINDINGS**

This section identifies the status of prior year audit findings related to the general purpose 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's Circular 04-04, as amended.

**Finding 2012-1**

The City has neglected to maintain an accurate Fixed Asset Report.

**Current Status**

Corrective action has been taken.

**Finding 2012-2**

The City has not implemented the requirements of Governmental Accounting Standards Board, Statement No. 45, Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions (OPEB).

**Current 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, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500 or \$36,000 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:

Automated License Plate Recognition with  
Automated Chalking System  
Restroom Improvements for Church Square Park  
Harley Davidson Motorcycles for Police Department  
Pier C Rehabilitation Project  
Multi-Service Center First Floor Alterations  
Elysian Park Improvements  
Hoboken Police Department Security & Fire  
Alarm Upgrades  
Hoboken Batting Cage Building

Dog Parks at Church Square Park & Stevens Park  
25 Passenger Transit Bus with Wheelchair Capability  
Elevator Service Maintenance  
2013 Road Program  
Solid Waste  
Solar Powered Intelligent Waste System  
M923A1 U.S. Military Truck  
Rebid for Hop Bus  
2 Each Used 2013 Dodge Caravan SXT1

## 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 10, 2013 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 held on April 19, 2013.

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 the last three years:

	<u>Number of Liens</u>
December 31, 2013	49
December 31, 2012	54
December 31, 2011	60

**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.

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**CITY OF HOBOKEN**

**OTHER COMMENTS**

**DECEMBER 31, 2013**

**Finance/Treasurer**

1. \*Petty cash disbursed to various departments does not agree to State approved application in accordance with N.J.S.A. 40A:5-21.
2. \*The City has deferred charges to future taxation, unfunded balances over five years old, where the projects have been completed and payments made from unfinanced cash.
3. \*Bank reconciliations for the following accounts contain several unidentified adjustments:  

Payroll Agency Account
4. Not all financial transactions are being recorded in the general ledgers in a timely manner as required by Technical Accounting Directive #3 for the following funds:  

Payroll Agency Account
5. Instances where invoices were not being processed and paid within ninety days.

**Purchasing**

1. Not all Request for Qualification documents were available for review as required by N.J.S.A. 40A:11.
2. There were instances where goods and/or services were ordered prior to being encumbered.

**Departments**

1. \*The following departments do not maintain a monthly cash book that summarizes collections by category:
  - a. Recreation Department
  - b. Taxi & Limo License Department
  - c. Building Department
  - d. Environmental Department
  - e. Department of the City Clerk
  - f. Fire Prevention Department
  - g. Police Department
2. The Vital Statistics department is not remitting fees collected for Dog Licenses and Burial Permits to the State in a timely manner.

**Pavroll/Personnel**

1. \*Authorized deferred compensation applications and W-4 forms for selected individuals were unable to be located for review.

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**CITY OF HOBOKEN**  
**RECOMMENDATIONS**  
**DECEMBER 31, 2013**

**Finance/Treasurer**

1. \*That an updated application be submitted to the State to approve various appointments of petty cash.
2. \*That all ordinances with cash deficits over five years old should be funded through a valid financing source.
3. \*That all adjustments be identifies and recorded for reconciliations for all funds.
4. That all financial transactions be recorded in the General Ledger as required by Technical Accounting Directive #3.
5. That all invoices be processed and paid in a timely manner.

**Purchasing**

1. That all Request for Qualification documentation be maintained by the City and be made available for audit.
2. That all goods and/or services be encumbered prior to order.

**Departments**

1. That all departments maintain a monthly cash ledger that summarizes collections by category.
2. That fees collected for animal licenses and burial permits be remitted to the proper State agency in a timely manner.

**Payroll/Personnel**

1. \*That all approved deferred compensation applications and W-4's be maintained and available for review.

**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  
Pompton Lakes, New Jersey

September 16, 2014