

**CITY OF UNION CITY
NEW JERSEY
AUDIT OF FINANCIAL STATEMENTS
AND
FEDERAL AND STATE GRANT PROGRAMS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012
WITH
REPORTS OF INDEPENDENT AUDITOR'S
AND
LETTERS OF COMMENTS AND RECOMMENDATIONS**

CITY OF UNION CITY

TABLE OF CONTENTS

JUNE 30, 2013

	<u>EXHIBIT</u>	<u>PAGE</u>
FINANCIAL SECTION		
Independent Auditor's Report		1 - 4
Current Fund		
Comparative Balance Sheets	A	
Comparative Statements of Operations and Change in Fund Balance	A-1	
Statement of Revenues	A-2	
Statement of Expenditures	A-3	
Trust Funds		
Comparative Balance Sheets	B	
General Capital Fund		
Comparative Balance Sheets	C	
Statement of Fund Balance	C-1	
Fixed Assets		
Comparative Balance Sheets	D	
NOTES TO THE FINANCIAL STATEMENTS		5 - 37

CITY OF UNION CITY

TABLE OF CONTENTS

JUNE 30, 2013

	<u>EXHIBIT</u>	<u>PAGE</u>
SUPPLEMENTARY INFORMATION SECTION		
Current Fund		
Schedule of:		
Cash - Treasurer	A-4	
Petty Cash	A-5	
Cash - Tax Collector	A-6	
Taxes Receivable	A-7	
Tax Overpayments	A-8	
Foreclosed Property at Assessed Valuation	A-9	
Revenue Accounts Receivable	A-10	
Interfunds Receivable / (Payable)	A-11	
Due To the State of New Jersey for Senior Citizens' and Veterans' Deductions	A-12	
Tax Title Liens Receivable	A-13	
Other Receivables	A-14	
Appropriation Reserves	A-15	
Other Intergovernmental Liabilities	A-16	
Other Reserves	A-17	
Prepaid Taxes	A-18	
Local School District Taxes Payable	A-19	
County Taxes Payable	A-20	
Accounts Payable	A-21	
Reserve for Encumbrances	A-22	
Deferred Charges	A-23	
Note Payable	A-24	
Grants Receivables	A-25	
Reserve for Grants - Unappropriated	A-26	
Reserve for Grants - Appropriated	A-27	
Reserve for Neighborhood Housing	A-28	

CITY OF UNION CITY

TABLE OF CONTENTS

JUNE 30, 2013

EXHIBIT

PAGE

SUPPLEMENTARY INFORMATION SECTION (continued)

Trust Funds

Schedule of:

Cash and Cash Equivalents - Dog License Fund	B-1
Due To the State of New Jersey - Dog License Fund	B-2
Reserve for Dog License Fund Expenditures	B-3
Due To Current Fund - Dog License Fund	B-4
Accounts Payable - Dog License Fund	B-5
Cash and Cash Equivalents - Unemployment Trust Fund	B-6
Reserve for Unemployment Trust Fund	B-7
Due To Current Fund - Unemployment Trust Fund	B-8
Due From Other Trust Fund - Unemployment Trust Fund	B-9
Cash and Cash Equivalents - Other Trust Fund	B-10
Due From Property Owners Other Trust Fund	B-11
Due To Unemployment Trust Fund - Other Trust Fund	B-12
Due From General Capital Fund Other Trust Fund	B-13
Reserve for Other Trust Fund Activity	B-14
Due To Current Fund - Other Trust Fund	B-15
Reserve for Encumbrances Payable - Other Trust Fund	B-16
Cash and Cash Equivalents - CDA Fund	B-17
Due From HUD CDBG Grant - CDA Fund	B-18
Reserve for Program Income - CDA Fund	B-19
Reserve for Community Development Block Grant - CDA Fund	B-20
Due To Current Fund - CDA Fund	B-21
Cash and Cash Equivalents - Public Defender Trust Fund	B-22
Reserve for Public Defender Trust Expenditures	B-23
Due From Current Fund - Public Defender Trust Fund	B-24
Accounts Payable - Public Defender Trust Fund	B-25

CITY OF UNION CITY

TABLE OF CONTENTS

JUNE 30, 2013

	<u>EXHIBIT</u>	<u>PAGE</u>
SUPPLEMENTARY INFORMATION SECTION (continued)		
General Capital Fund		
Schedule of:		
Cash and Cash Equivalents	C-2	
Analysis of Cash and Cash Equivalents	C-3	
Schedule of:		
Deferred Charges to Future Taxation - Unfunded	C-4	
Deferred Charges to Future Taxation - Funded	C-5	
Capital Improvement Fund	C-6	
Improvement Authorizations	C-7	
General Serial Bonds	C-8	
School Serial Bonds	C-9	
Capital Lease Payable - HCIA	C-10	
Green Acres Loans Payable	C-11	
Reserve for Gree Acres Project	C-12	
Bond Anticipation Notes	C-13	
Encumbrances Payable	C-14	
Due From Current Fund	C-15	
Bonds and Notes Authorized But Not Issued	C-16	
Due From State of New Jersey - Green Acres	C-17	
Due From State of New Jersey - Green Trust	C-18	
Due From County of Hudson	C-19	
Reserve for General Serial Bonds	C-20	
Reserve for Interest	C-21	
Due To Other Trust Fund	C-22	
Fixed Assets		
Schedule of:		
Fixed Assets - Aquisitions and Disposals	D-1	
Reserve for Fixed Assets	D-2	
ACCOMPANYING INFORMATION SECTION		
Schedule of:		
Operations and Changes in Fund Balance		38
Tax Rate Information		39
Tax Levies and Collections		40
Delinquent Taxes and Tax Title Liens		41
Property Acquired by Tax Title Lien Liquidation		42
Fund Balances		43
Roster of Officials		44

CITY OF UNION CITY

TABLE OF CONTENTS

JUNE 30, 2013

	<u>SCHEDULE</u>	<u>PAGE</u>
SINGLE AUDIT SECTION		
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		45 - 47
Independent Auditor's Report on Compliance For Each Major Federal and State Program and on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey OMB Circular 04-04		48 - 50
Schedule of Expenditures of Federal Awards	1	
Schedule of Expenditures of State Financial Assistance	2	
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance		51 - 53
Schedule of Findings and Questioned Costs:		
Section 1 - Summary of Auditors' Results		54 - 55
Section 2 - Financial Statement Findings		56 - 57
Section 3 - Federal Award and State Financial Assistance Findings and Questioned Costs		58
Summary Schedule of Prior Audit Findings and Questioned Costs as Prepared by Management		59 - 60
GENERAL COMMENTS		
General Comments		61 - 64
Comments and Recommendations		65

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INTRODUCTORY SECTION

DONOHUE, GIRONDA & DORIA

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Board of Commissioners
City of Union City, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements – regulatory basis of the City of Union City, New Jersey (the “City”), which comprise the comparative balance sheet – regulatory basis, of each fund and account group as of June 30, 2013 and 2012, and the related comparative statement of operations and changes in fund balance – regulatory basis, of each fund, and the statement of revenues – regulatory basis and statement of appropriations – regulatory basis, of the Current Fund, for the years then ended, 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 financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 A, the financial statements are prepared by the City on the basis of the financial reporting provisions of the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of June 30, 2013 and 2012, or the changes in its financial position for the years then ended.

Opinion on Regulatory Basis Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the comparative financial position – regulatory basis, of each fund and account group of the City as of June 30, 2013 and 2012, and each fund's respective operations and changes in fund balance – regulatory basis, and the Current Fund's respective revenues – regulatory basis and appropriations – regulatory basis, for the years then ended, on the basis of the financial reporting provisions of the Division as described in Note A.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The statistical section and schedule of expenditures of other financial assistance is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary data section and general section are presented for purposes of additional analysis as required by the Division. The schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and N.J. Office of Management and Budget Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively. The supplementary data section, general section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are also not required parts of the basic financial statements.

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

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

Emphasis of Matter

As described in Note 11, the City is the recipient of State Aid that is material to the City as appropriated in the City's fiscal 2014 budget. Minimum conditions on receipt of this aid are set forth in a Memorandum of Understanding with the Director of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



DONOHUE, GIRONDA & DORIA
Certified Public Accountants



FREDERICK J. TOMKINS
Registered Municipal Accountant #327

Bayonne, New Jersey
April 25, 2014

FINANCIAL SECTION

CURRENT FUND

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EXHIBIT A

**THE CITY OF UNION CITY
CURRENT FUND
JUNE 30, 2013 AND 2012**

COMPARATIVE BALANCE SHEETS

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
ASSETS			
Cash and Cash Equivalents	A-4	\$ 18,813,607	\$ 11,460,215
Change Fund	Unchanged	830	830
		<u>18,814,437</u>	<u>11,461,045</u>
Other Assets:			
Revenue Accounts Receivable	A-10	80,000	1,621,779
Grants Receivable	A-25	9,248,330	9,413,673
		<u>9,328,330</u>	<u>11,035,452</u>
Deferred Charges	A-23	4,613,253	6,518,904
		<u>4,613,253</u>	<u>6,518,904</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	110,490	118,035
Property Acquired for Taxes at Assessed Valuation	A-9	171,900	171,900
Tax Title Liens Receivable	A-13	56,989	64,515
Other Receivables	A-14	21,723	21,723
Interfunds Receivable:			
Due from Other Trust Fund	A-11	119,065	229,976
Due from Unemployment Trust	A-11	-	29,807
Due from Dog License Trust	A-11	8,463	6,083
Due from CDA Trust	A-11	86,971	-
	A	<u>575,601</u>	<u>642,039</u>
Total Assets		<u>\$ 33,331,621</u>	<u>\$ 29,657,440</u>

See Accompanying Notes to the Financial Statements.

EXHIBIT A

**THE CITY OF UNION CITY
CURRENT FUND
JUNE 30, 2013 AND 2012**

COMPARATIVE BALANCE SHEETS

	Ref.	<u>2013</u>	<u>2012</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves	A-3, A-15	\$ 2,326,329	\$ 7,905,525
Tax Overpayments	A-8	22,022	180,379
Prepaid Taxes	A-18	115,806	166,134
Accounts Payable	A-21	121,890	1,145,812
Reserve for Encumbrances	A-22	5,238,796	1,332,042
Reserve for Unappropriated Grants	A-26	81,093	274,424
Reserve for Appropriated Grants	A-27	1,599,278	4,130,989
Reserve for Neighborhood Housing	A-28	1,824	1,824
Other Reserves	A-17	748,501	721,750
Local School District Taxes Payable	A-19	13,876,773	3,083,727
County Taxes Payable	A-20	-	-
Intergovernmental Payables:			
Due to State of NJ - Sr. Citizens' & Veterans'	A-12	28,970	21,562
Other	A-16	1,765,475	68,530
Note Payable	A-24	3,200,000	-
Interfunds Payable:			
Due to Capital Fund	A-11	1,281,613	7,830,163
Due to Public Defender Trust Fund	A-11	1,363	109
		<u>30,409,733</u>	<u>26,862,970</u>
Reserve for Receivables	Above	<u>575,601</u>	<u>642,039</u>
Total Liabilities		30,985,334	27,505,009
Fund Balance	A-1	<u>2,346,287</u>	<u>2,152,431</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 33,331,621</u>	<u>\$ 29,657,440</u>

See Accompanying Notes to the Financial Statements.

EXHIBIT A-1

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013 AND 2012**

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

	Ref.	2013	2012
REVENUE AND OTHER INCOME REALIZED			
Miscellaneous Revenue Anticipated	A-2	\$ 47,022,783	\$ 43,566,330
Receipts from Delinquent Taxes	A-2	108,729	617,460
Receipts from Current Taxes	A-2	96,428,494	94,897,126
Non-Budget Revenues	A-2	349,122	140,996
Unexpended Balances of Appropriations Cancelled	A-3	902,713	1,779
Other Credits to Income:			
Dog License Fund - Statutory Excess	A-11	1,910	2,172
CDA Trust Fund - Grant Appropriation Cancelled	A-11	7,310	
Other Receivable Returned			232,295
Unexpended Balance of Appropriation Reserves	A-15	284,120	1,972,538
Other Intergovernmental Liabilities Cancelled			35,004
Reimbursement of Prior Years' Library Expenditures	A-17	725,823	
Accounts Payable Cancelled	A-21	813,716	
Grants Unappropriated Reprogrammed			8,322
Grants Appropriated Reprogrammed	A-27	359,975	
Interfunds Returned			86,498
Total Income		<u>147,004,695</u>	<u>141,560,520</u>
EXPENDITURES			
Budget Appropriations	A-3	111,512,374	105,234,390
Local School District Taxes	A-2, A-19	15,418,637	15,418,637
County Taxes	A-2, A-20	18,109,605	16,688,398
Interest on Late County Tax Payments	A-4	22,906	72,530
Expenditures without Appropriations	A-4	18,782	2,226,528
Interfund Overexpenditures	A-4	19,336	250,661
Refunds of Prior Year Taxes	A-7	526,705	292,866
Tax Judgements on Prior Year Taxes	A-8	627,761	377,932
Interfund Cancelled			1,385,952
Interfund Advances Originating in Current Year	A-11	345,895	285,673
Other Receivable Cancelled			229,119
Other Receivable Advances			17,040
Intergovernmental Liabilities Collected in Prior Years			757,781
Grants Receivable Cancelled	A-25	246,956	785,689
Grants Appropriated Reprogrammed			46,594
Total Expenditures		<u>146,848,957</u>	<u>144,069,790</u>

See Accompanying Notes to the Financial Statements.

EXHIBIT A-1

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013 AND 2012**

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

	Ref.	<u>2013</u>	<u>2012</u>
Excess in Revenue		<u>\$ 155,738</u>	
(Deficit) in Revenue			<u>\$ (2,509,270)</u>
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year:			
Expenditures without Appropriations	A-23	18,782	2,226,528
Interfund Overexpenditures	A-23	<u>19,336</u>	<u>250,661</u>
		<u>38,118</u>	<u>2,477,189</u>
Statutory Excess to Fund Balance		193,856	
Deficit in Operations to be Raised in Budget of Succeeding Year			<u>\$ 32,081</u>
Fund Balance, Beginning of Year	A	<u>2,152,431</u>	<u>2,152,431</u>
Fund Balance, End of Year	A	<u>\$ 2,346,287</u>	<u>\$ 2,152,431</u>

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

STATEMENT OF REVENUES

	Ref.	Budget	Realized	Excess or (Deficit)
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	A-10	\$ 298,013	\$ 210,313	\$ (87,700)
Other	A-10	56,480	113,232	56,752
Fees and Permits	A-10	126,389	272,150	145,761
Fines and Costs:				
Municipal Court	A-10	2,838,120	2,594,971	(243,149)
Interest and Costs on Taxes	A-10	542,360	517,850	(24,510)
Interest on Investments and Deposits	A-10	30,874	36,646	5,772
Wedding Fees	A-10	24,220	28,950	4,730
Public Telephone Commissions	A-10	87	-	(87)
Cable Franchise Fees	A-10	167,049	180,833	13,784
Payment in Lieu of Taxes				
Union Plaza Apartments	A-10	229,974	251,153	21,179
Union City Renaissance Urban Renewal	A-10	7,486	7,967	481
Palisade Urban Renewal Assoc.	A-10	30,184	22,638	(7,546)
Holy Rosary	A-10	35,936	37,160	1,224
Horizon Heights	A-10	-	7,893	7,893
Total Local Revenues		<u>4,387,172</u>	<u>4,281,756</u>	<u>(105,416)</u>
State Aid Without Offsetting Appropriations				
Consolidated Municipal Property Tax Relief Aid	A-10	4,659,459	4,659,459	-
Energy Receipts Taxes	A-10	9,090,703	9,090,703	-
Additional State School Aid	A-10	1,423,707	1,423,707	-
Transitional Aid	A-10	11,900,000	11,900,000	-
State Loan Program	A-10	5,000,000	5,000,000	-
Reserve Supplemental Franchise and Gross Tax Receipts	A-10	90,293	90,293	-
Total State Aid Without Offsetting Appropriations		<u>32,164,162</u>	<u>32,164,162</u>	<u>-</u>
Dedicated Uniform Construction Code Fees Offset with Appropriations				
Uniform Construction Code Fees	A-10	<u>936,254</u>	<u>1,037,070</u>	<u>100,816</u>
Special Items of Revenue - Interlocal Service Agreements				
Union City Board of Education:				
Lease Recreational Center	A-10	300,000	300,000	-
Solid Waste Removal	A-10	360,000	359,454	(546)
Gasoline	A-10	40,000	40,000	-
47th Street Pool	A-10	100,000	103,000	3,000
Lease Central Maintenance Facility	A-10	30,000	30,000	-
Police Services	A-10	598,000	605,972	7,972
School Crossing Guards	A-10	895,000	924,642	29,642
Total Special Items of Revenue - Interlocal Service Agreements		<u>2,323,000</u>	<u>2,363,068</u>	<u>40,068</u>
Special Items of Revenue - Public and Private Revenues				
Summer Food Program		180,220	180,220	-
Recycling Tonnage Grant		85,221	85,221	-
New Jersey Tree Planting Grant		500	500	-
Drunk Driving Enforcement fund		13,684	13,684	-
Emergency Management Performance Grant		5,000	5,000	-
Reserve for Grants Unappropriated:				
Clean Communities		67,182	67,182	-
Recycling Tonnage Grant		168,098	168,098	-
Drunk Driving Enforcement fund		33,749	33,749	-
Alcohol Education		5,395	5,395	-
Body Armor Fund		14,073	14,073	-
Byrne Justice Assistance Grant		30,851	30,851	-
Municipal Alliance		66,345	66,345	-
New Jersey Department of Transportation -				-
Mountain Road (Section 2)		308,653	308,653	-
Port Authority of New York and New Jersey -				-
Various Street Improvements		2,862,395	2,862,395	-
Green Acres Trust Fund Grant - Reservoir Purchase		650,000	650,000	-
Pedestrian School Safety		16,000	16,000	-
Total Special Items of Revenue - Public and Private Revenues	A-25	<u>4,507,366</u>	<u>4,507,366</u>	<u>-</u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

STATEMENT OF REVENUES

	Ref.	Budget	Realized	Excess or (Deficit)
Special Items of Revenue - Other				
General Capital Fund Balance	A-10, A-11	\$ 56,580	\$ 56,580	\$ -
Interfunds:				
Due from CDA Trust Fund	A-10, A-11	40,082	40,082	-
Due from Other Trust Fund	A-10, A-11	320,281	320,281	-
Due from State Unemployment Trust Fund	A-10, A-11	29,807	29,807	-
Due from Dog License Trust Fund	A-10, A-11	3,911	3,911	-
Due from Public Defender Trust Fund	A-10, A-11	3,181	3,181	-
Trust Fund Reserves Cancelled	A-10, A-11	57,691	57,691	-
Reserve for Payment of Interest - General Capital Fund	A-10, A-11	63,399	63,399	-
Reserve for Payment of Debt - General Capital Fund	A-10, A-11	1,262,389	1,262,389	-
North Hudson Community Action Health Center Lease	A-10	106,560	133,200	26,640
Emergency Medical Services	A-10	600,000	500,000	(100,000)
FEMA Revenue	A-10	112,500	123,624	11,124
Library Surplus Calculated	A-10, A-17	500,000	-	(500,000)
Five Year Abatement Program	A-10	50,000	75,216	25,216
Total Special Items of Revenue - Other		<u>3,206,381</u>	<u>2,669,361</u>	<u>(537,020)</u>
Total Miscellaneous Revenues	A-1	47,524,335	47,022,783	(501,552)
Receipts From Delinquent Taxes	A-1, A-7	<u>150,000</u>	<u>108,729</u>	<u>(41,271)</u>
Subtotal General Revenues and Fund Balance Anticipated		<u>47,674,335</u>	<u>47,131,512</u>	<u>(542,823)</u>
Amount to Be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes		\$ 61,767,028	\$ 60,829,241	\$ (937,787)
Addition to Local District School Tax		964,813	964,813	-
Minimum Library Tax		<u>1,106,198</u>	<u>1,106,198</u>	<u>-</u>
Total Amount to Be Raised by Taxes for Support of Municipal Budget	Below, A-7	<u>63,838,039</u>	<u>62,900,252</u>	<u>(937,787)</u>
Non-Budget Revenues	Below, A-1, A-4	<u>-</u>	<u>349,122</u>	<u>349,122</u>
Total General Revenues	A-3	<u>\$ 111,512,374</u>	<u>\$ 110,380,886</u>	<u>\$ (1,131,488)</u>
			Below	
ANALYSIS OF REALIZED REVENUE				
Allocation of Current Taxes				
Revenue from Collections	A-7	\$ 95,328,494		
Add: Reserve for Uncollected Taxes	A-3	<u>1,100,000</u>		
	A-1	96,428,494		
Less:				
Allocated to School Taxes	A-1, A-19	15,418,637		
Allocated to County Taxes	A-1, A-20	<u>18,109,605</u>		
Amount for Support of Municipal Budget	Above		\$ 62,900,252	
Receipts from Delinquent Taxes				
Delinquent Tax Collections	A-1, A-7		108,729	
Miscellaneous Revenues Anticipated	A-10	42,515,417		
Public and Private Revenues	A-25	<u>4,507,366</u>		
	A-1		47,022,783	

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

STATEMENT OF REVENUES

	Ref.	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
ANALYSIS OF REALIZED REVENUE (Continued)				
ANALYSIS OF NON-BUDGET REVENUE				
Miscellaneous Refunds		\$ 537		
31st Street Parking Lot		5,220		
Restitution		505		
Police Administrative Fees		11,286		
State Aid - Local Enforcement Agency Rebates		25,822		
Motor Vehicle Inspection Fines		1,100		
Copy of Reports		3,444		
Fire Reports		2,010		
Prior Year Reimbursements from Library:				
Worker's Compensation Insurance		47,277		
Pension Contribution		28,292		
General Liability Insurance		137,012		
Other Miscellaneous Receipts		86,617		
	Above, A-1	<u>86,617</u>	<u>349,122</u>	
	Above		<u>\$ 110,380,886</u>	

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**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

STATEMENT OF EXPENDITURES

Expenditures	Ref.	SFY 2013	Total for SFY 2013 as Modified by all Transfers	Expended SFY 2013		
				Paid or Charged	Cancelled	Reserved
Operations within "CAPS"						
DEPARTMENT OF PUBLIC AFFAIRS						
Director's Office						
Salaries and Wages		\$ 94,000	\$ 89,500	\$ 89,333	\$ -	\$ 167
Other Expenses		4,000	4,000	3,201	-	799
Municipal Court						
Salaries and Wages		1,109,000	1,060,000	1,048,554	-	11,446
Other Expenses		184,079	204,079	196,080	-	7,999
Public Defender						
Salaries and Wages		23,600	53,600	43,800	-	9,800
Senior Citizens						
Salaries and Wages		66,000	70,500	70,349	-	151
Other Expenses		40,000	35,200	25,402	-	9,798
Hispanic/Cultural Affairs						
Other Expenses		75,000	75,000	74,649	-	351
North Hudson Council of Mayors						
Other Expenses		69,000	69,000	17,053	-	51,947
Municipal Land Use Law (NJS 40:55D-1)						
Regional Planning Board						
Salaries and Wages		18,200	18,200	17,500	-	700
Other Expenses		18,500	18,500	18,500	-	-
Continuous Planning Program		29,000	29,000	26,965	-	2,035
Veterans Affairs						
Salaries and Wages		7,300	7,300	7,000	-	300
Other Expenses		500	500	300	-	200
Celebration of Public Events						
Other Expenses		35,000	35,000	34,961	-	39
Total Department of Public Affairs		<u>1,773,179</u>	<u>1,769,379</u>	<u>1,673,647</u>	<u>-</u>	<u>95,732</u>
Detail:						
Salaries and Wages		1,318,100	1,299,100	1,276,536	-	22,564
Other Expenses		455,079	470,279	397,111	-	73,168
DEPARTMENT OF REVENUE AND FINANCE						
Director's Office						
Salaries and Wages		115,000	127,377	127,376	-	1
Other Expenses		5,000	5,000	4,882	-	118
City Clerk's Office						
Salaries and Wages		456,500	457,500	454,362	-	3,138
Other Expenses		80,000	80,000	63,077	-	16,923
Treasurer's Office						
Salaries and Wages		571,800	559,400	551,060	-	8,340
Other Expenses		185,000	256,800	239,520	-	17,280
Assessment of Taxes						
Salaries and Wages		184,300	184,300	177,190	-	7,110
Other Expenses		80,000	74,500	68,723	-	5,777
Collection of Taxes						
Salaries and Wages		270,100	264,100	259,630	-	4,470
Other Expenses		44,000	44,000	35,738	-	8,262
Central Purchasing						
Salaries and Wages		140,000	133,810	122,885	-	10,925
Other Expenses		4,448	7,448	7,081	-	367
Rent Control Board						
Salaries and Wages		285,900	279,900	274,892	-	5,008
Other Expenses		54,000	54,000	54,000	-	-
Insurance						
General Liability		1,750,000	1,610,000	1,584,866	-	25,134
Workers Compensation		1,318,520	1,358,020	1,355,638	-	2,382
Employee Group Health		15,737,854	15,737,854	15,615,802	-	122,052
Tax Searches						
Salaries and Wages		5,200	5,200	5,000	-	200
Elections						
Salaries and Wages		2,467	2,967	2,871	-	96
Other Expenses		37,157	43,157	42,916	-	241
Membership NJ League of Municipalities						
Other Expenses		3,819	3,819	3,819	-	-
Annual Audit						
Other Expenses		67,700	67,700	-	-	67,700
Tax Sale Costs						
Other Expenses		15,000	15,000	-	-	15,000

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

STATEMENT OF EXPENDITURES

Expenditures	Ref.	SFY 2013	Total for SFY 2013 as Modified by all Transfers	Expended SFY 2013		
				Paid or Charged	Cancelled	Reserved
DEPARTMENT OF REVENUE AND FINANCE						
(Continued)						
Postage-All Departments						
Other Expenses		\$ 180,000	\$ 191,700	\$ 187,203	\$ -	\$ 4,497
Data Processing						
Other Expenses		45,000	46,500	45,642	-	858
Day Care Center						
Other Expenses		260,000	260,000	260,000	-	-
CDA Operations						
Salaries and Wages		241,000	237,500	235,796	-	1,704
Total Department of Revenue and Finance		<u>22,139,765</u>	<u>22,107,552</u>	<u>21,779,969</u>	<u>-</u>	<u>327,583</u>
Detail:						
Salaries and Wages		2,272,267	2,252,054	2,211,062	-	40,992
Other Expenses		19,867,498	19,855,498	19,568,907	-	286,591
DEPARTMENT OF PUBLIC SAFETY						
Director's Office						
Salaries and Wages		134,000	130,900	122,784	-	8,116
Other Expenses		25,000	25,000	22,694	-	2,306
Weddings						
Salaries and Wages		24,000	30,100	29,350	-	750
Legal Department						
Salaries and Wages		11,000	11,000	10,000	-	1,000
Other Expenses		1,176,000	1,190,000	1,182,432	-	7,568
Police Department						
Salaries and Wages		17,695,000	17,218,000	17,158,346	-	59,654
Overtime		500,000	948,481	926,711	-	21,770
Other Expenses		498,000	498,000	466,294	-	31,706
Traffic Signs and Safety						
Other Expenses		121,000	121,000	120,687	-	313
Emergency Management Services						
Salaries and Wages		30,000	23,000	22,077	-	923
Other Expenses		5,000	5,000	4,525	-	475
Emergency Medical Services						
Salaries and Wages		880,000	972,000	971,108	-	892
Other Expenses		65,000	50,000	43,951	-	6,049
Life Hazard Use Fee-Uniform Fire Safety						
Salaries and Wages		149,000	130,000	127,689	-	2,311
Other Expenses		12,000	12,000	8,306	-	3,694
Contribution to Union City Redevelopment Agency		50,000	75,000	71,585	-	3,415
Board of Health						
Salaries and Wages		241,300	224,300	223,946	-	354
Other Expenses		109,000	126,700	126,487	-	213
Divisions of Inspections						
Other Expenses		1,200	1,200	600	-	600
School Crossing Guards						
Salaries and Wages		884,075	884,075	879,674	-	4,401
Other Expenses		10,925	10,925	10,924	-	1
Total Department of Public Safety		<u>22,621,500</u>	<u>22,686,681</u>	<u>22,530,170</u>	<u>-</u>	<u>156,511</u>
Detail:						
Salaries and Wages		20,548,375	20,571,856	20,471,685	-	100,171
Other Expenses		2,073,125	2,114,825	2,058,485	-	56,340
DEPARTMENT OF PUBLIC WORKS						
Director's Office						
Salaries and Wages		180,400	129,700	117,639	-	12,061
Other Expenses		3,000	3,000	1,703	-	1,297
Street Cleaning						
Salaries and Wages		1,935,000	2,180,000	2,174,158	-	5,842
Other Expenses		359,000	174,000	170,631	-	3,369
Streets Repairs and Maintenance						
Other Expenses		95,000	95,000	89,660	-	5,340
Snow Removal						
Salaries and Wages		60,000	47,937	47,937	-	-
Other Expenses		175,000	166,101	166,101	-	-
Board of Adjustment						
Salaries and Wages		18,000	18,000	17,500	-	500
Other Expenses		78,000	88,000	76,602	-	11,398

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

STATEMENT OF EXPENDITURES

Expenditures	Ref.	SFY 2013	Total for SFY 2013 as Modified by all Transfers	Expended SFY 2013		
				Paid or Charged	Cancelled	Reserved
DEPARTMENT OF PUBLIC WORKS						
(Continued)						
Solid Waste Disposal						
Salaries and Wages		\$ 865,000	\$ 931,000	\$ 930,199	\$ -	\$ 801
Other Expenses		3,990,000	3,644,519	3,251,937	-	392,582
Recycling Program						
Other Expenses		45,000	45,000	19,611	-	25,389
Public Assistance						
Other Expenses		75,000	75,000	69,618	-	5,382
Engineering Services						
Other Expenses		305,000	262,000	211,974	-	50,026
Interlocal Municipal Service Agreements						
Central Maintenance Facility Lease		30,000	30,000	30,000	-	-
Total Department of Public Works		<u>8,213,400</u>	<u>7,889,257</u>	<u>7,375,270</u>	<u>-</u>	<u>513,987</u>
Detail:						
Salaries and Wages		3,058,400	3,306,637	3,287,433	-	19,204
Other Expenses		<u>5,155,000</u>	<u>4,582,620</u>	<u>4,087,837</u>	<u>-</u>	<u>494,783</u>
DEPARTMENT OF PARKS AND PUBLIC PROPERTY						
Director's Office						
Salaries and Wages		104,600	108,600	100,679	-	7,921
Other Expenses		4,000	4,000	1,312	-	2,688
Parks and Playgrounds						
Salaries and Wages		285,000	285,000	279,929	-	5,071
Other Expenses		242,000	242,000	239,977	-	2,023
Public Buildings and Grounds						
Salaries and Wages		665,000	784,013	784,013	-	-
Other Expenses		441,432	466,432	433,092	-	33,340
Recreation						
Salaries and Wages		411,000	411,000	411,000	-	-
Other Expenses		255,000	285,000	255,160	-	29,840
Interlocal Municipal Service Agreements						
47th Street Pool		100,000	100,000	100,000	-	-
Recreation Center Lease		300,000	300,000	216,486	-	83,514
Total Department of Parks and Public Property		<u>2,808,032</u>	<u>2,986,045</u>	<u>2,821,648</u>	<u>-</u>	<u>164,397</u>
Detail:						
Salaries and Wages		1,465,600	1,588,613	1,575,621	-	12,992
Other Expenses		<u>1,342,432</u>	<u>1,397,432</u>	<u>1,246,027</u>	<u>-</u>	<u>151,405</u>
UNIFORM CONSTRUCTION CODE						
State Uniform Construction Code Officials:						
Salaries and Wages		727,300	673,800	658,611	-	15,189
Other Expenses		45,729	42,729	34,779	-	7,950
Sub-Code Officials:						
Plumbing Inspector						
Salaries and Wages		15,000	-	-	-	-
Other Expenses		1,500	500	-	-	500
Electrical Inspector						
Salaries and Wages		26,251	26,251	26,250	-	1
Other Expenses		1,500	500	-	-	500
Elevator Inspector						
Other Expenses		47,000	53,000	50,392	-	2,608
Fire Inspector						
Salaries and Wages		20,650	22,150	21,803	-	347
Other Expenses		1,500	500	-	-	500
Total Uniform Construction Code		<u>886,430</u>	<u>819,430</u>	<u>791,835</u>	<u>-</u>	<u>27,595</u>
Detail:						
Salaries and Wages		789,201	722,201	706,664	-	15,537
Other Expenses		<u>97,229</u>	<u>97,229</u>	<u>85,171</u>	<u>-</u>	<u>12,058</u>
UNCLASSIFIED						
Retirement Benefits		100,000	100,000	100,000	-	-
Gasoline		425,000	447,000	412,736	-	34,264
Telephone		220,000	220,000	195,411	-	24,589
Electricity		740,000	940,000	775,139	-	164,861
Water		60,000	60,000	55,459	-	4,541
Natural Gas		368,000	368,000	143,160	-	224,840
Street Lighting		1,002,300	802,300	658,903	-	143,397

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

STATEMENT OF EXPENDITURES

Expenditures	Ref.	SFY 2013	Total for SFY 2013 as Modified by all Transfers	Expended SFY 2013		
				Paid or Charged	Cancelled	Reserved
UNCLASSIFIED (Continued)						
Sewer		\$ 63,500	\$ 63,500	\$ 63,263	\$ -	\$ 237
Fire Hydrants		289,200	289,200	264,202	-	24,998
Printing-All Departments		242,000	267,000	245,157	-	21,843
Photocopying		45,000	45,000	31,429	-	13,571
Fleet Maintenance & Repairs		441,000	553,754	522,802	-	30,952
Total Unclassified		3,996,000	4,155,754	3,467,661	-	688,093
Detail:						
Salaries and Wages		-	-	-	-	-
Other Expenses		3,996,000	4,155,754	3,467,661	-	688,093
TOTAL OPERATIONS WITHIN "CAPS"		62,438,306	62,414,098	60,440,200	-	1,973,898
Detail						
Salaries and Wages		29,451,943	29,740,461	29,529,001	-	211,460
Other Expenses		32,986,363	32,673,637	30,911,199	-	1,762,438
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
Prior Year Bills		813,282	813,282	805,233	8,049	-
Overexpenditures		2,348,008	2,348,008	2,348,008	-	-
Grant receivable write-off		97,227	97,227	97,227	-	-
Deficit in Operations		767,817	767,817	767,817	-	-
Statutory Expenditures - Contributions to:						
Social Security System (O.A.S.I.)		1,280,000	1,281,975	1,267,718	-	14,257
Police and Fire Retirement System		4,639,882	4,639,882	4,639,882	-	-
Public Employees Retirement System		1,414,615	1,386,323	1,386,323	-	-
Consolidated Police and Firemen's Pension Fund		98,162	98,162	98,161	-	1
Unemployment Insurance		110,000	160,000	160,000	-	-
Defined Contribution Retirement Plan		2,500	3,025	3,018	-	7
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"		11,571,493	11,595,701	11,573,387	8,049	14,265
Total General Appropriations for Municipal Purposes Within "CAPS"		74,009,799	74,009,799	72,013,587	8,049	1,988,163
OTHER OPERATIONS EXCLUDED FROM "CAPS"						
Employee Group Health		938,591	938,591	938,591	-	-
Maintenance of Free Public Library		1,106,198	1,106,198	1,020,429	-	85,769
Contribution to North Hudson Fire & Rescue Joint Meeting		18,400,000	18,400,000	17,298,603	849,000	252,397
Total Other Operations Excluded from "CAPS"		20,444,789	20,444,789	19,257,623	849,000	338,166
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
Union City Board of Education						
Solid Waste Removal		360,000	360,000	360,000	-	-
Gasoline		40,000	40,000	40,000	-	-
Police Services		598,000	598,000	598,000	-	-
Total Interlocal Municipal Service Agreements		998,000	998,000	998,000	-	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Summer Food Program		180,220	180,220	180,220	-	-
Recycling Tonnage Grant		85,221	85,221	85,221	-	-
New Jersey Tree Planting Grant		500	500	500	-	-
Drunk Driving Enforcement fund		13,684	13,684	13,684	-	-
Emergency Management Performance Grant		5,000	5,000	5,000	-	-
Reserve for Grants Unappropriated:						
Clean Communities		67,182	67,182	67,182	-	-
Recycling Tonnage Grant		168,098	168,098	168,098	-	-
Drunk Driving Enforcement fund		33,749	33,749	33,749	-	-
Alcohol Education		5,395	5,395	5,395	-	-
Body Armor Fund		14,073	14,073	14,073	-	-
Byrne Justice Assistance Grant		30,851	30,851	30,851	-	-
Municipal Alliance		66,345	66,345	66,345	-	-
New Jersey Department of Transportation - Mountain Road (Section 2)		308,653	308,653	308,653	-	-
Port Authority of New York and New Jersey - Various Street Improvements		2,862,395	2,862,395	2,862,395	-	-
Green Acres Trust Fund Grant - Reservoir Purchase		650,000	650,000	650,000	-	-

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

STATEMENT OF EXPENDITURES

Expenditures	Ref.	SFY 2013	Total for SFY 2013 as Modified by all Transfers	Expended SFY 2013		
				Paid or Charged	Cancelled	Reserved
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (Continued)						
Pedestrian School Safety						
Salaries and Wages		\$ 14,000	\$ 14,000	\$ 14,000	\$ -	\$ -
Other Expenses		2,000	2,000	2,000	-	-
Total Public and Private Programs Offset by Revenue		<u>4,507,366</u>	<u>4,507,366</u>	<u>4,507,366</u>	<u>-</u>	<u>-</u>
Total Operations Excluded from "CAPS"		<u>25,950,155</u>	<u>25,950,155</u>	<u>24,762,989</u>	<u>849,000</u>	<u>338,166</u>
Detail						
Salaries and Wages		66,828	66,828	66,828	-	-
Other Expenses		<u>25,883,327</u>	<u>25,883,327</u>	<u>24,696,161</u>	<u>849,000</u>	<u>338,166</u>
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"						
Capital Improvement Fund		300,000	300,000	300,000	-	-
Construction of City Website		<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvements Excluded from "CAPS"		<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"						
Payment of Bond Principal		3,425,000	3,425,000	3,425,000	-	-
Payment of Bond Anticipation Notes & Capital Notes		807,000	807,000	807,000	-	-
Interest on Bonds		2,000,015	2,000,015	2,000,012	3	-
Interest on Notes		436,315	436,315	424,377	11,938	-
Hudson County Improvement Authority:						
Fire Dept Assets - Principal		407,163	407,163	396,624	10,539	-
Fire Dept Assets - Interest		<u>475,036</u>	<u>475,036</u>	<u>452,453</u>	<u>22,583</u>	<u>-</u>
Green Trust Loan Program:						
Swimming Pool Improvements		49,747	49,747	49,747	-	-
17th Street Park Improvements		4,353	4,353	4,353	-	-
44th Street Playground		9,741	9,741	9,740	1	-
Ellsworth and 23rd Street		78,674	78,674	78,674	-	-
38th Street Park		<u>10,856</u>	<u>10,856</u>	<u>10,856</u>	<u>-</u>	<u>-</u>
Total Municipal Debt Service Excluded from "CAPS"		<u>7,703,900</u>	<u>7,703,900</u>	<u>7,658,836</u>	<u>45,064</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		<u>34,014,055</u>	<u>34,014,055</u>	<u>32,781,825</u>	<u>894,064</u>	<u>338,166</u>
LOCAL DISTRICT SCHOOL PURPOSES EXCLUDED FROM "CAPS"						
Type 1 District School Debt Service						
Payment of Bond Principal		2,170,000	2,170,000	2,169,400	600	-
Interest on Bonds		<u>218,520</u>	<u>218,520</u>	<u>218,520</u>	<u>-</u>	<u>-</u>
Total Local District School Purposes Excluded from "CAPS"		<u>2,388,520</u>	<u>2,388,520</u>	<u>2,387,920</u>	<u>600</u>	<u>-</u>
Total General Appropriations Excluded from "CAPS"		<u>36,402,575</u>	<u>36,402,575</u>	<u>35,169,745</u>	<u>894,664</u>	<u>338,166</u>
Subtotal General Appropriations		<u>110,412,374</u>	<u>110,412,374</u>	<u>107,183,332</u>	<u>902,713</u>	<u>2,326,329</u>
Reserve for Uncollected Taxes		<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS		<u>\$ 111,512,374</u>	<u>\$ 111,512,374</u>	<u>\$ 108,283,332</u>	<u>\$ 902,713</u>	<u>\$ 2,326,329</u>
	Ref.	A-2	A-1	Below	A-1	A
Reserve for Uncollected Taxes	A-2			\$ 1,100,000		
Cash Disbursements	A-4			97,420,731		
Capital Improvement Fund	A-11			300,000		
Public Defender Trust Fund	A-11			40,000		
Grants Appropriated	A-27			4,507,366		
Transfer to Reserve for Encumbrances	A-22			1,702,183		
Deferred Charges	A-23			<u>3,213,052</u>		
	Above			<u>\$ 108,283,332</u>		

TRUST FUNDS

EXHIBIT B

**THE CITY OF UNION CITY
TRUST FUNDS
JUNE 30, 2013 AND 2012**

COMPARATIVE BALANCE SHEETS

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Dog License Fund			
Cash and Cash Equivalents	B-1	\$ 20,215	\$ 16,949
Total Dog License Fund		<u>20,215</u>	<u>16,949</u>
Unemployment Trust Fund			
Cash and Cash Equivalents	B-6	-	2,536
Due from Other Trust Fund	B-9	-	27,271
Total Unemployment Trust Fund		<u>-</u>	<u>29,807</u>
Other Trust Fund			
Cash and Cash Equivalents	B-10	7,826,143	4,360,601
Due from Property Owners	B-11	51,029	-
Due from General Capital Fund	B-13	18,090	-
Total Other Trust Fund		<u>7,895,262</u>	<u>4,360,601</u>
Community Development Agency Fund			
Cash and Cash Equivalents	B-17	5,760	7,310
Due from HUD CDA Grant	B-18	81,211	1,378,642
Total Community Development Agency Fund		<u>86,971</u>	<u>1,385,952</u>
Public Defender Trust Fund			
Cash and Cash Equivalents	B-22	10,910	3,181
Due from Current fund	B-24	1,363	109
Total Public Defender Trust Fund		<u>12,273</u>	<u>3,290</u>
Total Assets		<u>\$ 8,014,721</u>	<u>\$ 5,796,599</u>

See Accompanying Notes to the Financial Statements.

EXHIBIT B

**THE CITY OF UNION CITY
TRUST FUNDS
JUNE 30, 2013 AND 2012**

COMPARATIVE BALANCE SHEETS

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Dog License Fund			
Due to State of New Jersey	B-2	\$ 3,509	\$ 3,480
Reserve for Dog License Expenditures	B-3	8,243	7,386
Due to Current Fund	B-4	8,463	6,083
Accounts Payable	B-5	-	-
Total Dog License Fund		<u>20,215</u>	<u>16,949</u>
Unemployment Trust Fund			
Reserve for Unemployment Trust	B-7	-	-
Due to Current Fund	B-8	-	29,807
Total Unemployment Trust Fund		<u>-</u>	<u>29,807</u>
Other Trust Fund			
Due to Unemployment Trust Fund	B-12	-	27,271
Reserve for Other Trust Activities	B-14	6,720,570	4,103,354
Due to Current fund	B-15	119,065	229,976
Reserve for Encumbrances Payable	B-16	1,055,627	-
Total Other Trust Fund		<u>7,895,262</u>	<u>4,360,601</u>
Community Development Agency Fund			
Reserve for Program Income	B-19	-	-
Reserve for Community Development Block Grant	B-20	-	1,385,952
Due to Current Fund	B-21	86,971	-
Total Community Development Agency Fund		<u>86,971</u>	<u>1,385,952</u>
Public Defender Trust Fund			
Reserve for Public Defender Trust Expenditures	B-23	8,983	-
Accounts Payable	B-25	3,290	3,290
Total Public Defender Trust Fund		<u>12,273</u>	<u>3,290</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,014,721</u>	<u>\$ 5,796,599</u>

See Accompanying Notes to the Financial Statements.

GENERAL CAPITAL FUND

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
JUNE 30, 2013 AND 2012**

COMPARATIVE BALANCE SHEETS

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
ASSETS			
Cash and Cash Equivalents	C-2, C-3	\$ 84	\$ 881
Due from State of New Jersey - Green Acres Trust Loan	C-17	590,143	590,143
Due from State of New Jersey - Green Acres Trust Grant	C-18	1,370,143	590,143
Due from County of Hudson	C-19	790,000	-
Due from Current Fund	C-15	1,281,613	7,830,163
Deferred Charges to Future Taxation:			
Funded	C-5	56,995,180	63,125,266
Unfunded	C-4	29,488,824	22,447,574
Total Assets and Deferred Charges		<u>\$ 90,515,987</u>	<u>\$ 94,584,170</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Capital Improvement Fund	C-6	\$ 11,763	\$ 22,763
Improvement Authorizations:			
Funded	C-7	1,657,587	58,006
Unfunded	C-7	7,367,259	5,123,990
General Serial Bonds	C-8	46,789,999	50,214,999
School Serial Bonds	C-9	2,320,000	4,490,000
Capital Lease Payable - HCIA	C-10	6,709,059	7,116,221
Green Acres Loan	C-11	1,176,122	1,304,046
Reserve for Green Acres Project	C-12	-	129,302
Bond Anticipation Notes	C-13	21,635,000	21,815,750
Encumbrances Payable	C-14	2,813,867	2,983,305
Reserve for General Serial Bonds	C-20	-	1,262,389
Reserve for Interest	C-21	-	63,399
Due to Other Trust Fund	C-22	18,090	-
Fund Balance	C-1	17,241	-
Total Liabilities, Reserves and Fund Balance		<u>\$ 90,515,987</u>	<u>\$ 94,584,170</u>
Bonds and Notes Authorized But Not Issued	C-16	<u>\$ 7,853,824</u>	<u>\$ 631,824</u>

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

STATEMENT OF FUND BALANCE

	<u>Ref.</u>		
Balance, June 30, 2012	C		\$ -
Increased by:			
Funded Improvement Authorizations Cancelled	C-7	\$ 56,580	
Premium on Note Sale	C-15	<u>17,241</u>	
			<u>73,821</u>
			73,821
Decreased by:			
Revenue Anticipated Realized in Current Fund	C-15		<u>56,580</u>
Balance, June 30, 2013	C		<u><u>\$ 17,241</u></u>

See Accompanying Notes to the Financial Statements.

FIXED ASSETS

**THE CITY OF UNION CITY
FIXED ASSET GROUP OF ACCOUNTS
JUNE 30, 2013 AND 2012**

COMPARATIVE BALANCE SHEETS

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>FIXED ASSETS</u>			
Land		\$ 11,233,700	\$ 11,233,700
Buildings and Improvements		77,701,782	77,274,485
Furniture and Fixtures		128,259	83,259
Machinery, Equipment and Other		<u>7,778,510</u>	<u>7,614,026</u>
	D-1	<u>\$ 96,842,251</u>	<u>\$ 96,205,470</u>
<u>RESERVE</u>			
Reserve for Fixed Assets	D-2	<u>\$ 96,842,251</u>	<u>\$ 96,205,470</u>

See Accompanying Notes to the Financial Statements.

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NOTES TO THE FINANCIAL STATEMENTS

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Union City (the “City”) is organized as a Commission under the provisions of N.J.S.A. 40:70-1. Five members comprise the City Board of Commissioners and serve in both administrative and legislative capacities. The Commissioners are elected at-large by voters of the City and serve four year concurrent terms beginning the third Tuesday of May following their election. The Mayor is elected by Board of Commissioners for a four year term. The Mayor presides over the Board of Commissioners, but has no veto power. Each commissioner acts as the director of one of the five major departments of the City. There is no single chief executive.

The financial statements of the City include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the City do not include the operations of the Municipal Library, the not-for-profit Union City Day Care Center, the Union City Housing Authority, the Union City Board of Education, Union City Redevelopment Agency, and the Union City Parking Authority.

Governmental Accounting Standards Board (“GASB”) Statement 14 establishes criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the City to be reported separately. If the provisions of GASB No. 14 had been complied with, the following financial statements of the component units would have been discretely presented with the financial statements of the City, the primary government:

Union City Board of Education

Union City Parking Authority

Union City Public Library

Union City Redevelopment Agency

Union City Housing Authority

Audit reports of the component units are available at each of the respective component units. If the report were prepared in conformity with accounting principles generally accepted in the United States of America, these component units would be indicated in the City’s financial statements.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. DESCRIPTION OF FUNDS

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

The accounting policies of the City conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 financial transactions and accounts of the City are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the City accounts for its financial transactions through the following individual funds and account groups:

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - receipts and disbursements of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. Bonds, notes and loans payable are recorded in this fund, offset by deferred charges to future taxation.

General Fixed Assets - used to account for fixed assets required in general governmental operations.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING

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. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the State Division of Local Government Services, in accordance with N.J.S.A. 40A:4 et seq. Budgets are adopted on the same basis of accounting utilized for the preparation of the City's financial statements.

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from GAAP applicable to local government units. The more significant differences are as follows:

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 budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Property Taxes and Other Revenues - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the City's current fund. GAAP requires such revenue to be recognized in the accounting period in which they become available and measurable, reduced by an allowance for doubtful accounts.

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

Expenditures - unexpended or uncommitted appropriations, at June 30, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures in the current fund, 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 at June 30th are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures or liabilities under GAAP.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

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 are not established 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.

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

Interfunds - advances from the current fund are reported as interfund receivable 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. Under GAAP, interfund receivables are not recorded through operations.

General Fixed Assets - N.J.A.C. 5:30-5.6 codifies Technical Accounting Directive No. 86-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, requires the inclusion of a statement of general fixed assets of the City as part of its basic financial statements. It also requires the City to place a value on all fixed assets put into service, to maintain a subsidiary ledger of detailed records of fixed assets and to provide property management standards to control fixed assets. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than five years and an acquisition cost of \$5,000 or more per unit. 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.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

General Fixed Assets (Continued) - General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in a separate General Fixed Assets Fund rather than in a governmental fund. No depreciation has been provided on general fixed assets or reported in the financial statements (Exhibit D). Fixed assets acquired through grants in aid or contributed capital has not been accounted for separately.

Inventories of Supplies - the cost 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. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Use of Estimates - the preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events - Management has reviewed and evaluated all events and transactions that occurred between June 30, 2013 through April 25, 2014, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items, other than those already included in Note 11, contingent liabilities, have come to the attention of the City that would require disclosure.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

A. DEPOSITS

All bank deposits and investments as of the balance sheet date are classified as to credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

- (a) Uncollateralized.
- (b) Collateralized with securities held by the pledging financial institution.
- (c) Collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. DEPOSITS (Continued)

All bank deposits as of the balance sheet date are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act (“GUDPA”) or are on deposit with the New Jersey Cash Management Fund or the New Jersey Asset & Rebate Management Program (“NJARM”).

Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2013 and 2012, none of the City’s bank balances of \$27,141,263 and \$17,627,351, respectively, was exposed to custodial credit risk.

As of June 30, 2013 and 2012, the City’s deposits and investments are summarized as follows:

	2013	2012
Insured - FDIC	\$ 854,007	\$ 946,769
Insured - GUDPA	24,963,307	15,357,466
NJARM	867,280	867,058
NJ Cash Management Fund	456,669	456,058
Total	\$ 27,141,263	\$ 17,627,351

C. INVESTMENTS

New Jersey statutes permit the City to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- Government money market mutual funds.
- Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor
- Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located.
- Bonds or other obligations having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

C. INVESTMENTS (Continued)

New Jersey statutes permit the City to purchase the following types of securities (Continued):

- Local government investment pools.
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281 (C.52:18A-90.4).
- Agreements for the repurchase of fully collateralized securities if (a) the underlying securities are permitted investments pursuant to the first and third bullets on the preceding page, (b) the custody of collateral is transferred to a third party, (c) the maturity of the agreement is not more than 30 days, (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) and (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2013 and 2012, the City's investments are recorded in the financial statements and have been recorded at the carrying amount. The difference between the carrying amount and market value is not material to the financial statements.

Interest 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.

Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer. The City only deposits funds in money market funds, the NJ Cash Management Fund, or the NJARM Program.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the City's name, and are held by either:

- a. The counterparty or
- b. The counterparty's trust department or agent but not in the City's name

Foreign currency risk is the risk that changes in exchange rates will adversely affect investments. The City does not have investments denominated in foreign currency.

At June 30, 2013 the City's investments were not exposed to custodial credit risk or foreign currency risk.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

C. INVESTMENTS (Continued)

GASB Statement No. 40 requires that the City disclose the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The City is exempt from this requirement because all its investments at June 30, 2013 are invested in money market funds, the NJ Cash Management Fund, or the NJARM Program.

New Jersey Cash Management Fund and NJARM Program

All investments in the New Jersey Cash Management Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the Other-than-State participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. The City does not own specific identifiable securities, but instead has a net realizable interest in the joint value of the fund. As of June 30, 2013 and 2012, the City had a balance of \$456,669 and \$456,058, respectively, in the New Jersey Cash Management Fund.

The NJARM Program is a financial services organization created and run exclusively for New Jersey municipalities, authorities, schools and other local and regional governmental type entities. The Program was designed to help achieve excellence in the governmental unit's investment program. Created as a joint trust investment under the Interlocal Services Act, NJARM provides participants with investment and arbitrage rebate compliance services for both bond proceeds and general operating funds. The program is a means for local governments in the State to invest collectively the proceeds of taxable and tax-exempt borrowings and other funds on hand. As of June 30, 2013 and 2012, the City has a balance of \$867,280 and \$867,058, respectively, in the NJARM Program.

NOTE 3. TAXES RECEIVABLE, TAX TITLE LIENS

In accordance with the accounting principles prescribed by the State of New Jersey, taxes receivable and tax title liens 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.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 3. TAXES RECEIVABLE, TAX TITLE LIENS (Continued)

During fiscal year ended June 30, 2013, the City collected -\$417,976 from delinquent taxes which represented -228.97% of the delinquent balances at June 30, 2012. For the fiscal year ended June 30, 2012, the City collected \$617,460 from delinquent taxes which represented 89.87% of the delinquent balances at June 30, 2011 plus the added tax levy for 2011.

NOTE 4. PROPERTY TAX CALENDAR

Property tax revenues are collected in quarterly installments due August 1, November 1, February 1, and May 1. Property taxes unpaid on October 1 of the fiscal year following their final due date are subject to tax sale in accordance with the statutes. The amount of tax levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the budget of the entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenue to be recognized when they are available and measurable, reduced by an allowance for doubtful accounts.

School Taxes

The City is responsible for levying, collecting and remitting school taxes for the Union City Board of Education. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30.

County Taxes

The City is responsible for levying, collecting and remitting county taxes for the County of Hudson. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, Operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Prepaid Taxes

Taxes collected in advance are recorded as cash liabilities in the financial statements. As of June 30, 2013 and 2012, the City's Prepaid taxes were \$115,806 and \$166,134, respectively.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 5. SCHOOL DISTRICT

At June 30, 2013 and 2012, the amount of authorized and unissued school indebtedness was \$0 each year.

NOTE 6. LONG-TERM DEBT

A. SUMMARY OF MUNICIPAL DEBT

The Local Bond Law, N.J.S.A. 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All 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, shall mature and be paid off within ten years of original date financed by the issuance of bonds.

The following is a summary of changes in long-term debt for the year ended June 30, 2013:

	Balance June 30, 2012	Bonds and Notes			Balance June 30, 2013
		Authorized	Issued/ (Unissued)	Paid	
General Bonds and Notes	\$ 72,030,749	\$ -	\$ 21,635,000	\$25,240,750	\$ 68,424,999
Bonds Issued by Another Public Body and Guaranteed by Municipalities	1,974,600	-	-	180,900	1,793,700
Green Acres Loans	1,304,046	-	-	127,924	1,176,122
HCIA Capital Leases	7,116,221	-	-	407,162	6,709,059
Authorized but Not Issued	631,824	1,940,000	-	-	2,571,824
Total General Debt	83,057,440	1,940,000	21,635,000	25,956,736	80,675,704
School Serial Bonds	4,490,000	-	-	2,170,000	2,320,000
Total	\$ 87,547,440	\$ 1,940,000	\$ 21,635,000	\$28,126,736	\$ 82,995,704

The repayment schedule of annual debt service principal and interest for the next five years, and five-year increments there-after, for bonded debt issued and outstanding as of June 30, 2013 is as follows:

Fiscal Year Ending	General Bonds		Type I School Bonds		HCIA Lease		Green Acres Trust Fund Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2014	\$ 2,638,107	\$ 2,788,287	\$ 2,320,000	\$ 74,240	\$ 438,853	\$ 443,290	\$ 120,619	\$ 21,895	\$ 8,845,291
2015	2,582,108	2,857,842	-	-	453,888	414,570	123,043	19,469	6,450,920
2016	2,521,251	2,922,956	-	-	480,577	383,604	125,517	16,997	6,450,902
2017	2,455,108	2,940,130	-	-	518,940	349,766	118,251	14,522	6,396,717
2018	2,088,425	3,299,569	-	-	562,303	313,895	41,560	12,539	6,318,291
2019-2023	20,745,000	6,289,955	-	-	3,423,657	930,858	220,676	49,823	31,659,969
2024-2028	7,190,000	2,761,719	-	-	830,840	34,588	243,762	26,735	11,087,644
2029-2033	6,570,000	1,343,750	-	-	-	-	131,284	3,965	8,048,999

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 6. LONG-TERM DEBT (Continued)

B. SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.40%. The Equalized Valuation Basis of the City at June 30, 2013 is \$3,280,154,978.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 2,320,000	\$ 2,320,000	\$ -
General Debt	80,675,704	1,793,700	78,882,004

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

3-1/2% of Equalized Valuation Basis	\$ 114,805,424
Net Debt	78,882,004
Remaining Borrowing Power	\$ 35,923,420

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 6. LONG-TERM DEBT (Continued)

D. GENERAL SERIAL BONDS PAYABLE

The city issues bonds to fund various capital projects. Bonds Payable consist of the following:

<u>Fiscal Year Ending</u>	<u>Total Payments</u>	<u>ERI Pension Bonds Principal</u>	<u>2007 Refunding Issue Principal</u>
2014	\$ 2,638,107	\$ 585,000	\$ 2,053,107
2015	2,582,108	665,000	1,917,108
2016	2,521,251	725,000	1,796,251
2017	2,455,108	825,000	1,630,108
2018	2,088,425	15,000	2,073,425
2019	3,760,000	30,000	3,730,000
2020	3,945,000	100,000	3,845,000
2021	4,150,000	165,000	3,985,000
2022	4,350,000	225,000	4,125,000
2023	4,540,000	315,000	4,225,000
2024	4,625,000	375,000	4,250,000
2025	475,000	475,000	-
2026	575,000	575,000	-
2027	690,000	690,000	-
2028	825,000	825,000	-
2029	975,000	975,000	-
2030	1,125,000	1,125,000	-
2031	1,300,000	1,300,000	-
2032	1,475,000	1,475,000	-
2033	1,695,000	1,695,000	-
	<u>\$ 46,789,999</u>	<u>\$ 13,160,000</u>	<u>\$ 33,629,999</u>

The 2007 Refunding Issue Bonds refunded \$8,690,000 of the City's outstanding obligations securing bonds issued by the Hudson County Improvement Authority; \$15,506,000 of the 2006 General Improvement Bonds; \$3,510,000 of the 1997 Refunding Issue; and \$1,430,000 of the ERI Pension Bonds.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 6. LONG-TERM DEBT (Continued)

E. LOANS AND CAPITAL LEASES PAYABLE

The city issues bonds and notes to fund various capital projects. Bonds Payable consist of the following:

Fiscal Year Ending	Green Acres Loans Principal	1992 School Issue Principal	Hudson County Improvement Authority		
			Total Payments	Lease Payments	
				1999 A&B Fire Dept. Assets Principal	N. Hudson Reg. Fire & Rescue Series 2006A&B Principal
2014	\$ 120,619	\$ 2,320,000	\$ 438,853	\$ 290,000	\$ 148,853
2015	123,043	-	453,888	295,000	158,888
2016	125,517	-	480,577	315,000	165,577
2017	118,251	-	518,940	345,000	173,940
2018	41,560	-	562,303	380,000	182,303
2019	42,395	-	590,664	400,000	190,664
2020	43,248	-	640,700	440,000	200,700
2021	44,118	-	684,063	475,000	209,063
2022	45,006	-	729,098	510,000	219,098
2023	45,909	-	779,132	550,000	229,132
2024	46,832	-	830,840	590,000	240,840
2025	47,772	-	-	-	-
2026	48,733	-	-	-	-
2027	49,713	-	-	-	-
2028	50,712	-	-	-	-
2029	51,731	-	-	-	-
2030	52,771	-	-	-	-
2031	26,782	-	-	-	-
	<u>\$1,124,712</u>	<u>\$ 2,320,000</u>	<u>\$ 6,709,058</u>	<u>\$4,590,000</u>	<u>\$ 2,119,058</u>

F. NOTES PAYABLE

The term of bond anticipation notes cannot exceed one year, but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid or permanently financed no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note and through to the tenth anniversary date, 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.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 7. FUND BALANCE APPROPRIATED

Fund balances at June 30, 2012 and 2011 which were appropriated and included as anticipated revenue in their own respective funds for the years ending June 30, 2013 and 2012 were \$0 and \$0, respectively. There was no fund balance included as anticipated revenue for the fiscal year 2014 budget.

NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION

A. STATE-MANAGED PENSION PLANS

Substantially all full-time City employees participate in the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System of NJ (PFRS). The PERS and PFRS systems are cost-sharing multiple-employer contributory defined benefit retirement systems sponsored and administered by the State of New Jersey, Department of Treasury, Division of Pensions and Benefits.

The PERS was established in January 1955 under provisions of N.J.S.A. 43:15A and provides coverage to substantially all full time employees of the City provided the employee is not a member of another State administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service

The PFRS was established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and state firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

The cost of living increase for PERS and PFRS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of PERS and PFRS will be assumed by the State of New Jersey should the PERS and PFRS be terminated. The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the PERS and PFRS. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)

A. STATE-MANAGED PENSION PLANS (Continued)

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PERS and PFRS operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age from age 55 to 65 for Tier 5 members.
- The eligible age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent final compensation after 30 or more years of service.
- It increases in active member contribution rates for PERS active members from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; For fiscal year 2012, the member contribution rates will increase in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)

A. STATE-MANAGED PENSION PLANS (Continued)

Contribution Requirements – PERS

The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Members contribute at a uniform rate. The full normal employee contribution rate became 5.5% of annual compensation, effective July 1, 2007 for most PERS state employees and effective July 1, 2008 for PERS local employees, based on Chapter 103, P.L. 2007. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) is 8.5% of base salary effective July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in fiscal year 2013. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. For fiscal year 2012, the member contribution rate increased in October 2011. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent fiscal year. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances, cost-of-living adjustments, and non-contributory death benefits.

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers to contribute 50% of the normal and accrued liability contribution amounts certified by PERS for payments due in State fiscal year 2009. This law also provided that a local employer may pay 100% of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)

B. STATE-MANAGED PENSION PLANS (Continued)

Contribution Requirements – PERS (Continued)

The City and employees' contributions to PERS normal pension, non-contributory group life insurance (NCGI) and early retirement incentive (ERI) for the past three years were as follows:

Three-Year Trend Information

Public Employees Retirement System (PERS)						
City Contribution						
Year Ended June 30,	Pension			Non- Contributory Life Insurane	Early Retirement Incentive	Employee Contributions
	Amount	Percentage of Covered Payroll	Deferral			
2013	\$ 1,145,652	9.95%	\$ 61,009	\$ 68,186	\$ 139,768	\$ 638,848
2012	1,288,235	11.70%	60,226	82,076	140,973	611,053
2011	1,331,184	12.17%	-	101,103	140,973	607,514

Contribution Requirements – PFRS

The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances, cost-of-living adjustments, and non-contributory death benefits. Members contribute at a uniform rate of 8.5% of base salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10% in October 2011.

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers to contribute 50% of the normal and accrued liability contribution amounts certified by PFRS for payments due in State fiscal year 2009. This law also provided that a local employer may pay 100% of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PFRS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)

A. STATE-MANAGED PENSION PLANS (Continued)

Contribution Requirements – PFRS (Continued)

The City and employees’ contributions to PFRS normal pension, NCGI and ERI for the past three years were as follows:

Three-Year Trend Information

Police and Firemen's Retirement System (PFRS)						
City Contribution						
Year Ended June 30,	Pension			Non- Contributory Life Insurane	Early Retirement Incentive	Employee Contributions
	Amount	Percentage of Covered Payroll	Deferral			
2013	\$ 4,159,235	23.00%	\$ 278,086	\$ 171,772	\$ 30,789	\$ 1,537,230
2012	3,863,384	20.77%	276,072	141,510	29,118	1,584,591
2011	4,423,111	25.83%	-	192,392	27,998	1,459,049

Vesting and Benefit Provisions – PERS

The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

For Tier 1 members, retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years’ compensation if other than the final three years). Members may seek early retirement after achieving 25 years service credit, as defined, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for earnings on their contributions at 2% per annum. In the case of death before retirement, members’ beneficiaries are entitled to full interest credited to the members’ accounts.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)

A. STATE-MANAGED PENSION PLANS (Continued)

Vesting and Benefit Provisions – PERS (Continued)

Eligible retirees receiving monthly benefits are entitled to cost-of-living adjustment (COLA) increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired, as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in the dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement. The COLA increases are funded by the retirement system and are included in the annual actuarial calculations of the required state and state-related employer contributions. Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases are suspended for all current and future retirees of all retirement systems. No further COLA increases will be granted. The law does not reduce any COLA increases that have already been added to retiree benefits.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after

July 1, 2007 and prior to November 2, 2008 (Tier 2 members) 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. Also, this law provided that the amount of compensation for Tier 2 members used for employer and member contributions and benefits under the PERS cannot exceed the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contributions Act.

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 and on or before May 21, 2010 (Tier 3 members). It also increased the minimum annual compensation required for membership eligibility for new Tier 3 members from \$1,500 to \$7,500 in addition to amending the early retirement reduction formula for Tier 3 members retiring with 25 years of service to 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 hired after May 21, 2010 (Tier 4 and Tier 5 members) from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for these members of PERS to 1/60 from 1/55, and it provided that the retirement allowance for these members be calculated using the average annual compensation for the last five years of service instead of the last three years of service. Tier 4 and Tier 5 members of PERS no longer receive pension service credit from more than one employer. Pension service credit is earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)

A. STATE-MANAGED PENSION PLANS (Continued)

Vesting and Benefit Provisions – PERS (Continued)

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for Tier 4 and Tier 5 members of the 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) 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 are eligible for a service retirement benefit at age 65.

Vesting and Benefit Provisions – PFRS

The vesting and benefit provisions are set by N.J.S.A. 43:16A and 43:3B. The PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service. The annual benefit under special retirement is 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is therefore 70% of final compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, the annual benefit under special retirement for members enrolled after June 28, 2011 (Tier 3 members), is 60% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is therefore 65% of final compensation.

Widow/widowers of members retired since December 18, 1967 receive 50% of the retiree's final compensation. The minimum annual widow/widower's benefits of an accidental disability retiree prior to December 18, 1967 and of all retirees since December 18, 1967 is \$4,500.

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 providing no survivor death benefits are payable.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)

A. STATE-MANAGED PENSION PLANS (Continued)

Vesting and Benefit Provisions – PFRS (Continued)

Eligible retirees receiving monthly benefits are entitled to cost-of-living adjustment (COLA) increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired, as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in the dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement. The COLA increases are funded by the retirement system and are included in the annual actuarial calculations of the required state and state-related employer contributions. Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases are suspended for all current and future retirees of all retirement systems. No further COLA increases will be granted. The law does not reduce any COLA increases that have already been added to retiree benefits.

Pursuant to Chapter 1, P.L. 2010, for new members of PFRS hired after May 21, 2010 (Tier 2 members), this law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for Social Security, and required the pension to be calculated using a three year average annual compensation instead of the last year's salary.

B. DEFINED CONTRIBUTION RETIREMENT PROGRAM

The Defined Contribution Retirement Program (the "DCRP"), was established July 1, 2007, under the provisions of Chapters 92 and 103, P.L. 2007. Individuals eligible for membership in the DCRP include local officials who are elected or appointed on or after July 1, 2007; and employees enrolled in the PERS on or after July 1, 2007 who earn in excess established "maximum compensation" limits.

A local elected official is any individual who holds elected public office. Officials elected on or after July 1, 2007 will only be enrolled in DCRP. Elected officials already enrolled in PERS prior to July 1, 2007 based on elected office will remain a PERS member while serving that same elected office. Any break in service or election to a different elected office will automatically enroll the elected official in DCRP. If a retired member of another State-administered retirement system is elected to office, that elected official can choose to either continue receiving retirement benefits from the former employment or suspend such benefits and participate in DCRP.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)

B. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

A local appointed official is any individual appointed by the governor, including those requiring advice and consent of the Senate, or an individual appointed in a similar manner by the governing body of a local public entity. On or after July 1, 2007, a newly appointed official who does not have an existing PERS account will only be enrolled in the DCRP. Appointed officials already enrolled in PERS prior to July 1, 2007 will remain a PERS member while serving that same appointed office.

An appointed official is permitted to join or remain in PERS if that appointed official holds a professional license or certificate to perform and is serving in any of the following capacities: Certified Health Officer, Tax Collector, Chief Financial Officer, Construction Code Official, Qualified Purchasing Agent, Tax Assessor, Municipal Planner, Registered Municipal Clerk, Licensed Uniform Subcode Inspector Principal/Certified Public Works Manager.

Additional minimum DCRP eligibility criteria for a newly elected or appointed official are the same as for a PERS position. However, in the case of DCRP, eligible officials can irrevocable waiver their participation when earning less than \$5,000 annually.

Eligible PERS members are enrolled in the DCRP when annual salary exceeds the maximum compensation limit. This may occur upon enrollment into the PERS when an annual base salary is reported on the enrollment application that will exceed the maximum compensation; or when a PERS member's annual salary is increased to where it will exceed the maximum compensation and it is reported by the employer to the Division of Pensions and benefits.

Enrolled members contribute 5.5% of the base salary to a tax-deferred investment account established with Prudential Financial, which administers the DCRP for the Division of Pensions and Benefits. Members enrolled due to income levels in excess of maximum compensation limits only contribute based on that amount in excess. Member contributions are matched by a 3% employer contribution.

Newly eligible and enrolled members that have existing DCRP accounts or are active or vested members of another State-administered retirement system are immediately vested in DCRP. Conversely, those officials not qualifying for immediate vesting in DCRP will become fully vested upon commencement of their third year of membership. In such case there is no eligible third year of membership, all employee and employer contributions will be refunded to the appropriate contributing parties.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)

B. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

DCRP members may elect to receive all or a portion of the account in a lump-sum distribution, or as a fixed term or life annuity. There is no minimum retirement age under the DCRP. Any distributions of mandatory contributions will automatically render the member retired. Lump-sum cash distributions to members under the age of 55 are limited to the member's contributions and earnings. Employer matching contributions and earnings are only available after the age of 55. A member may begin collecting an annuity or take a cash distribution at any time after termination of employment, but will no longer be eligible to participate in any State-administered retirement system upon a return to public employment in New Jersey.

DCRP members are covered by employer-paid life insurance, payable to their designated beneficiaries, in the amount of 1½ times the annual base salary on which DCRP contributions were based. This benefit continues for up to two years if on an approved leave of absence without pay for personal illness. Life insurance may also be available to members upon retirement at an amount reduced to 3/16 of the annual base salary on which DCRP contributions were based who qualify by being 60 or older with 10 years of participation in DCRP or any age with 25 years of participation. In the case of members enrolled due to income levels in excess of maximum compensation limits, years of participation in either scenario would also include participation in PERS.

DCRP members are eligible employer-paid long-term disability coverage after one year of participation. Eligibility occurs after six consecutive months of total disability. Members would receive a regular monthly income benefit up to 60% of the base salary on which DCRP contributions were based during the 12 months preceding the onset of the disability, offset by any other periodic benefit the member may be receiving. Benefits will be paid so long the member remains disabled or until the age of 70. Benefits terminate should the member begin receiving retirement annuity payments. As of June 30, 2013 the City had no employees who were DCRP Members.

NOTE 9. COMPENSATED ABSENCES

Under the existing union contracts and policy of the City, certain employees are allowed to accumulate unused vacation and sick pay over the life of their working careers. In addition, certain employees are also entitled to accrue 7.5 terminal leave days for every year of service. These compensated absences and terminal leave may be taken as time off or paid at a later date and at an agreed upon rate. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented. The City appropriates, annually, the amounts required to be paid in any fiscal year in that year's budget and no liability is accrued at June 30, 2013 and 2012.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 9. COMPENSATED ABSENCES

As of June 30, 2013 and 2012, the total accumulated compensated absence liability was \$6,142,387 and \$8,512,766, respectively. In addition, as of June 30, 2013 the terminal leave liability was \$2,105,567. The terminal leave liability as of June 30, 2012 was not calculated.

NOTE 10. TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey and the Hudson County Board of Taxation requesting a reduction of assessments for various years. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from current tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 11. TRANSITIONAL AID CONDITIONS

The City receives a substantial amount of financial support from the State of New Jersey in the form of Transitional Aid to Localities (Transitional Aid). P.L. 2013, c.77 and P.L. 2011, c.144 condition Transitional Aid on conditions, requirements, orders and oversight that the Director of the Division of Local Government Services (the "Director") deems necessary including, but not limited to, requiring approval by the Director of personnel action, professional services and related contracts, payment in lieu of tax agreements, acceptance of grants from State, federal or other organizations, and the creation of new or expanded public services. The minimum conditions on the receipt of the Transitional Aid are set forth by a Memorandum of Understanding with the Director.

NOTE 12. CONTINGENT LIABILITIES

The City participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. The state and federal grants received and expended in fiscal year 2013 were subject to the Single Audit Act Amendments of 1996 and State of New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the City's annual audit.

In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of June 30, 2013, the City does not believe that any material liabilities will result from such audits.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 13. RISK MANAGEMENT

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

A. PROPERTY AND LIABILITY INSURANCE

The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

B. SELF-INSURANCE PROGRAM

The City had established a self-insurance program in accordance with the New Jersey Statute Chapter 40:10. The Chapter enabled the governing body of any local unit to create a fund to provide insurance coverage for its exposure to a wide variety of property and casualty risks. In 1998 the City had established a self-insured health insurance benefits program (vision, dental, prescription and major medical) which the City later dissolved in 2010 for a fully insured plan through Horizon Blue Cross Blue Shield of New Jersey. In 1984 the City had established a self-insured workers' compensation obligation program which the City later dissolved in 2009 for a fully insured plan through the New Jersey Intergovernmental Insurance Fund. The City still has exposure for claims from the prior self-insured worker's compensation obligation program. The latest available information states that at June 30, 2013 and 2012, the City's exposure for claims incurred under its obligation to provide workers' compensation insurance amounted to approximately \$517,362 and \$513,446, respectively.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 13. RISK MANAGEMENT (Continued)

C. CONTINGENT LIABILITIES

The City is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the City's Attorney the potential claims against the City not covered by insurance policies would not materially affect the financial condition of the City, except for the following claims:

Orchard Holdings- Contract Dispute- Mediation

Orchard is claiming additional per unit costs for the concrete work related to the installation of 11 traffic lights. Orchard claims that during the project, state and federal authorities dictated that the concrete at the affected intersections be ADA compliant to exact measurements. In turn, Orchard claims that it was caused to utilize additional units of concrete and due to the required precision, additional man hours and costs were incurred for the additional concrete work. Therefore, Orchard is claiming that they are due an increase in the per unit cost of the contract that should reflect the actual cost incurred and not the per unit price listed in the contract. As a result, Orchard is claiming approximately \$200,000 in costs.

D. FEDERAL AND STATE AWARDS

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of June 30, 2013, significant amounts of grant expenditures have not been audited by the various grantor agencies but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances remained on the balance sheets of the fund financial statement at June 30, 2013. The interfund balances are the result of revenues earned in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in a cash overdraft position. The City expects to liquidate all interfund balances within one year.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 15. DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b) and 457(b). The plan, which is administered by Valic, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE 16. POST RETIREMENT BENEFITS

The City of Union City provides lifetime medical benefits to City employees who retire under the following conditions:

- After twenty-five years of membership in a state or locally administered retirement system.
- After fifteen years or more of service and are age 62 or older.
- Upon a disability retirement, if eligible.

Retiree Contributions

Current retirees, dependents and survivors are not required to contribute toward the cost of the postretirement medical and prescription drug coverage. All costs are paid 100% by the City. Any employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits cost as set forth in P.L. 2011 c. 78 (Chapter 78). The retiree contributions are based on a percentage of the postretirement healthcare, phased-in over a four-year period, which vary based on healthcare coverage tier and amount of PERS or PFRS pension amounts.

As of June 30, 2013 and 2012, the City had 361 and 361 employees, respectively, who were eligible.

The City of Union City is self-insured and accounts for post retirement health costs on a pay-as-you-go basis. Expenditures during the year ended June 30, 2013 and 2012 were \$7,541,898 and \$7,541,898, respectively.

In accordance with GAAP and accrual accounting principles, the costs associates with post-employment healthcare benefits (“OPEB”), generally should be associated with the periods in which the cost occurs, rather than in future years when it will be paid. In adopting the requirements of GASB Statement No. 45 the cost of OPEB is recognized in the year when the employee services are received, the accumulated liability (as calculated on a tri-ennial basis) is reported from prior years and provides information useful in assessing potential demands on cash flows. Recognition of the liability accumulated from prior years is phased in over 25 years, commencing with the current 2012 liability.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 16. POST RETIREMENT BENEFITS (Continued)

As of January 1, 2012 the Actuarial Accrued Liability is \$127,064,643 for retirees and \$96,575,554 for active employees for a total accrued liability of \$223,640,197. Under the GASB accounting standard the Annual Required Contribution (“ARC”) is \$19,516,529 for the year ending December 31, 2012 assuming a 25 year amortization of the Unfunded Actuarial Accrued Liability. The Net OPEB Obligation is \$47,718,375, based on estimated 2012 cash payments of \$6,400,000 and the ARC stated above.

NOTE 17. NEW JERSEY INTERGOVERNMENTAL INSURANCE FUND

The City entered into a three year agreement to participate in the New Jersey Intergovernmental Insurance Fund (“NJIF”) from January 1, 2011 through December 31, 2014. The NJIF was established in 1997 as a self-insured property and casualty insurance program for New Jersey Municipalities. Initially, it began with 14 members and currently has approximately 40.

The Commissioners of NJIF arrange through their insurance professionals the pooled purchase of insurance utilizing high deductibles and self-insured retentions. The participants share in each others losses through the funding of claims under these deductibles.

The program is administered by Governmental Risk Management Associates of Old Bridge, New Jersey. The Underwriting Manager is Arthur J. Gallagher Associates of Wayne, New Jersey. The City of Union City is represented by their Risk Management Consultant, Beckerman & Company of Colonia, New Jersey.

NOTE 18. NORTH HUDSON SEWERAGE AUTHORITY

During October, 1996, the West New York Municipal Utilities Authority (WNYMUA) was acquired by the Hoboken - Union City - Weehawken Sewerage Authority (HUCWSA), and together, these entities were consolidated to create the North Hudson Sewerage Authority (NHSA). The acquisition was executed through the issuance and sale of \$104,945,000 Sewer Revenue Bonds, Series 1996, issued by the NHSA on October 15, 1997.

In connection with the creation of the NHSA, a service agreement between the City (together with the Hudson County municipalities of Hoboken, West New York and Weehawken) and the NHSA was executed. The related obligation of the City with respect to the current service agreement pertains to service charges and annual charges, as described below:

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 18. NORTH HUDSON SEWERAGE AUTHORITY (Continued)

Service Charges

The NHSA will charge to users of its system, service charges, pursuant to the service agreement, with respect to all sewage treated or disposed of by the NHSA and for all use and services of its system, in accordance with the New Jersey Sewerage Authorities Law, Ch. 138, L. 1946, and in a manner consistent with the submission relied upon by the United States Environmental Protection Agency (EPA) and the New Jersey Department of Environmental Protection (NJDEP) in issuing a federal grant or in such other manner that the EPA and the NJDEP approve. Such service charges shall be established at rates estimated to be sufficient to provide for all amounts necessary to pay or provide for the expenses of operation and maintenance of the NHSA's system and the principal and interest on any and all bonds as they become due, to maintain the amounts required to be held on deposit in the sinking fund and the bond reserve fund and to comply in all respects with the terms and provisions of the general bond resolution adopted by the HUCWSA on April 24, 1989, as amended, and the New Jersey Sewerage Authorities Law, provided, however, that the NHSA may charge service charges which are less than sufficient to comply with the requirements referred to above if each of the municipalities gives its written consent to such lesser service charges.

Annual Charges

Annual charges are based upon application of a formula which is explained in the next two paragraphs. If, but only if, the application of the formula yields a positive dollar amount for any fiscal year during which the service agreement is in effect, the City shall be obligated to pay to the NHSA its allocable share of such positive dollar amount as an annual charge. Such annual charges shall be the excess, if any of the amount determined by the items in the first paragraph following, less the amount determined by the items in the second paragraph following to determine the excess, if any.

The sum of all of the amounts reasonably expected by the NHSA to be expended in the fiscal year of the NHSA (1) to pay or provide for the expenses of construction, acquisition, operation and maintenance of its system, as well as administrative and other expenses of the NHSA related to its system prior to placing the system in operation, and the principal of and interest on all bonds as the same become due; (2) to maintain such reserves or sinking funds as may be required by the terms of the contract of the NHSA or any bond resolution, or as may be deemed necessary by the NHSA; and (3) to comply in all respects with the terms of the general bond resolution adopted by the HUCWSA on April 24, 1989, as amended, and the New Jersey Sewerage Authorities Law.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 18. NORTH HUDSON SEWERAGE AUTHORITY (Continued)

Annual Charges (Continued)

The sum of the following amounts to the extent available to be used to pay or provide for the amounts described in the preceding paragraph: (1) service charges collected by the NHSA; (2) the proceeds of bonds received by or for account of the NHSA with respect to its system; (3) the proceeds of insurance awards received by or for account of the NHSA with respect to its system; (4) contributions received by or for account of the NHSA with respect to its system and not under any circumstances repayable by the NHSA until after the payment in full of all other obligations of the NHSA including its bonds, original or refunding or both, or (5) any other funds on hand or available therefor.

Annual charges, if any, are assessed to and payable by the City in the same percentage as the most recent determination by the NHSA of the allocation of the annual flow among the municipalities. The most recent determination by the NHSA of the allocation of the annual flow is as follows: (i) Hoboken 27%, (ii) Union City 32%, (iii) Weehawken 10% and (iv) West New York 31%.

On or before January 1 of each fiscal year, the NHSA will make an estimate of the amount of the annual charges, if any, which will become payable by the City for such fiscal year. On or before February 15 of each fiscal year, the City will pay to the NHSA the amount of any annual charges not paid relating to any prior fiscal year. The City will pay to the NHSA that part of the estimated amount of the annual charges for the current fiscal year in four equal installments on March 1, June 1, September 1, and November 1 of such fiscal year. No amounts were due from the City for the fiscal years ended June 30, 2013 and 2012. The NHSA estimates that no amounts will be due from the City for fiscal year ending June 30, 2014.

NOTE 19. NORTH HUDSON REGIONAL FIRE AND RESCUE

Background of the Agreement

On October 1, 1998, the Hudson County municipalities of North Bergen, Union City, Weehawken and West New York had formed the Agreement in order to form a joint meeting pursuant to the Consolidated Municipal Services Act, N.J.S.A. 40:48B-1 et seq. (the "Act"). The entity created by the formation of this joint meeting is known as the North Hudson Regional Fire and Rescue (the "NHRFR"), which is a public body, corporate and politic, constituting a political subdivision of the State of New Jersey, having all powers and authorities permitted by the Act. The purpose of the NHRFR is to provide for the joint operation of fire protection, rescue and emergency services, and other related governmental services.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 19. NORTH HUDSON REGIONAL FIRE AND RESCUE (Continued)

Background of the Agreement (Continued)

On December 30, 1998, another Hudson County municipality, the Town of Guttenberg, duly adopted a resolution approving it to officially enter into the Agreement, and Guttenberg was admitted to participate in the NHRFR.

The term of the Agreement expires September 30, 2023, but may be subject to earlier termination pursuant to the Act. The operations of the NHRFR commenced on January 1, 1999. The NHRFR is governed by a five member management committee, consisting of one representative from each municipality, and this committee may appoint one or two executive director(s), and other such officers, employees and counsel as it deems necessary. A municipality's admission to or withdrawal from the NHRFR requires four votes from the management committee.

Required Contributions by the City

The City adopted an ordinance on September 30, 1998, authorizing the sale, lease transfer, conveyance or other disposition of and improvement of real and personal property to the NHRFR, pursuant to New Jersey Statutes.

As of June 30, 2013 and 2012, the City contributed \$21,490,194 and \$14,706,470, respectively, to the NHRFR. This annual contribution is based on each of the four original participating municipalities' applicable share of the combined fiscal year 1998 fire budgets of those four municipalities. The combined fiscal year 1998 fire budgets of those four municipalities totaled \$29,121,874. Since Guttenberg entered after this allocation was decided on, it contributes an alternatively determined amount. This share is subject to an increase based on the percentage of increase of the total fire and rescue related appropriations over the base year (SFY 1998) of the four original participating municipalities. Guttenberg's allocation is subject to this rate increase, but is not subject to the matter described below regarding a redetermination of the allocation formula. The Agreement also contains provisions for a growth value adjustment to be made in calendar year 2001, in which the budget balance allocation formula described above is redetermined. This redetermined allocation is based upon a factor entitled "Growth Percentage". This factor is determined by expressing "Growth Value" as a percentage of the total of all equalized values of the four original participating municipalities. Growth value is determined by taking the aggregate assessed value of all new construction in the City from July 1, 1997 through June 30, 2000, and deducting from that the aggregate assessed value of all demolition. If the resulting amount is negative, the growth value is expressed as zero.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 19. NORTH HUDSON REGIONAL FIRE AND RESCUE (Continued)

Required Contributions by the City (Continued)

With respect to the redetermined allocation formula, the Agreement expressly states:

“Starting with the NHRFR fiscal year budget for January 1, 2001 through December 31, 2001, allocations of the Budget Balance among the Original Parties shall be subject to two (2) separate calculations, as follows:

FIRST, the Budget Balance shall be multiplied by the Total Growth Percentage, and the product so determined shall be allocated among the Original Parties in ratio to their respective Individual Growth Percentages; and

SECOND, there shall be subtracted from the Budget Balance determined in FIRST above, and the remainder of the Budget Balance amount shall be allocated among the Original Parties based on their respective Base Year Percentages.”

Guarantee of Debt

On January 25, 2005 the Hudson County Improvement Authority issued \$8,565,000 in Lease Revenue Bonds Series 2005, consisting of \$4,510,000 Tax-Exempt Lease Revenue Bonds, Series 2005A and \$4,055,000 Taxable Lease Revenue Bonds, Series 2005B. These Series 2005 Bonds were issued to finance certain costs associated with the facilities leased to and utilized by the NHRFR. The Series 2005 Bonds are payable and secured by revenues of the Authority, which are derived from the lease of the Facilities to NHRFR. The lease payments, which are allocated among the municipalities participating in the NHRFR are sufficient to pay the debt service on the Series 2005 Bonds. As additional security, each of the municipalities participating in the NHRFR unconditionally guaranteed their percentage share of debt service on each series of the Series 2005 Bonds. In the event that a municipalities’ percentage share of revenues is not sufficient to pay its percentage share of debt service, the municipality is obligated to levy *ad valorem* taxes upon all taxable property within its jurisdiction without limitation as to rate or amount in order to make such payments.

**THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 20. SUBSEQUENT EVENTS

On September 9, 2013, the City settled the collective bargaining agreement with the Union City Employees Association for the period of January 1, 2009 through December 31, 2015. In summary permanent full-time employees were given salary increases of 2% per year for 2009 through 2014 and a 1% increase for 2015, part-time hourly employees were given increases of \$.40 per hour per year for 2009 through 2015. Retroactive pay, is agreed to be paid in three installments where, 2009 and 2010 will be paid in fiscal year 2014; 2011 and 2012 will be paid in fiscal year 2015; and 2013 will be paid in fiscal year 2016. The retroactive pay and resulting payroll taxes paid in fiscal year 2014 are approximately \$971,785, however the employer required pension contributions liability on such retroactive could not be determined. The liability for remainder of the retroactive pay, resulting payroll taxes and required pension contributions has not been determined.

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SUPPLEMENTARY INFORMATION – CURRENT FUND

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance, June 30, 2012	A		\$ 11,460,215
Increased by Receipts:			
Miscellaneous Revenues Not Anticipated	A-2	\$ 349,122	
Petty Cash	A-5	1,500	
Tax Collector	A-6	95,890,785	
Revenue Accounts Receivable	A-10	41,503,592	
Interfunds	A-11	10,121,012	
State of New Jersey - Veterans and Senior Citizens Deductions	A-12	82,832	
Tax Title Liens	A-13	7,526	
Other Liabilities	A-16	1,941,785	
Other Reserves	A-17	1,050	
Note Payable	A-24	3,200,000	
Grants Receivable	A-25	4,151,329	
Reserve for Grants - Unappropriated	A-26	<u>81,093</u>	
			<u>157,331,626</u>
			168,791,841
Decreased by Disbursements:			
Interest on Late County Tax Payment	A-1	22,906	
Expenditures without Appropriations	A-1	18,782	
Interfund Overexpenditures	A-1	19,336	
Appropriations	A-3	97,420,731	
Petty Cash	A-5	1,500	
Tax Overpayments	A-8	786,118	
Interfunds	A-11	14,049,970	
Appropriation Reserves	A-15	7,317,458	
Other Liabilities	A-16	174,677	
Other Reserves	A-17	2,624,933	
Local School District Taxes Payable	A-19	4,625,591	
County Taxes Payable	A-20	18,109,605	
Accounts Payable	A-21	332,096	
Reserve for Encumbrances	A-22	1,332,042	
Grants Appropriated	A-27	<u>3,142,489</u>	
			<u>149,978,234</u>
Balance, June 30, 2013	A		<u>\$ 18,813,607</u>

EXHIBIT A-5

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF PETTY CASH

	<u>Ref.</u>	
Balance, June 30, 2012		\$ -
Increased by:		
Cash Receipts	A-4	<u>1,500</u>
		1,500
Decreased by:		
Cash Disbursements	A-4	<u>1,500</u>
		-
Balance, June 30, 2013		<u><u>\$ -</u></u>

EXHIBIT A-6**SCHEDULE OF CASH - TAX COLLECTOR**

	<u>Ref.</u>	
Balance, June 30, 2012		\$ -
Increased by:		
Operating Fund:		
Taxes Receivable	A-7	\$ 95,188,139
Revenue Accounts Receivable	A-10	1,113,545
Prepaid Taxes	A-18	<u>115,806</u>
		<u>96,417,490</u>
		96,417,490
Decreased by:		
Payments to Treasurer	A-4	95,890,785
Tax Refunds	A-7	<u>526,705</u>
		<u>96,417,490</u>
Balance, June 30, 2013		<u><u>\$ -</u></u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance, June 30, 2012	A	\$ 180,379
Increased by:		
Tax Judgements on Prior Year Taxes	A-1	<u>627,761</u>
		808,140
Decreased by:		
Cash Disbursements	A-4	<u>786,118</u>
Balance, June 30, 2013	A	<u><u>\$ 22,022</u></u>

EXHIBIT A-9

**SCHEDULE OF FORECLOSED PROPERTY
AT ASSESSED VALUATIONS**

	<u>Ref.</u>	
Balance, June 30, 2012	A	<u><u>\$ 171,900</u></u>
Balance, June 30, 2013	A	<u><u>\$ 171,900</u></u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance June 30, 2012	Accrued in 2012-2013	Collections		Interfunds Receivable	Balance June 30, 2013
				Collector	Treasurer		
Licenses:							
Alcoholic Beverage	A-2	\$ -	\$ 210,313	\$ 210,313	\$ -	\$ -	\$ -
Other	A-2	-	113,232	113,232	-	-	-
Fees and Permits	A-2	-	272,150	272,150	-	-	-
Fines and Costs:							
Municipal Court	A-2	-	2,594,971	-	2,594,971	-	-
Interest and Costs on Taxes	A-2	-	517,850	517,850	-	-	-
Interest on Investments and Deposits	A-2	-	36,646	-	36,646	-	-
Wedding Fees	A-2	-	28,950	-	28,950	-	-
Public Telephone Commissions	A-2	-	-	-	-	-	-
Cable Franchise Fees	A-2	-	180,833	-	180,833	-	-
Payment in Lieu of Taxes							
Union Plaza Apartments	A-2	-	251,153	-	251,153	-	-
Union City Renaissance Urban Renewal	A-2	-	7,967	-	7,967	-	-
Palisade Urban Renewal Assoc.	A-2	-	22,638	-	22,638	-	-
Holy Rosary	A-2	-	37,160	-	37,160	-	-
Horizon Heights	A-2	-	7,893	-	7,893	-	-
Consolidated Municipal Property Tax Relief Aid	A-2	-	4,659,459	-	4,659,459	-	-
Energy Receipts Taxes	A-2	-	9,090,703	-	9,090,703	-	-
Additional State School Aid	A-2	-	1,423,707	-	1,423,707	-	-
Transitional Aid	A-2	-	11,900,000	-	11,900,000	-	-
State Loan Program	A-2	-	5,000,000	-	5,000,000	-	-
Reserve Supplemental Franchise and Gross Tax Receipts	A-2	-	90,293	-	90,293	-	-
Uniform Construction Code Fees	A-2	-	1,037,070	-	1,037,070	-	-
Union City Board of Education:							
Lease Recreational Center	A-2	356,160	300,000	-	656,160	-	-
Solid Waste Removal	A-2	360,000	359,454	-	719,454	-	-
Gasoline	A-2	40,000	40,000	-	-	-	80,000
47th Street Pool	A-2	(3,000)	103,000	-	100,000	-	-
Lease Central Maintenance Facility	A-2	(20,381)	30,000	-	9,619	-	-
Police Services	A-2	59,800	605,972	-	665,772	-	-
School Crossing Guards	A-2	829,200	924,642	-	1,753,842	-	-
General Capital Fund Balance	A-2, A-11	-	56,580	-	-	56,580	-
Interfunds:							
Due from CDA Trust Fund	A-2, A-11	-	40,082	-	40,082	-	-
Due from Other Trust Fund	A-2, A-11	-	320,281	-	320,281	-	-
Due from State Unemployment Trust Fund	A-2, A-11	-	29,807	-	29,807	-	-
Due from Dog License Trust Fund	A-2, A-11	-	3,911	-	3,911	-	-
Due from Public Defender Trust Fund	A-2, A-11	-	3,181	-	3,181	-	-
Trust Fund Reserves Cancelled	A-2, A-11	-	57,691	-	-	57,691	-
Reserve for Payment of Interest - General Capital Fund	A-2, A-11	-	63,399	-	-	63,399	-
Reserve for Payment of Debt - General Capital Fund	A-2, A-11	-	1,262,389	-	-	1,262,389	-
North Hudson Community Action Health Center Lease	A-2	-	133,200	-	133,200	-	-
Emergency Medical Services	A-2	-	500,000	-	500,000	-	-
FEMA Revenue	A-2	-	123,624	-	123,624	-	-
Five Year Abatement Program	A-2	-	75,216	-	75,216	-	-
		<u>\$ 1,621,779</u>	<u>\$ 42,515,417</u>	<u>\$ 1,113,545</u>	<u>\$ 41,503,592</u>	<u>\$ 1,440,059</u>	<u>\$ 80,000</u>
	Ref.	A	A-2	A-6	A-4	A-11	A

THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)

Ref.	Total	General Capital Fund	Other Trust Fund	Unemployment Trust Fund	Public Defender Trust Fund	Dog Licenses Trust Fund	CDA Trust Fund
Balance, June 30, 2012							
Receivable	\$ 265,866	\$ -	\$ 229,976	\$ 29,807	\$ -	\$ 6,083	\$ -
Payable	(7,830,272)	(7,830,163)	-	-	(109)	-	-
	<u>(7,564,406)</u>	<u>(7,830,163)</u>	<u>229,976</u>	<u>29,807</u>	<u>(109)</u>	<u>6,083</u>	<u>-</u>
Increased by:							
Statutory Excess	1,910	-	-	-	-	1,910	-
Grant Appropriation Cancelled	7,310	-	-	-	-	-	7,310
Cash Disbursements	14,049,970	4,244,724	8,839,174	-	56,030	4,381	905,661
Revenue Accounts Receivable	1,440,059	1,382,368	57,691	-	-	-	-
Transferred Deferred Charges	1,930,717	1,930,717	-	-	-	-	-
	<u>17,429,966</u>	<u>7,557,809</u>	<u>8,896,865</u>	<u>-</u>	<u>56,030</u>	<u>6,291</u>	<u>912,971</u>
Decreased by:							
Anticipated Revenue	397,262	-	320,281	29,807	3,181	3,911	40,082
Charges to 2013 Appropriations	340,000	300,000	-	-	40,000	-	-
Cash Receipts	10,121,012	709,259	8,617,332	-	8,503	-	785,918
Charges to 2012 Appropriation Reserves	5,600	-	-	-	5,600	-	-
Transfer Other Liability - Due to Parking Authority	70,163	-	70,163	-	-	-	-
	<u>10,934,037</u>	<u>1,009,259</u>	<u>9,007,776</u>	<u>29,807</u>	<u>57,284</u>	<u>3,911</u>	<u>826,000</u>
Balance, June 30, 2013							
Receivable	214,499	-	119,065	-	-	8,463	86,971
Payable	(1,282,976)	(1,281,613)	-	-	(1,363)	-	-
	<u>\$ (1,068,477)</u>	<u>\$ (1,281,613)</u>	<u>\$ 119,065</u>	<u>\$ -</u>	<u>\$ (1,363)</u>	<u>\$ 8,463</u>	<u>\$ 86,971</u>
Interfund Returned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Advanced	345,895	-	209,370	-	3,181	6,291	127,053

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**SCHEDULE OF DUE TO THE STATE OF NEW JERSEY
FOR SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

	<u>Ref.</u>		
Balance, June 30, 2012	A		\$ 21,562
Increased by:			
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector (Net)	Below	\$ 10,166	
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector 2012 Taxes	A-7	160	
Cash Receipts	A-4	<u>82,832</u>	
			<u>93,158</u>
			114,720
Decreased by:			
Senior Citizens' and Veterans' Deductions Per Tax Billings (Net)	Below	84,750	
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector (Net)	Below	<u>1,000</u>	
			<u>85,750</u>
Balance, June 30, 2013	A		<u><u>\$ 28,970</u></u>

Analysis of State's Share of Senior Citizens' and Veterans' Deductions

Senior Citizens' and Veterans' Deductions (Net):			
Per Tax Billings	Above	\$ 84,750	
Allowed by Tax Collector	Above	1,000	
Disallowed by Tax Collector	Above	<u>(10,166)</u>	
	A-7		<u><u>\$ 75,584</u></u>

THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>	
Balance, June 30, 2012	A	\$ 64,515
Decreased by:		
Cash Receipts	A-4	<u>7,526</u>
Balance, June 30, 2013	A	<u>\$ 56,989</u>

THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SCHEDULE OF OTHER RECEIVABLES

	<u>Balance June 30, 2012</u>	<u>Balance June 30, 2013</u>
Due from:		
Redevelopment Agency	<u>\$ 21,723</u>	<u>\$ 21,723</u>
Total Other Receivables	<u>\$ 21,723</u>	<u>\$ 21,723</u>
	<u>Ref.</u> A	<u>A</u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
STATEMENT OF APPROPRIATION RESERVES**

Expenditures	Ref.	Balance June 30, 2012	Balance After Transfers	Paid or Charged	Balance Lapsed
Operations within "CAPS"					
DEPARTMENT OF PUBLIC AFFAIRS					
Director's Office					
Salaries and Wages		\$ 1	\$ 1	\$ -	\$ 1
Other Expenses		1,786	1,636	-	1,636
Municipal Court					
Salaries and Wages		9,141	841	-	841
Other Expenses		27,192	35,492	33,419	2,073
Public Defender					
Salaries and Wages		5,508	8	-	8
Other Expenses		100	5,600	5,600	-
Senior Citizens					
Salaries and Wages		1	1	-	1
Other Expenses		21,298	5,605	5,265	340
Hispanic/Cultural Affairs					
Other Expenses		13,143	13,143	10,559	2,584
North Hudson Council of Mayors					
Other Expenses		34,894	34,894	34,106	788
Municipal Land Use Law (NJS 40:55D-1)					
Regional Planning Board					
Salaries and Wages		2	2	-	2
Other Expenses		500	500	481	19
Continuous Planning Program		200	200	-	200
Veterans Affairs					
Salaries and Wages		2	2	-	2
Other Expenses		500	500	-	500
Celebration of Public Events					
Other Expenses		1,358	1,358	800	558
Total Department of Public Affairs		<u>115,626</u>	<u>99,783</u>	<u>90,230</u>	<u>9,553</u>
Detail:					
Salaries and Wages		14,655	855	-	855
Other Expenses		100,971	98,928	90,230	8,698
DEPARTMENT OF REVENUE AND FINANCE					
Director's Office					
Salaries and Wages		2	2	-	2
Other Expenses		188	47	46	1
City Clerk's Office					
Salaries and Wages		2	2	-	2
Other Expenses		117	10,493	5,436	5,057
Treasurer's Office					
Salaries and Wages		2,173	1	-	1
Other Expenses		2,374	23,133	20,614	2,519
Assessment of Taxes					
Salaries and Wages		-	-	-	-
Other Expenses		5,519	34,834	34,831	3
Collection of Taxes					
Salaries and Wages		-	-	-	-
Other Expenses		12,041	6,541	1,161	5,380
Central Purchasing					
Salaries and Wages		38	38	-	38
Other Expenses		21	21	(46)	67
Rent Control Board					
Salaries and Wages		1	1	-	1
Other Expenses		1,124	1,124	1,124	-

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
STATEMENT OF APPROPRIATION RESERVES**

Expenditures	Ref.	Balance June 30, 2012	Balance After Transfers	Paid or Charged	Balance Lapsed
DEPARTMENT OF REVENUE AND FINANCE					
(Continued)					
Insurance					
General Liability		\$ 381	\$ 26,107	\$ 26,072	\$ 35
Workers Compensation		331,733	613,333	613,312	21
Employee Group Health		569	378,043	378,023	20
Tax Searches					
Salaries and Wages		200	200	-	200
Elections					
Other Expenses		824	7,082	7,033	49
Annual Audit					
Other Expenses		67,700	67,700	67,700	-
Tax Sale Costs					
Other Expenses		15,000	28,985	28,985	-
Postage-All Departments					
Other Expenses		375	375	(48)	423
Data Processing					
Other Expenses		7,408	7,408	7,408	-
Total Department of Revenue and Finance		<u>447,790</u>	<u>1,205,470</u>	<u>1,191,651</u>	<u>13,819</u>
Detail:					
Salaries and Wages		2,416	244	-	244
Other Expenses		<u>445,374</u>	<u>1,205,226</u>	<u>1,191,651</u>	<u>13,575</u>
DEPARTMENT OF PUBLIC SAFETY					
Director's Office					
Salaries and Wages		2	2	-	2
Other Expenses		6,396	3,595	908	2,687
Legal Department					
Salaries and Wages		1	1	-	1
Other Expenses		4,746	91,187	58,156	33,031
Police Department					
Salaries and Wages		6,926	1	-	1
Overtime		719	719	-	719
Other Expenses		5,425	9,450	8,971	479
Traffic Signs and Safety					
Other Expenses		-	6,600	(1,407)	8,007
Emergency Management Services					
Salaries and Wages		2	2	-	2
Other Expenses		77	77	-	77
Emergency Medical Services					
Other Expenses		4,792	4,792	-	4,792
Life Hazard Use Fee-Uniform Fire Safety					
Salaries and Wages		2	2	-	2
Other Expenses		2,200	2,200	-	2,200
Contribution to Union City Redevelopment Agency		10,859	10,859	10,859	-
Board of Health					
Salaries and Wages		733	733	-	733
Other Expenses		449	449	(19)	468
School Crossing Guards					
Salaries and Wages		3,468	-	-	-
Total Department of Public Safety		<u>46,797</u>	<u>130,669</u>	<u>77,468</u>	<u>53,201</u>

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
STATEMENT OF APPROPRIATION RESERVES**

Expenditures	Ref.	Balance June 30, 2012	Balance After Transfers	Paid or Charged	Balance Lapsed
DEPARTMENT OF PUBLIC SAFETY (Continued)					
Detail:					
Salaries and Wages		\$ 11,853	\$ 1,460	\$ -	\$ 1,460
Other Expenses		34,944	129,209	77,468	51,741
DEPARTMENT OF PUBLIC WORKS					
Director's Office					
Salaries and Wages		1	1	-	1
Other Expenses		1,547	1,547	101	1,446
Street Cleaning					
Other Expenses		20,740	59,497	24,644	34,853
Streets Repairs and Maintenance					
Other Expenses		56,069	(14,837)	(14,837)	-
Board of Adjustment					
Salaries and Wages		2	2	-	2
Other Expenses		1	14,501	7,962	6,539
Solid Waste Disposal					
Salaries and Wages		1,306	1,306	-	1,306
Other Expenses		986,535	1,093,884	1,093,884	-
Recycling Program					
Other Expenses		30,741	30,741	30,740	1
Public Assistance					
Other Expenses		5,498	5,498	4,454	1,044
Engineering Services					
Other Expenses		13,288	51,288	49,654	1,634
Total Department of Public Works		<u>1,115,728</u>	<u>1,243,428</u>	<u>1,196,602</u>	<u>46,826</u>
Detail:					
Salaries and Wages		1,309	1,309	-	1,309
Other Expenses		1,114,419	1,242,119	1,196,602	45,517
DEPARTMENT OF PARKS AND PUBLIC PROPERTY					
Director's Office					
Salaries and Wages		5	5	-	5
Other Expenses		751	751	(85)	836
Parks and Playgrounds					
Other Expenses		33,072	43,074	40,832	2,242
Public Buildings and Grounds					
Salaries and Wages		46	46	-	46
Other Expenses		16,328	90,428	86,223	4,205
Recreation					
Other Expenses		749	749	744	5
Total Department of Parks and Public Property		<u>50,951</u>	<u>135,053</u>	<u>127,714</u>	<u>7,339</u>
Detail:					
Salaries and Wages		51	51	-	51
Other Expenses		50,900	135,002	127,714	7,288
UNIFORM CONSTRUCTION CODE					
State Uniform Construction Code Officials:					
Salaries and Wages		67	67	-	67
Other Expenses		34,534	30,907	265	30,642

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
STATEMENT OF APPROPRIATION RESERVES**

Expenditures	Ref.	Balance June 30, 2012	Balance After Transfers	Paid or Charged	Balance Lapsed
UNIFORM CONSTRUCTION CODE (Continued)					
Sub-Code Officials:					
Plumbing Inspector					
Salaries and Wages		\$ 10,929	\$ 10,929	\$ -	\$ 10,929
Other Expenses		4,000	2,630	-	2,630
Electrical Inspector					
Salaries and Wages		1	1	-	1
Other Expenses		4,000	4,000	-	4,000
Elevator Inspector					
Other Expenses		6,660	7,286	7,278	8
Fire Inspector					
Salaries and Wages		1	1	-	1
Other Expenses		4,000	4,000	-	4,000
Total Uniform Construction Code		<u>64,192</u>	<u>59,821</u>	<u>7,543</u>	<u>52,278</u>
Detail:					
Salaries and Wages		10,998	10,998	-	10,998
Other Expenses		<u>53,194</u>	<u>48,823</u>	<u>7,543</u>	<u>41,280</u>
UNCLASSIFIED					
Gasoline		69,792	76,092	76,082	10
Telephone		30,390	17,590	13,777	3,813
Electricity		47,584	52,773	52,739	34
Water		1	9,001	8,375	626
Natural Gas		130,877	18,877	8,311	10,566
Street Lighting		347,636	82,836	81,838	998
Sewer		21,238	53,238	52,293	945
Fire Hydrants		23,358	49,019	48,037	982
Printing-All Departments		21,324	21,324	11,855	9,469
Photocopying		1,158	2,258	(15)	2,273
Fleet Maintenance & Repairs		3,791	3,791	2,981	810
Total Unclassified		<u>697,149</u>	<u>386,799</u>	<u>356,273</u>	<u>30,526</u>
Detail:					
Salaries and Wages		-	-	-	-
Other Expenses		<u>697,149</u>	<u>386,799</u>	<u>356,273</u>	<u>30,526</u>
TOTAL OPERATIONS WITHIN "CAPS"		<u>2,538,233</u>	<u>3,261,023</u>	<u>3,047,481</u>	<u>213,542</u>
Detail					
Salaries and Wages		41,282	14,917	-	14,917
Other Expenses		<u>2,496,951</u>	<u>3,246,106</u>	<u>3,047,481</u>	<u>198,625</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Prior Year Bills		11,490	-	-	-
Statutory Expenditures - Contributions to:					
Social Security System (O.A.S.I.)		755	755	569	186
Defined Contribution Retirement Plan		1,400	1,400	-	1,400
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"		<u>13,645</u>	<u>2,155</u>	<u>569</u>	<u>1,586</u>
Total General Appropriations for Municipal Purposes Within "CAPS"		<u>2,551,878</u>	<u>3,263,178</u>	<u>3,048,050</u>	<u>215,128</u>

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
STATEMENT OF APPROPRIATION RESERVES**

Expenditures	Ref.	Balance June 30, 2012	Balance After Transfers	Paid or Charged	Balance Lapsed
OTHER OPERATIONS EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library		\$ 389,713	\$ 389,713	\$ 389,713	\$ -
Contribution to North Hudson Fire & Rescue Joint Meeting		4,963,934	4,252,634	4,191,591	61,043
Total Other Operations Excluded from "CAPS"		<u>5,353,647</u>	<u>4,642,347</u>	<u>4,581,304</u>	<u>61,043</u>
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Union City Board of Education					
Recreation Center Lease		-	-	(7,949)	7,949
Total Interlocal Municipal Service Agreements		<u>-</u>	<u>-</u>	<u>(7,949)</u>	<u>7,949</u>
Total Operations Excluded from "CAPS"		<u>5,353,647</u>	<u>4,642,347</u>	<u>4,573,355</u>	<u>68,992</u>
Detail					
Other Expenses		<u>5,353,647</u>	<u>4,642,347</u>	<u>4,573,355</u>	<u>68,992</u>
TOTAL GENERAL APPROPRIATIONS		<u>\$ 7,905,525</u>	<u>\$ 7,905,525</u>	<u>\$ 7,621,405</u>	<u>\$ 284,120</u>
	Ref.	A		Below	A-1
Cash Disbursements	A-4			\$ 7,317,458	
Public Defender Trust Fund	A-11			5,600	
Maintenance of Free Public Library	A-17			176,457	
Transfer to Accounts Payable	A-21			<u>121,890</u>	
	Above			<u>\$ 7,621,405</u>	

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF OTHER INTERGOVERNMENTAL LIABILITIES

	<u>Balance June 30, 2012</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2013</u>
Due to:				
North Hudson Sewerage Authority	\$ -	\$ 1,757,123	\$ -	1,757,123
NJ Construction Code Fees	(1,633)	34,140	24,155	8,352
Parking Authority	<u>70,163</u>	<u>150,522</u>	<u>220,685</u>	<u>-</u>
	<u>\$ 68,530</u>	<u>\$ 1,941,785</u>	<u>\$ 244,840</u>	<u>1,765,475</u>
<u>Ref.</u>	A	A-4	Below	A

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF OTHER RESERVES

	<u>Balance June 30, 2012</u>	<u>Increased by</u>	<u>Decreased by</u>	<u>Balance June 30, 2013</u>	
Liquor License Retirement and Escrow	\$ 45,380	\$ 1,050	\$ 20,000	\$ 26,430	
Library Bills	549,366	176,457	725,823	-	
Outside Lien Holder	2,022	-	-	2,022	
COAH Security Deposit	34,689	-	-	34,689	
Supplmental Gross Franchise Receipts	90,293	-	90,293	-	
Retirement Benefits	-	3,200,000	2,514,640	685,360	
	<u>\$ 721,750</u>	<u>\$ 3,377,507</u>	<u>\$ 3,350,756</u>	<u>\$ 748,501</u>	
	<u>Ref.</u>	<u>A</u>	<u>Below</u>	<u>Below</u>	<u>A</u>
Reimbursement of Prior Years' Expenditures	A-1	\$ -	\$ 725,823		
Cash Receipts	A-4	1,050	-		
Cash Disbursements	A-4	-	2,624,933		
Charges to 2012 Appropriation Reserves	A-15	176,457	-		
Deferred Charges	A-23	3,200,000	-		
	Above	<u>\$ 3,377,507</u>	<u>\$ 3,350,756</u>		

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance, June 30, 2012	A	\$ 166,134
Increased by:		
Cash Collections	A-6	<u>115,806</u>
		281,940
Decreased by:		
Applied to 2012 Taxes	A-7	<u>166,134</u>
Balance, June 30, 2013	A	<u><u>\$ 115,806</u></u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Balance, June 30, 2012	A	\$ 3,083,727
Increased by:		
Levy School Year	A-1, A-2, A-7	<u>15,418,637</u>
		18,502,364
Decreased by:		
Cash Disbursements	A-4	<u>4,625,591</u>
Balance, June 30, 2013	A	<u><u>\$ 13,876,773</u></u>

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>		
Balance, June 30, 2012	A		\$ -
Increased by:			
County Taxes	A-7	\$ 18,033,774	
Added Taxes	A-7	<u>75,831</u>	
	A-1, A-2		<u>18,109,605</u>
			18,109,605
Decreased by:			
Cash Disbursements	A-4		<u>18,109,605</u>
Balance, June 30, 2013	A		<u><u>\$ -</u></u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>		
Balance, June 30, 2012	A		\$ 1,145,812
Increased by:			
Charges to Appropriation Reserves	A-15		<u>121,890</u>
			1,267,702
Decreased by:			
Cancelled	A-1	\$ 813,716	
Cash Disbursements	A-4	<u>332,096</u>	
			<u>1,145,812</u>
Balance, June 30, 2013	A		<u><u>\$ 121,890</u></u>

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>		
Balance, June 30, 2012	A		\$ 1,332,042
Increased by:			
Charges to 2013 Appropriations	A-3	\$ 1,702,183	
Grants Appropriated	A-27	<u>3,536,613</u>	
			<u>5,238,796</u>
			6,570,838
Decreased by:			
Cash Disbursements	A-4		<u>1,332,042</u>
Balance, June 30, 2013	A		<u><u>\$ 5,238,796</u></u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
SCHEDULE OF DEFERRED CHARGES**

	Balance June 30, 2012	Increased by:		Transferred to General Capital Fund	Decreased by:		Balance June 30, 2013
		Adjustments to Income before Fund Balance	Reserve for Retirement Benefits		Budget Appropriations		
Expenditures without Appropriations:							
Current Fund							
Other Expenses	\$ 2,082,907	\$ 18,782	\$ -	\$ -	\$ 2,082,907	\$ -	\$ 18,782
Salaries and Wages Balance Adjustment	353,139	-	-	-	265,101	-	88,038
Capital Fund:							
Street Improvements	215,844	-	-	215,844	-	-	-
Charges Prior to Improvement Authorization 44th and 45th Street Park Improvements	1,324,671	-	-	1,324,671	-	-	-
	390,202	-	-	390,202	-	-	-
Overexpended Trust Fund reserves:							
CDA Trust Fund	92,176	19,336	-	-	-	-	111,512
Other Trust Fund	95,874	-	-	-	-	-	95,874
Public Defender Trust Fund	41,451	-	-	-	-	-	41,451
State Unemployment Trust Fund	21,159	-	-	-	-	-	21,159
Deficit in Operations	799,897	-	-	-	767,817	-	32,080
Cancelled Grants Receivable	1,101,584	-	-	-	97,227	-	1,004,357
Retirement Benefits (5 Years Future Taxation)	-	-	3,200,000	-	-	-	3,200,000
	<u>\$ 6,518,904</u>	<u>\$ 38,118</u>	<u>\$ 3,200,000</u>	<u>\$ 1,930,717</u>	<u>\$ 3,213,052</u>	<u>\$ -</u>	<u>\$ 4,613,253</u>
	Ref. A	Below	A-17	A-11	A-3		A
Expenditures without Appropriations	\$ 18,782						
Interfund Overexpenditures	<u>19,336</u>						
Above	<u>\$ 38,118</u>						

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF NOTE PAYABLE

	<u>Ref.</u>	
Balance, June 30, 2012	A	\$ -
Increased by:		
Cash Receipts	A-4	<u>3,200,000</u>
Balance, June 30, 2013	A	<u><u>\$ 3,200,000</u></u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF GRANTS RECEIVABLE

	<u>Balance June 30, 2012</u>	<u>SFY 2013 Budget Revenue Realized</u>	<u>Received</u>	<u>Reprogrammed /Cancelled</u>	<u>Balance June 30, 2013</u>
STATE GRANTS					
NJ Department of Health and Human Services:					
Passed through Town of North Bergen:					
Public Health Priority Funding	\$ 31,023	\$ -	\$ -	\$ 31,023	\$ -
Public Health Priority Funding	6,976	-	-	6,976	-
NJ Department of Law and Public Safety:					
NJ Division of Criminal Justice:					
Body Armor Fund	4,828	-	-	-	4,828
Body Armor Fund	4,446	-	-	-	4,446
Body Armor Fund	-	14,073	14,073	-	-
NJ Division of Highway Traffic Safety:					
Pedestrian School Safety	3,153	-	-	3,153	-
Pedestrian School Safety	1,050	-	-	1,050	-
Pedestrian School Safety	9,500	-	5,300	4,200	-
Pedestrian School Safety	-	16,000	750	-	15,250
NJ Department of Environmental Protection:					
Clean Communities					
Statewide Livable Communities Aid -		67,182	67,182	-	-
Municipal owned Historic Buildings	50,000	-	-	-	50,000
Municipal Stormwater Regulation Program	5,155	-	-	5,155	-
Recycling Tonnage	-	85,221	85,221	-	-
Recycling Tonnage	-	168,098	168,098	-	-
Tree Planting Grant	-	500	500	-	-
Green Acres Trust Fund Grant - Reservoir Purchase	-	650,000	-	-	650,000
NJ Administrative Office of the Courts:					
Alcohol Education	-	5,395	5,395	-	-
NJ Office of Emergency Management:					
Emergency Management Grant	-	5,000	-	-	5,000
NJ Department of Treasury:					
NJ Division of Motor Vehicles:					
Drunk Driving Enforcement Fund	-	-	-	-	-
Drunk Driving Enforcement Fund	-	13,684	13,684	-	-
Drunk Driving Enforcement Fund	-	33,749	33,749	-	-
Passed through County of Hudson:					
Municipal Alliance on Alcoholism and Drug Abuse 10	13,082	-	-	-	13,082
Municipal Alliance on Alcoholism and Drug Abuse 11	39,019	-	-	-	39,019
Municipal Alliance on Alcoholism and Drug Abuse 12	48,356	-	42,354	-	6,002
Municipal Alliance on Alcoholism and Drug Abuse 13	-	66,345	35,451	-	30,894
PORT AUTHORITY OF NEW YORK AND NEW JERSEY GRANTS					
Various Street Improvements	500,000	-	-	-	500,000
Various Street Improvements	-	2,862,395	-	-	2,862,395
COUNTY OF HUDSON GRANTS					
Open Space Trust Fund:					
Michael Leggerio Park (Formerly 38th Street Amphitheater)	325,000	-	-	-	325,000
15th Street Library Glass	35,000	-	-	-	35,000
Doric Park (Firemen's Memorial Park)	400,000	-	-	-	400,000
FEDERAL GRANTS					
US Department of Agriculture:					
Passed through State of NJ Department of Agriculture:					
Summer Food Program	74,077	-	-	74,077	-
Summer Food Program	13,441	-	-	13,441	-
Summer Food Program	79,392	-	-	79,392	-
Summer Food Program	-	180,220	198,616	(18,396)	-
U.S. Department of Health and Human Services:					
Strengthening Union City Families	1,945,189	-	1,262,871	-	682,318
U.S. Department of Labor:					
Summer Youth Program	223,247	-	26,072	-	197,175

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF GRANTS RECEIVABLE

	<u>Balance June 30, 2012</u>	<u>SFY 2013 Budget Revenue Realized</u>	<u>Received</u>	<u>Reprogrammed /Cancelled</u>	<u>Balance June 30, 2013</u>
FEDERAL GRANTS (Continued)					
U.S. Department of Justice:					
Bulletproof Vest Partnership Program	\$ 2,641	\$ -	\$ -	\$ -	\$ 2,641
Bulletproof Vest Partnership Program	7,800	-	-	-	7,800
Community Oriented Policing Services (COPS) - Secure Our Schools	31,966	-	-	-	31,966
Secure Our Schools	152,841	-	94,816	-	58,025
Law Enforcement Technology	93,392	-	93,392	-	-
Law Technology Project	300,000	-	102,675	-	197,325
ARRA - Hiring Recovery Program	944,430	-	157,120	-	787,310
Passed through State of NJ Department of Law and Public Safety:					
Passed through County of Hudson:					
Byrne Justice Assistance Program	59,939	-	59,777	162	-
Byrne Justice Assistance Program	10,709	-	18,390	(7,681)	-
Byrne Justice Assistance Program	-	30,851	-	-	30,851
U.S. Department of Transportation:					
State Aid Highway Project - Resurface Street -					
Central Avenue	35,593	-	-	-	35,593
Central Avenue	30,579	-	-	-	30,579
Transportation Trust Fund	652,403	-	-	-	652,403
Passed through State of NJ Department of Law and Public Safety:					
Click It or Ticket	4,000	-	3,250	750	-
Over the Limit Under Arrest	2,200	-	2,900	(700)	-
Passed through State of NJ Department of Transportation:					
Road Improvements - 12th Street	3,000	-	-	3,000	-
Discretionary Program	64,000	-	-	-	64,000
Purchase of Senior Citizen Van	125,000	-	-	-	125,000
Purchase of Ambulance	75,000	-	-	-	75,000
29th Street Improvements	20,862	-	-	-	20,862
25th Street Improvements	100,000	-	-	-	100,000
Central Avenue	49,246	-	-	-	49,246
Various Streets	63,388	-	-	-	63,388
Various Streets	391,701	-	148,267	-	243,434
Signal Improvement Project	719,606	-	632,593	-	87,013
West Street - Phase I	39,009	-	-	-	39,009
West Street - Phase II	281,322	-	287,561	(6,239)	-
Mountain Road	280,800	-	-	-	280,800
Summit Avenue Improvement Projects	538,712	-	481,119	57,593	-
Mountain Road	-	308,653	-	-	308,653
U.S. Department of Energy:					
ARRA - Energy Efficiency & Conservation Block Grant	521,600	-	384,577	-	137,023
Total Grants	<u>\$ 9,413,673</u>	<u>\$ 4,507,366</u>	<u>\$ 4,425,753</u>	<u>\$ 246,956</u>	<u>\$ 9,248,330</u>
	<u>Ref.</u>				
	A	A-2	Below	A-1	A
Cash Receipts	A-4		\$ 4,151,329		
Grants Unappropriated - Transferred from Budget	A-26		<u>274,424</u>		
	Above		<u>\$ 4,425,753</u>		

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	<u>Balance June 30, 2012</u>	<u>Transferred to Budget</u>	<u>Cash Receipts</u>	<u>Balance June 30, 2013</u>
STATE GRANTS:				
NJ Administrative Office of the Courts:				
Alcohol Education	\$ 5,395	\$ 5,395	\$ 2,216	\$ 2,216
NJ Department of Environmental Protection:				
Recycling Tonnage Grant	168,098	168,098	-	-
Municipality Road Mileage	67,182	67,182	78,877	78,877
NJ Department of Treasury:				
Division of Motor Vehicles:				
Drunk Driving Enforcement Fund	<u>33,749</u>	<u>33,749</u>	<u>-</u>	<u>-</u>
	<u>\$ 274,424</u>	<u>\$ 274,424</u>	<u>\$ 81,093</u>	<u>\$ 81,093</u>
<u>Ref.</u>	A	A-25	A-4	A

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**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	Year	Balance June 30, 2012	Transferred from 2013		Reprogrammed /Cancelled	June 30, 2013
			Budget Appropriations	Expended		
STATE GRANTS						
NJ Department of Commerce and Economic Development:						
Urban Enterprise Zone:						
Litter Clean-Up Project	2010 - 2011	\$ 13,359	\$ -	\$ 1,000	\$ 12,359	\$ -
Business Recruitment and Marketing	2008 - 2009	29,639	-	32,711	(3,072)	-
Business Recruitment and Marketing	2010 - 2011	121,188	-	62,236	58,952	-
Administration	2010 - 2011	14,134	-	16,826	(2,692)	-
Purchase of Gumbusters	2008 - 2009	7,907	-	457	7,450	-
NJ Department of Health and Human Services:						
Passed through Township of North Bergen:						
Public Health Priority Funding	2004 - 2005	270	-	-	270	-
NJ Department of Law and Public Safety:						
NJ Division of Criminal Justice:						
Body Armor Fund	2009 - 2010	497	-	-	-	497
Body Armor Fund	2010 - 2011	244	-	-	244	-
Body Armor Fund	2011 - 2012	65	-	-	48	17
Body Armor Fund	2012 - 2013	-	14,073	-	-	14,073
NJ Division of Highway Traffic Safety:						
Pedestrian School Safety	2012 - 2013	-	16,000	16,000	-	-
NJ Office of Emergency Management:						
Emergency Management Grant	2012 - 2013	-	5,000	5,000	-	-
NJ Department of Environmental Protection:						
Clean Communities Challenge Grant	2008 - 2009	-	-	-	-	-
Clean Communities Challenge Grant	2009 - 2010	6,750	-	6,750	-	-
Clean Communities Challenge Grant	2011 - 2012	-	-	1,500	(1,500)	-
Clean Communities Challenge Grant	2012 - 2013	-	67,182	67,182	-	-
Statewide Livable Communities:						
Historic Buildings	2004 - 2005	50,000	-	-	-	50,000
Recycling Tonnage	2010 - 2011	27,909	-	27,909	-	-
Recycling Tonnage	2011 - 2012	-	85,221	18,932	-	66,289
Recycling Tonnage	2012 - 2013	-	168,098	168,098	-	-
Tree Planting Grant	2012 - 2013	-	500	500	-	-
Green Acres Trust Fund Grant - Reservoir Purchase	2012 - 2013	-	650,000	650,000	-	-
NJ Administrative Office of the Courts:						
Alcoholic Education	2010 - 2011	1,142	-	-	-	1,142
Alcoholic Education	2012 - 2013	-	5,395	-	-	5,395
NJ Department of Treasury:						
NJ Division of Motor Vehicles:						
Drunk Driving Enforcement Fund	2009 - 2010	9,824	-	9,824	-	-
Drunk Driving Enforcement Fund	2010 - 2011	2,675	-	2,675	-	-
Drunk Driving Enforcement Fund	2011 - 2012	-	-	637	(6,600)	5,963
Drunk Driving Enforcement Fund	2011 - 2012	-	13,684	6,257	-	7,427
Drunk Driving Enforcement Fund	2012 - 2013	-	33,749	33,749	-	-
Municipal Alliance to Prevent Alcoholism and Drug Abuse	2005	61	-	-	61	-
Municipal Alliance to Prevent Alcoholism and Drug Abuse	2011	6,642	-	2,400	-	4,242
Municipal Alliance to Prevent Alcoholism and Drug Abuse	2012	40,604	-	40,604	-	-
Municipal Alliance to Prevent Alcoholism and Drug Abuse	2013	-	66,345	43,454	-	22,891
Total State Grants		<u>332,910</u>	<u>1,125,247</u>	<u>1,214,701</u>	<u>65,520</u>	<u>177,936</u>
COUNTY OF HUDSON GRANTS						
Open Space Trust Fund						
15th St Library	2008	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
PORT AUTHORITY OF NEW YORK AND NEW JERSEY GRANT						
Various Street Improvements	2011	7,242	-	-	7,242	-
Various Street Improvements	2013	-	2,862,395	2,862,395	-	-
Total Port Authority of New York and New Jersey Grant		<u>7,242</u>	<u>2,862,395</u>	<u>2,862,395</u>	<u>7,242</u>	<u>-</u>
FEDERAL GRANTS						
U.S. Department of Agriculture:						
Passed through NJ Department of Agriculture:						
Summer Food Program	2010 - 2011	35,962	-	-	35,962	-
Summer Food Program	2011 - 2012	94,574	-	-	94,574	-
Summer Food Program	2012 - 2013	-	180,220	159,797	20,423	-

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	Year	Balance June 30, 2012	Transferred from 2013		Reprogrammed /Cancelled	June 30, 2013
			Budget Appropriations	Expended		
FEDERAL GRANTS (Continued)						
U.S. Department of Health and Human Services:						
Strengthening Union City Families	2010 - 2011	\$ 382,117	\$ -	\$ 229,110	\$ -	\$ 153,007
Strengthening Union City Families	2011 - 2012	880,549	-	723,505	-	157,044
U.S. Department of Labor:						
Summer Youth Program	2008 - 2009	20,262	-	14,226	6,036	-
U.S. Department of Justice:						
Passed through State of NJ Department of Law and Public Safety:						
Bulletproof Vest Partnership Program	2011 - 2012	147	-	-	147	-
Community Oriented Policing Services (COPS):						
Secure Our Schools	2008 - 2009	13,329	-	-	13,329	-
Secure Our Schools	2010 - 2011	152,841	-	-	-	152,841
Law Enforcement Technology	2010 - 2011	88,323	-	88,323	-	-
Law Technology Project	2010 - 2011	298,029	-	146,806	-	151,223
ARRA - Hiring Recovery Program	2009 - 2010	1,128,680	-	518,687	-	609,993
Passed through State of NJ Department of Law and Public Safety:						
Passed through County of Hudson:						
Byrne Justice Assistance Grant	2010	2,876	-	2,714	162	-
Byrne Justice Assistance Grant	2011	5,085	-	4,074	1,011	-
Byrne Justice Assistance Grant	2012	26,106	-	26,106	-	-
Byrne Justice Assistance Grant	2013	-	30,851	24,395	-	6,456
U.S. Department of Transportation:						
Passed through NJ Department of Transportation:						
Highway Planning and Construction -						
Metropolitan Planning Organization -						
12th Street	2006 - 2007	2,034	-	-	2,034	-
Various Streets	2008 - 2009	8,151	-	120	8,031	-
Central Avenue	2008 - 2009	276	-	-	276	-
Various Streets	2009 - 2010	24,763	-	-	24,763	-
Signal Improvement Project	2009 - 2010	26,355	-	-	26,355	-
Mountain Road	2011 - 2012	279,565	-	258,668	-	20,897
West Street - Phase II	2011 - 2012	76,142	-	14,970	-	61,172
Summit Avenue	2011 - 2012	51,010	-	-	51,010	-
Mountain Road	2012 - 2013	-	308,653	308,653	-	-
Passed through State of NJ Department of Law and Public Safety:						
Click-it or Ticket	2010 - 2011	400	-	-	400	-
Click-it or Ticket	2011 - 2012	1,250	-	750	500	-
Over the Limit Under Arrest	2010 - 2011	2,200	-	-	2,200	-
U.S. Department of Energy:						
ARRA - Energy Efficiency & Conservation Block Grant	2009 - 2010	154,811	-	81,102	-	73,709
Total Federal Grants		<u>3,755,837</u>	<u>519,724</u>	<u>2,602,006</u>	<u>287,213</u>	<u>1,386,342</u>
Total		<u>\$ 4,130,989</u>	<u>\$ 4,507,366</u>	<u>\$ 6,679,102</u>	<u>\$ 359,975</u>	<u>1,599,278</u>
	Ref.	A	A-3	Below	A-1	A
Cash Disbursements	A-4			\$ 3,142,489		
Reserve for Encumbrances	A-22			<u>3,536,613</u>		
	Above			<u>\$ 6,679,102</u>		

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF RESERVE FOR NEIGHBORHOOD HOUSING

	<u>Ref.</u>	
Balance, June 30, 2012	A	<u>\$ 1,824</u>
Balance, June 30, 2013	A	<u><u>\$ 1,824</u></u>

SUPPLEMENTARY INFORMATION – TRUST FUNDS

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF CASH AND CASH EQUIVALENTS - DOG LICENSE FUND

	<u>Ref.</u>		
Balance, June 30, 2012	B	\$	16,949
Increased by:			
Sale of Dog Licenses - State	B-2	\$	1,108
Sale of Dog Licenses - City	B-3		<u>2,767</u>
			<u>3,875</u>
			20,824
Decreased by:			
Due to Current Fund	B-4		<u>609</u>
Balance, June 30, 2013	B	\$	<u><u>20,215</u></u>

SCHEDULE OF DUE TO THE STATE OF NEW JERSEY - DOG LICENSE FUND

	<u>Ref.</u>		
Balance, June 30, 2012	B	\$	3,480
Increased by:			
State Fees Collected:			
Cash Receipts	B-1		<u>1,108</u>
			4,588
Decreased by:			
Transmitted to State - by Current Fund	B-4		<u>1,079</u>
Balance, June 30, 2013	B	\$	<u><u>3,509</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF RESERVE FOR DOG LICENSE FUND EXPENDITURES

	<u>Ref.</u>	
Balance, June 30, 2012	B	\$ 7,386
Increased by:		
Cash Receipts	B-1	<u>2,767</u>
		10,153
Decreased by:		
Statutory Excess	B-4	<u>1,910</u>
Balance, June 30, 2013	B	<u><u>\$ 8,243</u></u>

LICENSE FEES COLLECTED

2011	\$	3,657
2012		<u>4,586</u>
	\$	<u><u>8,243</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF DUE TO CURRENT FUND - DOG LICENSE FUND

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ 6,083
Increased by:			
Transmitted to State	B-2	\$ 1,079	
Statutory Excess	B-3	<u>1,910</u>	
			<u>2,989</u>
			9,072
Decreased by:			
Cash Disbursements	B-1		<u>609</u>
Balance, June 30, 2013	B		<u><u>\$ 8,463</u></u>

SCHEDULE OF ACCOUNTS PAYABLE - DOG LICENSE FUND

	<u>Ref.</u>		
Balance, June 30, 2012	B		<u><u>\$ -</u></u>
Balance, June 30, 2013	B		<u><u>\$ -</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF CASH AND CASH EQUIVALENTS - UNEMPLOYMENT TRUST FUND

	<u>Ref.</u>	
Balance, June 30, 2012	B	\$ 2,536
Decreased by Cash Disbursements:		
Due to Other Trust Fund	B-9	<u>2,536</u>
Balance, June 30, 2013	B	<u><u>\$ -</u></u>

EXHIBIT B-7

SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST FUND

	<u>Ref.</u>	
Balance, June 30, 2012	B	\$ -
Increased by:		
Received in Current Fund	B-8	\$ 16,487
Received in Other Trust Fund	B-9	<u>27,785</u>
		<u>44,272</u>
		44,272
Decreased by:		
Transfer to Other Trust Fund	B-9	<u>44,272</u>
Balance, June 30, 2013	B	<u><u>\$ -</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**SCHEDULE OF DUE TO CURRENT FUND -
UNEMPLOYMENT TRUST FUND**

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ 29,807
Decreased by:			
Reserve for Expenditures -			
Received by Current Fund	B-7	\$ 16,487	
Transfer to Other Trust Fund	B-9	<u>13,320</u>	
			<u>29,807</u>
Balance, June 30, 2013	B		<u><u>\$ -</u></u>

SCHEDULE OF DUE FROM OTHER TRUST FUND - UNEMPLOYMENT TRUST FUND

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ 27,271
Increased by:			
Cash Disbursements	B-6	\$ 2,536	
Reserve for Expenditures -			
Received in Other Trust Fund	B-7	<u>27,785</u>	
			<u>30,321</u>
			57,592
Decreased by:			
Transfer:			
Reserve for Expenditures	B-7	44,272	
Due to Current Fund	B-8	<u>13,320</u>	
			<u>57,592</u>
Balance, June 30, 2013	B		<u><u>\$ -</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF CASH AND CASH EQUIVALENTS - OTHER TRUST FUND

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ 4,360,601
Increased by Cash Receipts:			
Due to Unemployment Trust Fund	B-12	\$ 30,320	
Reserve for Other Trust Fund Activity	B-14	4,499,350	
Due to Current Fund	B-15	<u>5,195,234</u>	
			<u>9,724,904</u>
			14,085,505
Decreased by Cash Disbursements:			
Reserve for Other Trust Fund Activity	B-14	2,422,552	
Due to Current Fund	B-15	<u>3,836,810</u>	
			<u>6,259,362</u>
Balance, June 30, 2013	B		<u><u>\$ 7,826,143</u></u>

SCHEDULE OF DUE FROM PROPERTY OWNERS - OTHER TRUST FUND

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ -
Increased by:			
Reserve for Other Trust Fund Activity	B-14		<u>51,029</u>
Balance, June 30, 2013	B		<u><u>\$ 51,029</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF DUE TO UNEMPLOYMENT TRUST FUND - OTHER TRUST FUND

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ 27,271
Increased by:			
Cash Receipts	B-10		<u>30,320</u>
			57,591
Decreased by:			
Transfer from Unemployment Trust Fund -			
Reserve for Other Trust Fund Activity	B-14	\$ 44,271	
Due to Current Fund	B-15	<u>13,320</u>	
			<u>57,591</u>
Balance, June 30, 2013	B		<u><u>\$ -</u></u>

SCHEDULE OF DUE FROM GENERAL CAPITAL FUND - OTHER TRUST FUND

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ -
Increased by:			
Reserve for Other Trust Fund Activity -			
Received in General Capital Fund	B-14		<u>18,090</u>
Balance, June 30, 2013	B		<u><u>\$ 18,090</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF RESERVE FOR OTHER TRUST FUND ACTIVITY

	Balance June 30, 2012	Increase	Decrease	Balance June 30, 2013	
Accumulated Absences Trust	\$ 37,495	\$ -	\$ -	\$ 37,495	
Ambulance Donations	1,937	-	1,937	-	
Bankruptcy for Tax Collector	257	-	-	257	
Battered Wives	11,529	2,661	8,928	5,262	
Cablevision Bond	25,000	-	25,000	-	
COAH	(17,689)	20,864	-	3,175	
Court Bails	8,829	306	-	9,135	
Cultural Center Donations	1,170	-	1,170	-	
DARE Donations	1	2,500	656	1,845	
DEA	73,383	17,770	54,941	36,212	
Developer's Escrow	24,197	-	15,127	9,070	
Disposal of Forfeited Property	123,248	49	64,079	59,218	
Earth Day	44	-	44	-	
Fire Victims Fund	(3,805)	3,806	-	1	
Hardship Fees - Rent Control	1,224	-	800	424	
Insurance Proceeds	85,868	74,848	39,418	121,298	
Meeting of the Cities	5,813	-	5,813	-	
Outside Lien Holders - New	67,315	5,441,415	4,930,115	578,615	
Outside Lien Holders - Old	127	-	-	127	
Parking Authority Surcharge	-	145,825	45,821	100,004	
P.O.A.A	2,580	37,033	39,462	151	
Police Details	8,657	331,150	339,807	-	
Premium of Tax Lien Sale	2,424,617	2,993,859	958,112	4,460,364	
Prisoners' Property	13,077	-	-	13,077	
Quality of Life, Bd of Ed	2,030	-	2,030	-	
Recycling Funds	32,281	14,375	-	46,656	
Relocation Program	1,182	7,818	9,000	-	
Reserve for EMS	13,981	214,337	212,603	15,715	
Safe Haven Donations	1,160	-	1,160	-	
Self Insurance Trust	499,243	177,250	-	676,493	
Senior Citizens Bus Trips	309	-	309	-	
Snow Removal Trust	6,925	-	2,200	4,725	
Soccer Program	18,197	24,735	27,957	14,975	
Soccer 2012	(3,285)	3,285	-	-	
State Health Benefits	261,802	175,232	-	437,034	
State Unemployment Insurance	-	44,271	-	44,271	
Swimming Pool	(675)	2,600	-	1,925	
Tenants Accounting Escrow	200	-	-	200	
Tree Donation	500	-	-	500	
Trust Company for Journal	750	-	-	750	
Weehawken/Union City Trunk Sewer	22,258	-	22,258	-	
Workers' Compensation	351,622	47,717	357,743	41,596	
	<u>\$ 4,103,354</u>	<u>\$ 9,783,706</u>	<u>\$ 7,166,490</u>	<u>\$ 6,720,570</u>	
	<u>Ref.</u>	<u>B</u>	<u>Below</u>	<u>Below</u>	<u>B</u>
Cash Receipts	B-10	\$ 4,499,350			
Due from Property Owners	B-11	51,029			
Transfer from State Unemployment Trust Fund	B-12	44,271			
Received in General Capital Fund	B-13	18,090			
Received in Current Fund	B-15	5,100,803			
Transfer from Current Fund	B-15	70,163			
	Above	<u>\$ 9,783,706</u>			
Cash Disbursements	B-10		\$ 2,422,552		
Expenditures Paid by Current Fund	B-15		3,630,620		
Cancelled to Current Fund	B-15		57,691		
Encumbrances Payable	B-16		1,055,627		
	Above		<u>\$ 7,166,490</u>		

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF DUE TO CURRENT FUND - OTHER TRUST FUND

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ 229,976
Increased by:			
Cash Receipts	B-10	\$ 5,195,234	
Transfer from Unemployment Trust Fund	B-12	13,320	
Reserve for Other Trust Fund Activity -			
Paid by Current Fund	B-14	3,630,620	
Cancelled to Current Fund	B-14	<u>57,691</u>	
			<u>8,896,865</u>
			9,126,841
Decreased by:			
Cash Disbursements	B-10	3,836,810	
Reserve for Other Trust Fund Activity			
Received in Current Fund	B-14	5,100,803	
Transfer from Current Fund	B-14	<u>70,163</u>	
			<u>9,007,776</u>
Balance, June 30, 2013	B		<u><u>\$ 119,065</u></u>

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE - OTHER TRUST FUND

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ -
Increased by:			
Reserve for Other Trust Fund Activity	B-14	<u>1,055,627</u>	
			1,055,627
Balance, June 30, 2013	B		<u><u>\$ 1,055,627</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF CASH AND CASH EQUIVALENTS - CDA FUND

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ 7,310
Increased by Cash Receipts:			
Due from HUD CDBG Grant	B-18	\$ 787,565	
Reserve for Program Income	B-19	<u>36,885</u>	
			<u>824,450</u>
			831,760
Decreased by Cash Disbursements:			
Due from Current Fund	B-21		<u>826,000</u>
Balance, June 30, 2013	B		<u><u>\$ 5,760</u></u>

SCHEDULE OF DUE FROM HUD CDBG GRANT - CDA FUND

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ 1,378,642
Increased by:			
New Grant Authorization	B-20		<u>868,776</u>
			2,247,418
Decreased by:			
Cash Receipts	B-17	\$ 787,565	
Cancellation	B-20	<u>1,378,642</u>	
			<u>2,166,207</u>
Balance, June 30, 2013	B		<u><u>\$ 81,211</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF RESERVE FOR PROGRAM INCOME - CDA FUND

	<u>Ref.</u>	
Balance, June 30, 2012	B	\$ -
Increased by:		
Cash Receipts	B-17	<u>36,885</u>
		36,885
Decreased by:		
Reserve for Expenditures	B-20	<u>36,885</u>
Balance, June 30, 2013	B	<u><u>\$ -</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT
BLOCK GRANT - CDA FUND**

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ 1,385,952
Increased by:			
New Grant Authorization	B-18	\$ 868,776	
Reserve for Program Income	B-19	<u>36,885</u>	
			<u>905,661</u>
			2,291,613
Decreased by:			
Cancellation	B-18	1,378,642	
Expenditures Paid by Current Fund	B-21	905,661	
Cancelled to Current Fund	B-21	<u>7,310</u>	
			<u>2,291,613</u>
Balance, June 30, 2013	B		<u><u>\$ -</u></u>

SCHEDULE OF DUE TO CURRENT FUND - CDA FUND

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ -
Increased by:			
Reserve for Expenditures -			
Paid by Current Fund	B-20	\$ 905,661	
Cancelled to Current Fund	B-20	<u>7,310</u>	
			<u>912,971</u>
			912,971
Decreased by:			
Cash Disbursements	B-17		<u>826,000</u>
Balance, June 30, 2013	B		<u><u>\$ 86,971</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**SCHEDULE OF CASH AND CASH EQUIVALENTS -
PUBLIC DEFENDER TRUST FUND**

	<u>Ref.</u>	
Balance, June 30, 2012	B	\$ 3,181
Increased by Cash Receipts:		
Reserve for Expenditures	B-23	<u>7,729</u>
Balance, June 30, 2013	B	<u><u>\$ 10,910</u></u>

EXHIBIT B-23

**SCHEDULE OF RESERVE FOR PUBLIC DEFENDER
TRUST EXPENDITURES**

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ -
Increased by:			
Cash Receipts	B-22	\$ 7,729	
Received in Current Fund	B-24	11,684	
Current Fund Budget Appropriation	B-24	40,000	
Current Fund Appropriation Reserves	B-24	<u>5,600</u>	
			<u>65,013</u>
			65,013
Decreased by:			
Paid by Current Fund	B-24	38,600	
Accounts Payable	B-25	<u>17,430</u>	
			<u>56,030</u>
Balance, June 30, 2013	B		<u><u>\$ 8,983</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**SCHEDULE OF DUE FROM CURRENT FUND -
PUBLIC DEFENDER TRUST FUND**

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ 109
Increased by:			
Reserve for Expenditures -			
Received in Current Fund	B-23	\$ 11,684	
Current Fund Budget Appropriation	B-23	40,000	
Current Fund Appropriation Reserves	B-23	<u>5,600</u>	
			<u>57,284</u>
			57,393
Decreased by:			
Reserve for Expenditures -			
Paid by Current Fund	B-23	38,600	
Accounts Payable	B-25	<u>17,430</u>	
			<u>56,030</u>
Balance, June 30, 2013	B		<u><u>\$ 1,363</u></u>

**SCHEDULE OF ACCOUNTS PAYABLE -
PUBLIC DEFENDER TRUST FUND**

	<u>Ref.</u>		
Balance, June 30, 2012	B		\$ 3,290
Increased by:			
Reserve for Expenditures	B-23		<u>17,430</u>
			20,720
Decreased by:			
Due to Current Fund	B-24		<u>17,430</u>
Balance, June 30, 2013	B		<u><u>\$ 3,290</u></u>

SUPPLEMENTARY INFORMATION – GENERAL CAPITAL FUND

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF CASH AND CASH EQUIVALENTS

	<u>Ref.</u>	
Balance, June 30, 2012	C	\$ 881
Increased by:		
Due from Current Fund	C-15	28,000
		28,881
Decreased by:		
Due to Current Fund	C-15	28,797
		28,797
Balance, June 30, 2013	C	\$ 84

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

ANALYSIS OF CASH AND CASH EQUIVALENTS

Improvement Authorizations	Ref.	Balance		Cash		Transfers		Balance June 30, 2013
		June 30, 2012		Receipts	Disbursements	To	From	
Fund Balance	C-1	\$ -	\$ -	-	-	\$ 73,821	\$ 56,580	\$ 17,241
Capital Improvement Fund	C-6	22,763	-	-	-	300,000	311,000	11,763
Reserve for Green Acres Project	C-12	129,302	-	-	-	1,050,984	1,180,286	-
Encumbrances Payable	C-14	2,983,305	-	-	-	2,813,867	2,983,305	2,813,867
Due from Current Fund	C-15	(7,830,163)	28,000	-	28,797	7,493,589	944,241	(1,281,612)
Due from State of New Jersey:								
Green Acres	C-17	(590,143)	-	-	-	-	-	(590,143)
Green Trust	C-18	(590,143)	-	-	-	-	780,000	(1,370,143)
Due from County of Hudson	C-19	-	-	-	-	-	790,000	(790,000)
Reserve for General Serial Bonds	C-20	1,262,389	-	-	-	-	1,262,389	-
Reserve for Interest	C-21	63,399	-	-	-	-	63,399	-
Due to Other Trust Fund	C-22	-	-	-	-	18,090	-	18,090
Improvement Authorizations:								
Improvement to Ellisworth Park		(4,824)	-	-	-	-	-	(4,824)
Redevelopment Funding		46,935	-	-	-	-	46,935	-
Traffic Lights		91,749	-	-	-	-	7,837	83,912
Various Capital Improvements		-	-	-	-	-	-	-
17th Street Park		17,352	-	-	-	-	6,278	11,074
Reconstruction of 15th St. Library into a Museum and Cultural Center		9,645	-	-	-	-	9,645	-
Traffic Light Improvements		99,835	-	-	-	-	99,835	-
Construction of Doric Water Park		1,311	-	-	-	-	1,311	-
Reconstruction of Roof at Jose Marti Park		5,690	-	-	-	-	-	5,690
Street Improvements - Broadway and Park Avenue		80,501	-	-	-	-	42,995	37,506
Indian Park Pond - 33rd Street		1,323	-	-	-	-	1,323	-
Reconstruct New York Ave		1,047,642	-	-	-	-	1,045,235	2,407
Ellisworth Park Improvement		1,745,712	-	-	-	-	1,460,963	284,749
Reconstruct 34th Street		18,519	-	-	-	-	18,519	-
44th and 45th St Park Improvements		3,996	-	-	-	-	3,996	-
Leggerio Park Improvements		4,773	-	-	-	113,724	-	118,497
Traffic Signals and Sidewalks		60,350	-	-	-	-	3,886	56,464

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

ANALYSIS OF CASH AND CASH EQUIVALENTS

Improvement Authorizations	Ref.	Balance June 30, 2012		Cash		Transfers		Balance June 30, 2013
				Receipts	Disbursements	To	From	
Improvement Authorizations (Continued):								
Pave Bergenline Avenue		\$ 2,535	\$ -	\$ -	\$ -	\$ -	\$ 2,535	\$ -
Various Police Equipment		1,100,000	-	-	-	-	92,872	1,007,128
Improvements to City Parks		65,966	-	-	-	-	24,042	41,924
Reconstruct 15th Street		8,287	-	-	-	-	8,287	-
Installation of Computer Equipment		18,985	-	-	-	-	13,988	4,997
Summit Avenue		92,070	-	-	-	-	36,103	55,967
Purchase of 2 Ambulances		103	-	-	-	-	103	-
Supplemental Funding - Amphitheater		31,717	-	-	-	627,000	658,717	-
New York Avenue Reconstruction		-	-	-	-	1,300,000	1,300,000	-
Washington Park		-	-	-	-	1,541,000	247,274	1,293,726
Reconstruction Various Streets		-	-	-	-	50,000	302,056	(252,056)
Leggeiro Music Park Improvements		-	-	-	-	1,470,286	1,115,708	354,578
Various Capital Improvements		-	-	-	-	-	1,930,717	(1,930,717)
		\$ 881	\$ 28,000	\$ 28,797	\$ 28,797	\$ 16,852,361	\$ 16,852,360	\$ 85
		C	C-2, C-11	C-2, C-13	C-2, C-13	contra	contra	C

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Purpose	Balance June 30, 2012	2013 Authorizations	Bond Anticipation Notes	Balance June 30, 2013
Ellisworth Park Improvements	\$ 4,834	\$ -	\$ -	\$ 4,834
17th Street Park	330,000	-	-	330,000
Traffic Light Improvements	715,850	-	28,150	687,700
24th Street Park Improvements	440,680	-	17,320	423,360
Construction of New Parking Deck	1,401,523	-	61,987	1,339,536
Construction of Doric Water Park	5,700,753	-	224,247	5,476,506
Construction of 39th Street Skate Park	268,426	-	10,574	257,852
Reconstruction of Roof at Jose Marti Park	54,673	-	3,282	51,391
Street Improvements - Broadway and Park Ave.	2,579,560	-	101,440	2,478,120
Reconstruct New York Ave	2,579,250	-	-	2,579,250
Ellsworth Park Improvement	2,579,250	(1,300,000)	-	1,279,250
Reconstruct 34th Street	237,500	-	-	237,500
44th and 45th St Park Improvements	109,250	-	-	109,250
DPW Roof Reconstruction	313,500	-	-	313,500
Leggerio Park Improvements	655,500	-	-	655,500
Traffic Signals and Sidewalks	247,000	-	-	247,000
Pave Bergenline Avenue	80,750	-	-	80,750
Various Police Equipment	1,045,000	-	-	1,045,000
Reconstruct Ambulance Building Roof	133,000	-	-	133,000
Improvements to City Parks	270,750	-	-	270,750
Reconstruct 15th Street	318,250	-	-	318,250
Reconstruct 16th Street	156,750	-	750	156,000
Installation of Computer Equipment	95,000	-	-	95,000
Tax Refunding Ordinance	550,000	-	110,000	440,000
Summit Avenue	750,000	-	250,000	500,000
Purchase of 2 Ambulances	175,000	-	-	175,000
DPW Roof	28,525	-	-	28,525
Supplemental Funding - Amphitheater	627,000	-	-	627,000
New York Avenue Reconstruction	-	1,300,000	-	1,300,000
Washington Park	-	4,959,000	-	4,959,000
Reconstruction Various Streets	-	950,000	-	950,000
Various Capital Improvements	-	1,940,000	-	1,940,000
	<u>\$ 22,447,574</u>	<u>\$ 7,849,000</u>	<u>\$ 807,750</u>	<u>\$ 29,488,824</u>
Ref.	C	C-7	C-13	C

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>Ref.</u>		
Balance, June 30, 2012	C		\$ 63,125,266
Decreased by:			
General Serial Bonds Payment	C-8	\$ 3,425,000	
School Serial Bonds Payment	C-9	2,170,000	
HCIA Lease Payment	C-10	407,162	
Green Acres Loan Payment	C-11	<u>127,924</u>	
			<u>6,130,086</u>
Balance, June 30, 2013	C		<u>\$ 56,995,180</u>

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, June 30, 2012	C	\$ 22,763
Increased by:		
2012 Budget Appropriation	C-15	<u>300,000</u>
		322,763
Decreased by:		
Improvement Authorizations	C-7	<u>311,000</u>
Balance, June 30, 2013	C	<u><u>\$ 11,763</u></u>

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**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Original Amount	Balance, June 30, 2012		2013 Authorizations	Paid or Charged	(Cancelled)/ Reappropriated	Balance, June 30, 2013	
		Funded	Unfunded				Funded	Unfunded
Redevelopment Funding	\$ 4,340,000	\$ 46,935	\$ -	\$ -	\$ -	\$ (46,935)	\$ -	\$ -
Traffic Lights	2,000,000	-	91,749	-	7,837	-	-	83,912
Various Capital Improvements	250,000	-	-	-	-	-	-	-
17th Street Park	610,000	-	17,352	-	6,278	-	-	11,074
Reconstruction of 15th St. Library into a Museum and Cultural Center	1,700,000	9,645	-	-	-	(9,645)	-	-
Traffic Light Improvements	811,000	-	99,835	-	99,835	-	-	-
Construction of Doric Water Park	6,150,000	-	1,311	-	1,311	-	-	-
Reconstruction of Roof at Jose Marti Park	90,000	-	5,690	-	-	-	-	5,690
Street Improvements - Broadway and Park Avenue	2,782,000	-	80,501	-	42,995	-	-	37,506
Indian Park Pond - 33rd Street	2,100,000	1,323	-	-	1,323	-	-	-
Reconstruct New York Ave	2,715,000	-	1,047,642	-	1,045,235	-	-	2,407
Ellsworth Park Improvement	2,715,000	-	1,745,712	-	160,963	(1,300,000)	-	284,749
Reconstruct 34th Street	250,000	-	18,519	-	18,519	-	-	-
44th and 45th St Park Improvements	115,000	-	3,996	-	3,996	-	-	-
Leggerio Park Improvements	690,000	-	4,773	-	-	113,724	-	118,497
Traffic Signals and Sidewalks	260,000	-	60,350	-	3,886	-	-	56,464
Pave Bergenline Avenue	85,000	-	2,535	-	2,535	-	-	-
Various Police Equipment	1,100,000	-	1,100,000	-	92,872	-	-	1,007,128
Improvements to City Parks	285,000	-	65,966	-	24,042	-	-	41,924
Reconstruct 15th Street	335,000	-	8,287	-	8,287	-	-	-
Installation of Computer Equipment	100,000	-	18,985	-	13,988	-	-	4,997
Summit Avenue	750,000	-	92,070	-	36,103	-	-	55,967
Purchase of 2 Ambulances	175,000	103	-	-	103	-	-	-
Supplemental Funding - Amphitheater	660,000	-	658,717	-	658,717	-	-	-
New York Avenue Reconstruction	1,300,000	-	-	-	1,300,000	1,300,000	-	-
Washington Park	6,500,000	-	-	6,500,000	247,274	-	1,293,726	4,959,000
Reconstruction Various Streets	1,000,000	-	-	1,000,000	302,056	-	-	697,944

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Original Amount	Balance, June 30, 2012		2013 Authorizations	Paid or Charged	(Cancelled)/ Reappropriated	Balance, June 30, 2013	
		Funded	Unfunded				Funded	Unfunded
Leggerio Music Park Improvements	\$ 1,470,286	\$ -	\$ -	\$ 1,470,286	\$ 1,115,708	\$ -	\$ 354,578	\$ -
Various Capital Improvements	1,940,000	-	-	1,940,000	1,930,717	-	9,283	-
		<u>\$ 58,006</u>	<u>\$ 5,123,990</u>	<u>\$ 10,910,286</u>	<u>\$ 7,124,580</u>	<u>\$ 57,144</u>	<u>\$ 1,657,587</u>	<u>\$ 7,367,259</u>
	Ref.	C	C	Below	Below	Below	C	C
Capital Surplus	C-1			\$ -	\$ -	\$ (56,580)		
Deferred Charges to Future Taxation - Unfunded	C-4			7,849,000	-	-		
Capital Improvement Fund	C-6			311,000	-	-		
Reserve for Green Acres Project - Transfer from	C-12			1,180,286	-	-		
Reserve for Green Acres Project - Prior Year Charges	C-12			-	1,050,984	-		
Paid by Current Fund	C-15			-	6,111,220	-		
Encumbrances Payable	C-14			-	2,813,867	-		
Encumbrances Payable - Prior Year Reversals	C-14			-	(2,869,581)	-		113,724
Encumbrances Payable - Cancellations	C-14			-	-	-		-
Due from State of New Jersey - Green Acres Grant	C-18			780,000	-	-		-
Due from County of Hudson	C-19			790,000	-	-		-
Due to Other Trust Fund	C-22			-	18,090	-		-
	Above			<u>\$ 10,910,286</u>	<u>\$ 7,124,580</u>	<u>\$ 57,144</u>		

EXHIBIT C-8

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Amount	Maturities of Bonds Outstanding June 30, 2013		Interest Rate %	Balance June 30, 2012	Decrease	Balance June 30, 2013
			Date	Amount				
1998 Refunding Issue	09/01/97	\$ 25,145,000				\$ 2,900,000	\$ 2,900,000	\$ -
ERI Pension Bonds	12/15/02	15,735,000	1/1/2014	585,000	5.375			
			1/1/2015	665,000	5.375			
			1/1/2016	725,000	5.375			
			1/1/2017	825,000	5.375			
			1/1/2018	15,000	6.250			
			1/1/2019	30,000	6.250			
			1/1/2020	100,000	6.250			
			1/1/2021	165,000	6.250			
			1/1/2022	225,000	6.250			
			1/1/2023	315,000	6.250			
			1/1/2024	375,000	6.250			
			1/1/2025	475,000	6.250			
			1/1/2026	575,000	6.250			
			1/1/2027	690,000	6.250			
			1/1/2028	825,000	6.250			
			1/1/2029	975,000	6.250			
			1/1/2030	1,125,000	6.250			
			1/1/2031	1,300,000	6.250			
			1/1/2032	1,475,000	6.250			
			1/1/2033	1,695,000	6.250	13,685,000	525,000	13,160,000

EXHIBIT C-8

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Amount	Maturities of Bonds Outstanding		Interest Rate %	Balance June 30, 2012	Decrease	Balance June 30, 2013
			Date	Amount				
2007A Refunding	02/07/07	\$ 24,305,000	11/1/2017	\$ 145,000	4.000			
			11/1/2018	3,730,000	5.000			
			11/1/2019	3,845,000	5.000			
			11/1/2020	3,985,000	5.000			
			11/1/2021	4,125,000	4.000			
			11/1/2022	4,225,000	4.125			
			11/1/2023	4,250,000	4.125	\$ 24,305,000	\$ -	\$ 24,305,000
2007B Refunding	02/07/07	9,325,000	11/1/2013	2,053,106	5.430			
			11/1/2014	1,917,108	5.470			
			11/1/2015	1,796,251	5.520			
			11/1/2016	1,630,109	5.560			
			11/1/2017	1,928,425	5.590	9,324,999	-	9,324,999
						\$ 50,214,999	\$ 3,425,000	\$ 46,789,999
						C	C-5	C
					Ref.			

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF SCHOOL SERIAL BONDS

Purpose	Date of Issue	Original Issue Amount	Maturities of Bonds Outstanding		Interest Rate %	Balance June 30, 2012	Decrease	Balance June 30, 2013
			Date	Amount				
School Improvements	3/19/1992	\$ 26,975,000	11/1/2013	2,320,000	6.400	\$ 4,490,000	\$ 2,170,000	\$ 2,320,000
					<u>Ref.</u>	<u>C</u>	<u>C-5</u>	<u>C</u>
						\$ 4,490,000	\$ 2,170,000	\$ 2,320,000

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF CAPITAL LEASE PAYABLE - HCIA

	<u>Ref.</u>	
Balance, June 30, 2012	C	\$ 7,116,221
Decreased by:		
Loan Payment	C-5	<u>407,162</u>
Balance, June 30, 2013	C	<u><u>\$ 6,709,059</u></u>

Analysis of Capital Lease Payments

<u>Fiscal Year</u>	<u>Regional Fire and Rescue</u>		<u>Fire Dept. Equipment</u>	<u>Total</u>
	<u>Series A</u>	<u>Series B</u>		
2014	\$ 78,607	\$ 70,245	\$ 290,000	\$ 438,852
2015	83,625	75,263	295,000	453,888
2016	86,970	78,608	315,000	480,578
2017	91,987	81,953	345,000	518,940
2018	95,332	86,970	380,000	562,302
2019	98,677	91,988	400,000	590,665
2020	103,695	97,005	440,000	640,700
2021	107,040	102,023	475,000	684,063
2022	112,057	107,040	510,000	729,097
2023	117,075	112,058	550,000	779,133
2024	122,093	118,748	590,000	830,841
	<u>\$ 1,097,158</u>	<u>\$ 1,021,901</u>	<u>\$ 4,590,000</u>	<u>\$ 6,709,059</u>

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF GREEN ACRES LOANS PAYABLE

	<u>Ref.</u>	
Balance, June 30, 2012	C	\$ 1,304,046
Decreased by:		
Loan Payment	C-5	127,924
Balance, June 30, 2013	C	\$ 1,176,122

Analysis of Repayment of Loan and Interest

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2014	\$ 22,874	\$ 130,496
2015	20,250	133,118
2016	17,575	135,795
2017	14,893	128,736
2018	12,700	52,255
2019	11,703	42,395
2020	10,851	43,248
2021	9,982	44,118
2022	9,096	45,006
2023	8,191	45,909
2024	7,268	46,832
2025	6,326	47,772
2026	5,367	48,733
2027	4,387	49,713
2028	3,387	50,712
2029	2,369	51,731
2030	1,328	52,771
2031	268	26,782
	\$ 168,815	\$ 1,176,122

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

RESERVE FOR GREEN ACRES PROJECT

	<u>Ref.</u>	
Balance, June 30, 2012	C	\$ 129,302
Increased by:		
Improvement Authorizations - Prior Year Charges	C-7	<u>1,050,984</u>
		1,180,286
Decreased by:		
Improvement Authorizations - Transferred	C-7	<u>1,180,286</u>
Balance, June 30, 2013	C	<u><u>\$ -</u></u>

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF BOND ANTICIPATION NOTES

Improvement Description	Original Issue Amount	Date of		Interest Rate %	Balance June 30, 2012	Increase	Decrease	Balance June 30, 2013
		Issue	Maturity					
Traffic Light Improvements	\$ 715,850	01/20/12	01/19/13	2.00	\$ 715,850	\$ -	\$ 715,850	\$ -
24th Street Park Improvements	440,680	01/20/12	01/19/13	2.00	440,680	-	440,680	-
Construction of New Parking Deck	1,576,013	01/20/12	01/19/13	2.00	1,576,013	-	1,576,013	-
Construction of Doric Wate Park	5,700,753	01/20/12	01/19/13	2.00	5,700,753	-	5,700,753	-
Reconstruction of 39th Street Skate Park	268,426	01/20/12	01/19/13	2.00	268,426	-	268,426	-
Reconstruction of roof at Jose Marti Park	83,718	01/20/12	01/19/13	2.00	83,718	-	83,718	-
Street Improvements - Broadway and Park Avenue	2,579,560	01/20/12	01/19/13	2.00	2,579,560	-	2,579,560	-
Traffic Light Improvements	715,850	12/19/12	12/20/13	1.125	-	687,700	-	687,700
24th Street Park Improvements	440,680	12/19/12	12/20/13	1.125	-	423,360	-	423,360
Construction of New Parking Deck	1,576,013	12/19/12	12/20/13	1.125	-	1,514,026	-	1,514,026
Construction of Doric Wate Park	5,700,753	12/19/12	12/20/13	1.125	-	5,476,506	-	5,476,506
Reconstruction of 39th Street Skate Park	268,426	12/19/12	12/20/13	1.125	-	257,852	-	257,852
Reconstruction of roof at Jose Marti Park	83,718	12/19/12	12/20/13	1.125	-	80,436	-	80,436
Street Improvements - Broadway and Park Avenue	2,579,560	12/19/12	12/20/13	1.125	-	2,478,120	-	2,478,120
17th Street Park	330,000	06/05/12	06/05/13	2.00	330,000	-	330,000	-
Reconstruct New York Ave	2,579,250	06/05/12	06/05/13	2.00	2,579,250	-	2,579,250	-
Ellsworth Park Improvement	2,579,250	06/05/12	06/05/13	2.00	2,579,250	-	2,579,250	-
Reconstruct 34th Street	237,500	06/05/12	06/05/13	2.00	237,500	-	237,500	-
44th and 45th St Park Improvements	109,250	06/05/12	06/05/13	2.00	109,250	-	109,250	-
DPW Roof Reconstruction	313,500	06/05/12	06/05/13	2.00	313,500	-	313,500	-
Leggerio Park Improvements	655,500	06/05/12	06/05/13	2.00	655,500	-	655,500	-
Traffic Signals, Sidewalks	247,000	06/05/12	06/05/13	2.00	247,000	-	247,000	-
Pave Bergenline Avenue	80,750	06/05/12	06/05/13	2.00	80,750	-	80,750	-

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF BOND ANTICIPATION NOTES

Improvement Description	Original Issue Amount	Date of		Interest Rate %	Balance June 30, 2012	Increase	Decrease	Balance June 30, 2013
		Issue	Maturity					
Various Equipment Police	\$ 1,045,000	06/05/12	06/05/13	2.00	\$ 1,045,000	\$ -	\$ 1,045,000	\$ -
Reconstruct Roof Amb Building	133,000	06/05/12	06/05/13	2.00	133,000	-	133,000	-
Improvements to City Parks	270,750	06/05/12	06/05/13	2.00	270,750	-	270,750	-
Reconstruct 15th Street	318,250	06/05/12	06/05/13	2.00	318,250	-	318,250	-
Reconstruct 16th Street	156,750	06/05/12	06/05/13	2.00	156,750	-	156,750	-
Installation of Computer Equipment	95,000	06/05/12	06/05/13	2.00	95,000	-	95,000	-
Tax Refunding Ordinance	550,000	06/05/12	06/05/13	2.00	550,000	-	550,000	-
Summit Avenue	750,000	06/05/12	06/05/13	2.00	750,000	-	750,000	-
Supplemental Funding Amphitheater	627,000	12/21/12	12/20/13	1.125	-	627,000	-	627,000
17th Street Park	330,000	05/22/13	05/23/14	1.00	-	330,000	-	330,000
Reconstruct New York Ave	2,579,250	05/22/13	05/23/14	1.00	-	2,579,250	-	2,579,250
Ellsworth Park Improvement	2,579,250	05/22/13	05/23/14	1.00	-	2,579,250	-	2,579,250
Reconstruct 34th Street	237,500	05/22/13	05/23/14	1.00	-	237,500	-	237,500
44th and 45th St Park Improvements	109,250	05/22/13	05/23/14	1.00	-	109,250	-	109,250
DPW Roof Reconstruction	313,500	05/22/13	05/23/14	1.00	-	313,500	-	313,500
Leggerio Park Improvements	655,500	05/22/13	05/23/14	1.00	-	655,500	-	655,500
Traffic Signals, Sidewalks	247,000	05/22/13	05/23/14	1.00	-	247,000	-	247,000
Pave Bergenline Avenue	80,750	05/22/13	05/23/14	1.00	-	80,750	-	80,750
Various Equipment Police	1,045,000	05/22/13	05/23/14	1.00	-	1,045,000	-	1,045,000
Reconstruct Roof Amb Building	133,000	05/22/13	05/23/14	1.00	-	133,000	-	133,000
Improvements to City Parks	270,750	05/22/13	05/23/14	1.00	-	270,750	-	270,750
Reconstruct 15th Street	318,250	05/22/13	05/23/14	1.00	-	318,250	-	318,250

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF BOND ANTICIPATION NOTES

Improvement Description	Original Issue Amount	Date of		Interest Rate %	Balance June 30, 2012	Increase	Decrease	Balance June 30, 2013
		Issue	Maturity					
Reconstruct 16th Street	\$ 156,750	05/22/13	05/23/14	1.00	\$ -	\$ 156,000	\$ -	\$ 156,000
Installation of Computer Equipment	95,000	05/22/13	05/23/14	1.00	-	95,000	-	95,000
Tax Refunding Ordinance	550,000	05/22/13	05/23/14	1.00	-	440,000	-	440,000
Summit Avenue	750,000	05/22/13	05/23/14	1.00	-	500,000	-	500,000
				<u>Ref.</u>	<u>\$ 21,815,750</u>	<u>Below</u>	<u>\$ 21,815,750</u>	<u>\$ 21,635,000</u>
					<u>C</u>		<u>Below</u>	<u>C</u>
Deferred Charges to Future Taxation - Unfunded Received in Current Fund				Contra		\$ 21,008,000	\$ 21,008,000	
				C-4		-	807,750	
				C-15		627,000	-	
				Above		\$ 21,635,000	\$ 21,815,750	

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>		
Balance, June 30, 2012	C		\$ 2,983,305
Increased by:			
Charges to Improvement Authorizations	C-7		<u>2,813,867</u>
			5,797,172
Decreased by:			
Reverse Prior Year Balance	C-7	\$ 2,869,581	
Cancellation of Prior Year Balance	C-7	<u>113,724</u>	
			<u>2,983,305</u>
Balance, June 30, 2013	C		<u><u>\$ 2,813,867</u></u>

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF DUE FROM CURRENT FUND

	<u>Ref.</u>		
Balance, June 30, 2012, Due From	C		\$ 7,830,163
Increased by:			
Premium on Note Sale	C-1	\$ 17,241	
Cash Disbursements	C-2, C-3	28,797	
Capital Improvement Fund	C-6	300,000	
Bond Anticipation Notes	C-13	<u>627,000</u>	
			<u>973,038</u>
			8,803,201
Decreased by:			
Capital Surplus	C-1	56,580	
Cash Receipts	C-2, C-3	28,000	
Charges to Improvement Authorizations	C-7	6,111,221	
Reserve for General Serial Bonds	C-20	1,262,389	
Reserve for Interest	C-21	<u>63,399</u>	
			<u>7,521,589</u>
Balance, June 30, 2013, Due (To)	C		<u><u>\$ 1,281,612</u></u>

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Improvement Description</u>	Balance <u>June 30, 2012</u>	2013 <u>Authorized</u>	Debt <u>Issued</u>	Balance <u>June 30, 2013</u>
Improvement to Ellsworth Park	\$ 4,824	\$ -	\$ -	\$ 4,824
Supplemental Funding - Amphitheater	627,000	-	627,000	-
Washington Park	-	4,959,000	-	4,959,000
Reconstruction Various Streets	-	950,000	-	950,000
Various Capital Improvements	-	1,940,000	-	1,940,000
	<u>\$ 631,824</u>	<u>\$ 7,849,000</u>	<u>\$ 627,000</u>	<u>\$ 7,853,824</u>
<u>Ref.</u>	C	C-4	C-4	C

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF DUE FROM STATE OF NEW JERSEY - GREEN ACRES TRUST LOAN

	<u>Ref.</u>	
Balance, June 30, 2012	C	\$ 590,143
Balance, June 30, 2013	C	\$ 590,143

SCHEDULE OF DUE FROM STATE OF NEW JERSEY - GREEN ACRES TRUST GRANT

	<u>Ref.</u>	
Balance, June 30, 2012	C	\$ 590,143
Increased by:		
Improvement Authorizations	C-7	780,000
Balance, June 30, 2013	C	\$ 1,370,143

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF DUE FROM COUNTY OF HUDSON

	Balance June 30, 2012	Improvement Authorizations	Balance June 30, 2013
Open Space Grant:			
Washington Park	\$ -	\$ 500,000	\$ 500,000
Leggeiro Park Improvements	-	265,000	265,000
Community Development Block Grant - Leggeiro Park Improvements	-	25,000	25,000
	\$ -	\$ 790,000	\$ 790,000
<u>Ref.</u>	C	C-7	C

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF RESERVE FOR GENERAL SERIAL BONDS

	<u>Balance June 30, 2012</u>	<u>Anticipated Revenue Realized in Current Fund</u>	<u>Balance June 30, 2013</u>
2007 Refunding Serial Bonds -			
Swimming Pool Improvement (47th St.)	\$ 1,262,389	\$ 1,262,389	\$ -
	<u>\$ 1,262,389</u>	<u>\$ 1,262,389</u>	<u>\$ -</u>
<u>Ref.</u>	C	C-15	C

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF RESERVE FOR INTEREST

	<u>Ref.</u>	
Balance, June 30, 2012	C	\$ 63,399
Decreased by:		
Anticipated Revenue Realized in Current Fund	C-15	<u>63,399</u>
Balance, June 30, 2013	C	<u>\$ -</u>

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF DUE TO OTHER TRUST FUND

	<u>Ref.</u>	
Balance, June 30, 2012	C	\$ -
Increased by:		
Charges to Improvement Authorizations	C-7	<u>18,090</u>
Balance, June 30, 2013	C	<u><u>\$ 18,090</u></u>

SUPPLEMENTARY INFORMATION – FIXED ASSETS

**THE CITY OF UNION CITY
FIXED ASSET GROUP OF ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF FIXED ASSETS - ACQUISITIONS AND DISPOSALS

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Land	\$ 11,233,700	\$ -	\$ -	\$ 11,233,700
Buildings and Improvements	77,274,485	427,297	-	77,701,782
Furniture and Fixtures	83,259	45,000	-	128,259
Machinery and Equipment	7,614,026	164,484	-	7,778,510
	<u>\$ 96,205,470</u>	<u>\$ 636,781</u>	<u>\$ -</u>	<u>\$ 96,842,251</u>
<u>Ref.</u>	D	D-2	D-2	D

**THE CITY OF UNION CITY
FIXED ASSET GROUP OF ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SCHEDULE OF RESERVE FOR FIXED ASSETS

Balance, June 30, 2012	<u>Ref.</u> D	\$ 96,205,470
Increased by:		
Additions	D-1	<u>636,781</u>
		96,842,251
Decreased by:		
Deletions	D-1	<u>-</u>
Balance, June 30, 2013	D	<u>\$ 96,842,251</u>

ACCOMPANYING INFORMATION

THE CITY OF UNION CITY

SCHEDULE OF OPERATIONS AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	June 30, 2013		June 30, 2012	
	Amount	Percent	Amount	Percent
Revenue and Other Income Realized:				
Miscellaneous Revenue Anticipated	\$ 47,022,783	31.99%	\$ 43,566,330	30.78%
Receipts from Delinquent Taxes	108,729	0.07%	617,460	0.44%
Receipts from Current Taxes	96,428,494	65.60%	94,897,126	67.03%
Other Credits to Income	3,444,689	2.34%	2,479,604	1.75%
Total Income	147,004,695	100.00%	141,560,520	100.00%
Expenditures:				
Budget Appropriations	111,512,374	75.94%	105,234,390	73.04%
School and County Taxes	33,528,242	22.83%	32,107,035	22.29%
Other	1,808,341	1.23%	6,728,365	4.67%
Total Expenditures	146,848,957	100.00%	144,069,790	100.00%
Excess in Revenue	155,738			
(Deficit) in Revenue			(2,509,270)	
Adjustments to Income before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year				
Expenditures without Appropriations	18,782		2,226,528	
Interfund Overexpenditures	19,336		250,661	
	38,118		2,477,189	
Statutory Excess to Fund Balance	193,856			
Deficit in Operations to be Raised in Budget of Succeeding Year			\$ 32,081	
Fund Balance, Beginning of Year	2,152,431		2,152,431	
Fu: Fund Balance, End of Year	\$ 2,346,287		\$ 2,152,431	

THE CITY OF UNION CITY
SCHEDULE OF TAX RATE INFORMATION
FOR THE LAST FIVE FISCAL YEARS

<u>Year</u>	<u>Tax Rate</u>	<u>Municipal</u>	<u>County Taxes</u>	<u>Local School Taxes</u>
2013	6.545	4.320	1.124	1.101
2012	6.401	4.137	1.167	1.097
2011	6.189	3.997	1.090	1.102
2010	5.930	3.786	1.039	1.105
2009	5.748	3.599	1.043	1.106

THE CITY OF UNION CITY
SCHEDULE OF TAX LEVIES AND COLLECTIONS
FOR THE LAST FIVE FISCAL YEARS

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collection</u>	<u>Percent Collected</u>
2013	\$ 97,092,453	\$ 95,328,494	98.18%
2012	95,065,168	93,847,126	98.72%
2011	90,217,685	88,452,521	98.04%
2010	86,938,593	86,065,314	99.00%
2009	82,787,741	80,036,143	96.68%

THE CITY OF UNION CITY
SCHEDULE OF DELINQUENT TAXES AND TAX TITLE LIENS
FOR THE LAST FIVE FISCAL YEARS

<u>Year</u>	<u>Liens</u>	<u>Delinquent Taxes</u>	<u>Total</u>	<u>Percent of Tax Levy</u>
2013	\$ 56,989	\$ 110,490	\$ 167,479	0.17%
2012	64,515	96,647	161,162	0.17%
2011	633,478	53,582	687,060	0.76%
2010	40,520	80,913	121,433	0.14%
2009	-	2,550,105	2,550,105	3.08%

THE CITY OF UNION CITY

SCHEDULE OF PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

FOR THE LAST FIVE FISCAL YEARS

<u>Year</u>	<u>Amount</u>
2013	\$ 171,900
2012	171,900
2011	171,900
2010	171,900
2009	171,900

THE CITY OF UNION CITY
SCHEDULE OF FUND BALANCES
FOR THE LAST FIVE FISCAL YEARS

<u>Year</u>	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
June 30, 2013	\$ 2,346,287	\$ -
June 30, 2012	2,152,431	-
June 30, 2011	2,152,431	-
June 30, 2010	3,217,431	1,065,000
June 30, 2009	1,452,384	117,000

THE CITY OF UNION CITY

ROSTER OF OFFICIALS

JUNE 30, 2013

<u>Name</u>	<u>Title</u>	<u>Bond</u>
Brian P. Stack	Mayor and Commissioner - Public Safety	
Lucio P. Fernandez	Commissioner - Public Affairs	
Christopher F. Irizarry	Commissioner - Parks and Public Property (<i>Resigned March 5, 2013</i>)	
Celine Valdivia	Commissioner - Parks and Public Property (<i>Appointed March 5, 2013</i>)	
Tilo E. Rivas	Commissioner - Public Works	
Maryury A. Martinetti	Commissioner - Revenue and Finance	
William Senande	City Clerk (<i>Resigned September 30, 2013</i>)	
Laura Miller	Acting City Clerk (<i>October 1, 2013 through January 26, 2014</i>)	
Dominick Cantatore	Acting City Clerk (<i>Effective January 27, 2014</i>)	
Donald Scarinci	Corporation Counsel	
Sonia Schulman	Tax Collector	\$1,000,000
Lilia A. Munoz	Judge	\$1,000,000
Sixto L. Macias	Judge	\$1,000,000
Gustav John Schlaier	Court Director	\$1,000,000
Douglas Gutch	Treasurer	\$1,000,000
Richard P. Cahill	Chief Financial Officer (<i>Resigned August 31, 2013</i>)	\$1,000,000
Margaret S. Cherone	Acting Chief Financial Officer (<i>September 1, 2013 through March 31, 2014</i>)	\$1,000,000
Susan M. Colditz	Acting Chief Financial Officer (<i>Effective April 1, 2014</i>)	\$1,000,000

There was a Public Employees Dishonesty Blanket Position Bond with individual coverage of \$1,000,000 for all employees, issued by Fidelity and Deposit Company of Maryland.

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SINGLE AUDIT SECTION

DONOHUE, GIRONDA & DORIA

Certified Public Accountants

Matthew A. Donohue, CPA
Robert A. Gironda, CPA
Robert G. Doria, CPA (N.J. & N.Y.)
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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***

The Honorable Mayor and
Members of the Board of Commissioners
City of Union City, New Jersey

We have audited , in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the accompanying financial statements – regulatory basis of the City of City of Union City, New Jersey (the "City"), which comprise the comparative balance sheet – regulatory basis, of each fund and account group as of June 30, 2013 and 2012, and the related comparative statement of operations and changes in fund balance – regulatory basis, of each fund, and the statement of revenues – regulatory basis – and statement of appropriations – regulatory basis, of the Current Fund, for the years then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 25, 2014.

As described in Note A, the City prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, Findings *FS13-01* and *FS13-02*, to be material weaknesses.

Compliance and Other Matters

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

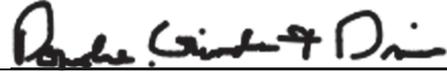
We noted additional instances of deficiencies and noncompliance which are required to be reported under audit requirements prescribed by the Division, and which are described in the accompanying comments and recommendations section of this report.

The City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DONOHUE, GIRONDA & DORIA
Certified Public Accountants



FREDERICK J. TOMKINS
Registered Municipal Accountant #327

Bayonne, New Jersey
April 25, 2014

DONOHUE, GIRONDA & DORIA

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

The Honorable Mayor and
Members of the Board of Commissioners
City of Union City, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the City of Union City, New Jersey's (the City's) compliance with the types of compliance requirements described in the *U.S. OMB Circular A-133 Compliance Supplement* and the *N.J. OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the City's major federal and state programs for the year ended June 30, 2013. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and N.J. OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, U.S. 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 or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2013.

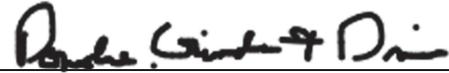
Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. 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'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 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 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 U.S. OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.



DONOHUE, GIRONDA & DORIA
Certified Public Accountants



FREDERICK J. TOMKINS
Registered Municipal Accountant #327

Bayonne, New Jersey
April 25, 2014

**THE CITY OF UNION CITY
NOTES TO SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

A. BASIS OF ACCOUNTING

The Supplementary Schedules of Expenditures of Federal, State, and County Awards are not prepared on the accrual basis of accounting. Expenditures are recognized when they become a demand on current available financial resources. Encumbrances are used during the year for budgetary control purposes and lapse at fiscal year end.

Federal Awards provided to subrecipients are treated as expenditures when paid to the subrecipients.

B. REPORTING ENTITY

The City of Union City, New Jersey (the “City”) for purposes of the Supplementary Schedule of Expenditures of Federal Awards includes all the funds of the primary government as defined by GASB 14, *The Financial Reporting Entity*.

The City administers certain federal and state award programs through subrecipients. Those subrecipients are not considered part of the City of Union City’s reporting entity.

C. PASS-THROUGH AWARDS

The City receives certain federal awards from pass-through awards of the state. The amounts received are commingled by the state with other funds and cannot be separately identified. The total amount of such pass-through awards is included in the Supplementary Schedules of Expenditures of Awards and Financial Assistance.

D. LOCAL CONTRIBUTIONS

Local matching contributions are required by certain federal and state grants. The percentage of matching contributions varies with each program.

**THE CITY OF UNION CITY
NOTES TO SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

E. MONITORING OF SUBRECIPIENTS

Under the requirements of the Single Audit Act and State regulations, if the City, as a primary recipient, receives federal and state financial assistance and provides \$500,000 or more of such assistance to a subrecipient in a fiscal year, the City is responsible for determining that the expenditures of federal and state monies passed-through to subrecipients are utilized in accordance with applicable laws and regulations. Further, OMB Circular A-133 places other related responsibilities upon primary recipients. Those responsibilities may be discharged in any of several ways, including relying on independent audits performed by subrecipients.

Subrecipient audit reports for the fiscal year ended June 30, 2013, were reviewed and any findings and questioned costs were disclosed separately.

F. ADJUSTMENTS, TRANSFERS AND REPROGRAMMED FUNDS

Amounts reported in the accompanying schedules as “adjustments, transfers and reprogrammed funds” represent grant balances and prior year encumbrances that were cancelled and expended in the current year. These adjustments were made to conform with the modified accrual basis of accounting.

**THE CITY OF UNION CITY
NOTES TO SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

G. RELATIONSHIP TO FINANCIAL STATEMENTS – STATUTORY BASIS

Amounts reported in the accompanying schedules of expenditures agree with amounts reported in the City’s statutory basis financial statements. These amounts are reported in the Current Fund, General Capital Fund or CDA Trust Fund as followed:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Funds Received:				
Current Fund:				
Grants Appropriated	\$ 3,953,996	\$ 471,757	\$ -	\$ 4,425,753
Grants Unappropriated:				
Current Year	-	81,093	-	81,093
CDA Trust Fund	<u>787,565</u>	<u>-</u>	<u>-</u>	<u>787,565</u>
	<u>\$ 4,741,561</u>	<u>\$ 552,850</u>	<u>\$ -</u>	<u>\$ 5,294,411</u>
Expenditures:				
Current Fund:				
Grants Appropriated	\$ 2,602,006	\$ 1,214,701	\$ 2,862,395	\$ 6,679,102
CDA Trust Fund	<u>905,661</u>	<u>-</u>	<u>-</u>	<u>905,661</u>
	<u>\$ 3,507,667</u>	<u>\$ 1,214,701</u>	<u>\$ 2,862,395</u>	<u>\$ 7,584,763</u>

THE CITY OF UNION CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Department and Program	Federal CDA Number	State Account Number/ Grant Number	Grant Period		Grant Award	Program Amount/ Funds Received	Funds Available June 30, 2012	Current Year Appropriations	Current Year Disbursements and Charges	Program Income/ Reprogramming/ Cancellations/ Transfers	Funds Available June 30, 2013	Cumulative Expenditures
			From	To								
U.S. Department of Agriculture: Passed through State of NJ Department of Agriculture: Summer Food Program Summer Food Program Summer Food Program	10.559 10.559 10.559	10-3350-100-033(034) 10-3350-100-033(034) 10-3350-100-033(034)	07/01/12 07/01/11 07/01/10	06/30/13 06/30/12 06/30/11	\$ 180,220 216,486 129,925	\$ 198,616 - -	\$ - 94,574 35,962	\$ 180,220 - -	\$ 159,797 - -	\$ (20,423) (94,574) (35,962)	\$ - - -	\$ 159,797 121,912 93,963
Total U.S. Department of Agriculture						198,616	130,536	180,220	159,797	(150,959)	-	-
U.S. Department of Housing and Urban Development: ** Community Development Block Grant	14.218	B-09-MC-34-0119	07/01/12	06/30/13	868,776	787,565	-	868,776	905,661	36,885	-	868,776
Total U.S. Department of Housing and Urban Development						787,565	-	868,776	905,661	36,885	-	-
U.S. Department of Justice: Bulletproof Vest Partnership Program	16.607	*	06/01/11	06/30/12	22,117	-	147	-	-	(147)	-	21,970
Community Oriented Policing Services (COPS) - ** Secure Our Schools ** Secure Our Schools ** Law Enforcement Technology ** Law Enforcement Project ** ARRA - Hiring Recovery Program ** Total Community Oriented Policing Services (COPS)	16.710 16.710 16.710 16.710 16.710	2010CKWX0724 2008CKWX0724 2010CKWX0054 2010CKWX0054 2009RKKX0629	06/01/10 06/01/08 06/01/10 06/01/10 06/01/09	06/30/11 06/30/09 06/30/11 06/30/11 11/30/10	152,841 270,388 350,000 300,000 2,209,264	94,816 - 93,392 102,675 157,120	152,841 13,329 88,323 298,029 1,128,680	- - - - -	- - 88,323 146,806 518,687	- (13,329) - - (13,329)	152,841 - - - -	- 257,059 350,000 148,777 1,599,271
Total U.S. Department of Justice						448,003	1,081,202	-	753,816	(13,329)	914,057	-
Passed through State of NJ Department of Law and Public Safety: Passed through the County of Hudson: Edward Byrne Memorial Justice Assistance Grant Program Edward Byrne Memorial Justice Assistance Grant Program Total Edward Byrne Memorial Justice Assistance Grant Program	16.738 16.738 16.738 16.738 16.738	100-066-1020-157 100-066-1020-157 100-066-1020-157 100-066-1020-157 100-066-1020-157	01/01/13 01/01/12 01/01/11 01/01/11 01/01/10	12/31/13 12/31/12 12/31/11 12/31/11 12/31/10	30,851 43,646 58,002 59,939	- - 18,390 59,777	- 26,106 5,085 2,876	30,851 - - -	24,395 26,106 4,074 2,714	- - (1,011) -	6,456 - - -	24,395 43,646 58,002 59,939
Total U.S. Department of Justice						526,170	1,715,416	30,851	811,105	(14,649)	920,513	-
U.S. Department of Labor: Passed through State of NJ Department of Labor and Workforce Development: Summer Youth Program	17.259	*	07/01/08	06/30/09	268,305	26,072	20,262	-	14,226	(6,036)	-	*
Total U.S. Department of Labor						26,072	20,262	-	14,226	(6,036)	-	-
U.S. Department of Transportation: Passed through State of NJ Department of Transportation: Highway Planning and Construction - Local Municipal Aid - West Street - Phase II Union City Street Improvement - Summit Avenue Metropolitan Planning Organization - Mountain Road Signal Improvement Project Central Avenue 12th Street Various Streets Various Streets Total Highway Planning and Construction	20.205 20.205 20.205 20.205 20.205 20.205 20.205 20.205	78-6300-480-AK 078-6300-480 GHB 78-6300-480-*** 78-6300-480-*** 78-6300-480-FAT 78-6300-480-*** 78-6300-480-*** 78-6300-480-***	07/01/11 07/01/11 07/01/12 07/01/11 07/01/09 07/01/08 07/01/06 07/01/09 07/01/08	06/30/12 06/30/12 06/30/13 06/30/12 06/30/10 06/30/09 06/30/07 06/30/10 06/30/09	281,322 575,935 308,653 280,800 1,000,000 220,000 125,000 391,701 303,888	287,561 481,119 - - 632,593 - - 148,267 1,549,540	76,142 51,010 - - 279,565 26,555 276 2,034 8,151	- - - - - - - - -	14,970 - 308,653 308,653 258,668 - - 120 582,411	- (51,010) - - (26,355) (276) (2,034) (24,763) (8,031) (112,469)	61,172 - - 20,897 - - - - -	220,150 524,925 308,653 259,903 973,645 219,724 122,966 366,938 295,857
** - Information not available ** - Denotes Major Program												

SCHEDULE 1

THE CITY OF UNION CITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal CFDA Number	State Account Number/ Grant Number	Federal Department and Program	Grant Period		Grant Award	Program Amount/ Funds Received	Funds Available June 30, 2012	Current Year Appropriations	Current Year Disbursements and Charges	Program Income/ Reprogrammings/ Cancellations/ Transfers	Funds Available June 30, 2013	Cumulative Expenditures
			From	To								
		U.S. Department of Transportation (Continued): Passed through State of NJ Department of Law and Public Safety: <i>Highway Safety Cluster</i>										
20.601	66-1160-100-057	Over the Limit Under Arrest	12/06/10	01/02/11	\$ 5,000	\$ 2,900	\$ -	\$ -	\$ -	\$ (2,200)	\$ -	\$ 5,000
20.602	66-1160-100-113	Click-it or Ticket	06/25/12	07/08/12	4,000	3,250	-	750	-	(500)	-	4,000
20.602	66-1160-100-113	Click-it or Ticket	05/23/11	06/05/11	4,000	-	-	-	-	(400)	-	4,000
		<i>Total Highway Safety Cluster</i>				6,150	-	750	-	(3,100)	-	-
		Total U.S. Department of Transportation				1,555,690	308,653	583,161	-	(115,569)	82,069	-
		U.S. Department of Energy: ARRA - Energy Efficiency & Conservation Block Grant										
81.128	DE-FOA-0000013		07/01/09	06/30/10	521,600	384,577	-	81,102	-	-	73,709	447,891
		Total U.S. Department of Energy				384,577	-	81,102	-	-	73,709	-
		U.S. Department of Health and Human Services: Substance Abuse and Mental Health Administration: ** Strengthening Union City Families ** Strengthening Union City Families										
93.243	1U798M060322-01		09/30/11	09/29/12	1,363,281	1,262,871	-	723,805	-	-	157,044	1,206,237
93.243	1U798M060322-01		09/30/10	09/29/11	1,379,660	-	-	229,110	-	-	153,007	1,226,663
		Total U.S. Department of Health and Human Services				1,262,871	-	952,615	-	-	310,051	-
		U.S. Department of Homeland Security Passed through State of NJ Department of Law and Public Safety: New Jersey State Police: Public Assistance - Hurricane Sandy - 10/30/12										
97.036	DR4086-68280		10/30/12	10/30/12	123,624	123,624	123,624	123,624	-	-	-	123,624
		Total U.S. Department of Homeland Security				123,624	123,624	123,624	-	-	-	-
		TOTAL FEDERAL AWARDS				\$ 4,865,185	\$ 3,755,837	\$ 3,631,291	\$ -	\$ (250,328)	\$ 1,386,342	\$ -

* - Information not available
 ** - Denotes Major Program

SCHEDULE 2

THE CITY OF UNION CITY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

State Department and Program	State Account Number/ Grant Number	Grant Period		Grant Award	Program Amount/ Funds Received	Funds Available June 30, 2012	Current Year Appropriations	Current Year Disbursements and Charges	City Match	Program Income/ Reprogramming/ Cancellation/ Transfers	Funds Available June 30, 2013	Cumulative Expenditures
		From	To									
NI Department of Environmental Protection:												
Clean Communities (Municipality Road Mileage)	42-4900-765-004	07/01/13	06/30/14	\$ 78,877	\$ 78,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Clean Communities (Municipality Road Mileage)	42-4900-765-004	07/01/12	06/30/13	67,182	-	-	67,182	67,182	-	-	-	67,182
Clean Communities (Municipality Road Mileage)	42-4900-765-004	07/01/11	06/30/12	67,182	-	-	-	1,500	-	1,500	-	67,182
Clean Communities (Municipality Road Mileage)	42-4900-765-004	07/01/09	06/30/10	67,636	-	6,750	-	6,750	-	-	-	67,636
<i>Total Clean Communities (Municipality Road Mileage)</i>				<i>78,877</i>	<i>6,750</i>	<i>67,182</i>	<i>67,182</i>	<i>75,432</i>	<i>-</i>	<i>1,500</i>	<i>-</i>	<i>-</i>
Staten Island Livable Communities Ad - Municipal owned Historic Buildings	4875-542-042-4875-001	07/01/04	06/30/05	50,000	-	50,000	-	-	-	-	50,000	-
Recycling Tonnage	42-4900-752-001	07/01/12	06/30/13	168,098	-	-	168,098	168,098	-	-	-	-
Recycling Tonnage	42-4900-752-001	07/01/11	06/30/12	85,221	-	-	85,221	18,932	-	-	66,289	-
Recycling Tonnage	42-4900-752-001	07/01/09	06/30/10	27,909	-	27,909	-	27,909	-	-	-	27,909
<i>Total Recycling Tonnage</i>				<i>85,221</i>	<i>27,909</i>	<i>253,319</i>	<i>253,319</i>	<i>214,939</i>	<i>-</i>	<i>-</i>	<i>66,289</i>	<i>-</i>
Tree Planting Grant		07/01/12	06/30/13	500	500	-	500	500	-	-	-	-
Green Acres Trust:												
** Reservoir Purchase Grant	42-4800-727-060	07/01/12	06/30/13	650,000	-	-	650,000	650,000	-	-	-	650,000
<i>Total NJ Department of Environmental Protection</i>				<i>164,598</i>	<i>84,659</i>	<i>971,001</i>	<i>971,001</i>	<i>940,871</i>	<i>-</i>	<i>1,500</i>	<i>116,289</i>	<i>-</i>
NI Department of Treasury:												
NJ Division of Motor Vehicles:												
Drunk Driving Enforcement Fund	6400-100-078-6400-000-YYY	07/01/12	06/30/13	33,749	-	-	33,749	33,749	-	-	-	33,749
Drunk Driving Enforcement Fund	6400-100-078-6400-000-YYY	07/01/12	06/30/13	13,684	-	-	13,684	6,257	-	-	7,427	6,257
Drunk Driving Enforcement Fund	6400-100-078-6400-000-YYY	07/01/12	06/30/13	6,600	-	-	6,600	657	-	6,600	5,963	7,237
Drunk Driving Enforcement Fund	6400-100-078-6400-000-YYY	07/01/10	06/30/11	19,961	-	2,675	-	2,675	-	-	-	19,961
Drunk Driving Enforcement Fund	6400-100-078-6400-000-YYY	07/01/09	06/30/10	19,466	-	9,824	-	9,824	-	-	-	19,466
<i>Total Drunk Driving Enforcement Fund</i>				<i>13,684</i>	<i>12,499</i>	<i>47,433</i>	<i>47,433</i>	<i>53,142</i>	<i>-</i>	<i>6,600</i>	<i>13,390</i>	<i>-</i>
Passed through the County of Hudson:												
Municipal Alliance to Prevent Alcoholism and Drug Abuse	100-082-C001-004	01/01/13	12/31/13	66,345	-	-	66,345	43,454	-	-	22,891	43,454
Municipal Alliance to Prevent Alcoholism and Drug Abuse	100-082-C001-004	01/01/12	12/31/12	68,772	40,604	-	-	40,604	-	-	-	68,772
Municipal Alliance to Prevent Alcoholism and Drug Abuse	100-082-C001-004	01/01/11	12/31/11	68,772	6,642	-	-	2,400	-	-	4,242	64,530
Municipal Alliance to Prevent Alcoholism and Drug Abuse	100-082-C001-004	01/01/05	12/31/05	68,772	61	-	-	-	-	(61)	-	68,711
<i>Total Municipal Alliance to Prevent Alcoholism and Drug Abuse</i>				<i>77,805</i>	<i>47,307</i>	<i>66,345</i>	<i>66,345</i>	<i>86,458</i>	<i>-</i>	<i>(61)</i>	<i>27,133</i>	<i>-</i>
<i>Total NJ Department of Treasury</i>				<i>91,489</i>	<i>59,806</i>	<i>113,778</i>	<i>113,778</i>	<i>139,600</i>	<i>-</i>	<i>6,539</i>	<i>40,523</i>	<i>-</i>
NI Department of Law and Public Safety:												
Body Armor Replacement Fund	66-1020-718-001	07/01/12	06/30/13	14,073	-	-	14,073	-	-	-	14,073	-
Body Armor Replacement Fund	66-1020-718-001	07/01/11	06/30/12	4,290	65	-	-	-	-	(48)	17	4,225
Body Armor Replacement Fund	66-1020-718-001	07/01/10	06/30/11	17,404	244	-	-	-	-	(244)	-	17,160
Body Armor Replacement Fund	66-1020-718-001	07/01/09	06/30/10	9,284	497	-	-	-	-	-	497	8,787
<i>Total Body Armor Replacement Fund</i>				<i>14,073</i>	<i>806</i>	<i>14,073</i>	<i>14,073</i>	<i>-</i>	<i>-</i>	<i>(292)</i>	<i>14,587</i>	<i>-</i>
NJ Division of Highway Traffic Safety:												
Pedestrian School Safety	66-1160-100-131	07/01/12	06/30/13	16,000	750	-	16,000	16,000	-	-	-	16,000
Pedestrian School Safety	66-1160-100-131	07/01/11	06/30/12	16,000	5,300	-	-	-	-	-	-	16,000
<i>Total Pedestrian School Safety</i>				<i>6,050</i>	<i>-</i>	<i>16,000</i>	<i>16,000</i>	<i>16,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
NI Office of Emergency Management:												
Emergency Management Grant		07/01/12	06/30/13	5,000	-	-	5,000	5,000	-	-	-	5,000
<i>Total NJ Department of Law and Public Safety</i>				<i>20,123</i>	<i>806</i>	<i>35,073</i>	<i>35,073</i>	<i>21,000</i>	<i>-</i>	<i>(292)</i>	<i>14,587</i>	<i>-</i>

* - Information not available
** - Denotes Major Program

SCHEDULE 2

**THE CITY OF UNION CITY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

State Department and Program	State Account Number/ Grant Number	Grant Period		Grant Award	Program Amount/ Funds Received	Funds Available June 30, 2012	Current Year Appropriations	Current Year Disbursements and Charges	City Match	Program Income/ Reprogramming/ Cancellation/ Transfers	Funds Available June 30, 2013	Cumulative Expenditures
		From	To									
NI Department of Health and Human Services: Passed through Town of North Bergen: Public Health Priority Funding	4220-100-046-4535-109-1002-6020	07/01/04	06/30/05	\$ 62,046	\$ -	\$ 270	\$ -	\$ -	\$ -	\$ (270)	\$ -	\$ 61,776
Total NJ Department of Health and Human Services					-	270	-	-	-	(270)	-	-
NI Administrative Office of the Courts: Alcohol Education and Rehabilitation	98-9735-760-001	07/01/13	06/30/14	2,216	2,216	-	-	-	-	-	-	-
Alcohol Education and Rehabilitation	98-9735-760-001	07/01/12	06/30/13	5,395	-	-	5,395	-	-	-	5,395	-
Alcohol Education and Rehabilitation	98-9735-760-001	07/01/10	06/30/11	3,167	-	1,142	-	-	-	-	1,142	2,025
Total NJ Administrative Office of the Courts				2,216	2,216	1,142	5,395	-	-	-	6,537	-
NI Department of Commerce & Economic Development: Urban Enterprise Zone: Administration <i>Total Administration</i>	20-2830-763-045	07/01/10	06/30/11	148,201	-	14,134	-	16,826	-	2,692	-	150,893
<i>Project Cost</i> Purchase of Gumbusters	20-2830-763-041	07/01/08	06/30/09	49,216	-	7,907	-	457	-	(7,450)	-	41,766
Litter Clean Up Program	20-2830-763-041	07/01/10	06/30/11	235,560	-	13,359	-	1,000	-	(12,359)	-	223,201
Business Recruit Marketing Plan	20-2830-763-041	07/01/10	06/30/11	276,044	-	121,188	-	62,236	-	(58,952)	-	217,092
Business Recruit Marketing Plan	20-2830-763-041	07/01/08	06/30/09	367,644	-	29,639	-	32,711	-	3,072	-	370,716
<i>Total Business Recruit Marketing Plan</i>					-	150,827	-	94,947	-	(55,880)	-	-
<i>Total Project Cost</i>					-	172,093	-	96,404	-	(75,689)	-	-
Total NJ Department of Commerce & Economic Development					-	186,227	-	113,230	-	(72,997)	-	-
TOTAL STATE AWARDS				\$ 278,426	\$ 332,910	\$ 1,125,247	\$ 1,214,701	\$ -	\$ -	\$ (65,520)	\$ 177,956	

* - Information not available
** - Denotes Major Program

**CITY OF UNION CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section 1 - Summary of Auditors' Results

Financial Statement Section

	Unmodified - O.C.B.O.A.	
A) Type of Auditors Report Issued:	Adverse - G.A.A.P.	
<hr/>		
B) Internal Control over Financial Reporting:		
1) Material weakness(es) identified?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
2) Significant deficiency(ies) identified?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None reported
C) Noncompliance material to basic financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards Section

D) Internal Control over major programs:		
1) Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
2) Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
E) Type of auditor's report on compliance for major program	<hr/> Unqualified <hr/>	
F) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 [section 510(e)]?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
G) Identification of major programs:		

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<hr/> 14.218 <hr/>	Community Development Block Grant <hr/>
16.710 <hr/>	Community Oriented Policing Services (COPS) <hr/>
20.205 <hr/>	Highway Planning and Construction <hr/>
93.243 <hr/>	Strengthening Union City Families <hr/>

H) Dollar threshold used to distinguish between Type A and Type B Programs.	<hr/> \$300,000 <hr/>	
I) Auditee qualified as low-risk auditee?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**CITY OF UNION CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section 1 - Summary of Auditors' Results

State Awards Section

J) Dollar threshold used to distinguish between Type A and Type B Programs.

\$300,000

K) Auditee qualified as low-risk auditee?

_____ Yes ✓ No

L) Internal Control over major programs:

1) Material weakness(es) identified?

_____ Yes ✓ No

2) Significant deficiency(ies) identified?

_____ Yes ✓ None reported

M) Type of auditor's report on compliance for major programs:

Unqualified

N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04?

_____ Yes ✓ No

O) Identification of major programs:

State Grant/Project Number(s)

Name of State Program

42-4800-727-060

Green Acres Trust - Reservoir Purchase Grant

**THE CITY OF UNION CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section 2 – Financial Statement Findings

(This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Governmental Auditing Standards requires reporting in a Circular A-133 audit and New Jersey OMB 04-04. See paragraphs 13.15 and 13.35.)

FINDING FS13-01

Criteria: The City is responsible for reconciling bank account balances to the general ledger in a periodic or timely manner.

Condition: The City did not reconcile the outside lien holders and developer's escrow trust bank account balances to the general ledger in a periodic and timely manner. This is a prior year finding not corrected as of June 30, 2009.

Context: The outside lien holders and developer's escrow trust bank accounts were not completely reconciled to the general ledger at the date of the audit resulting in an adjustment of \$4,653,318 to the general ledger cash balance and reserve for trust fund activity.

Effect: It had not been discovered in a timely manner that the reserve for the outside lien holders and developer's escrow trust fund activity was not being posted to the trust subsidiary ledger. There may be additional discrepancies in the general ledger that may have otherwise been discovered if it had been reconciled to the bank balance.

Cause: The City has not reconciled the outside lien holders and developer's escrow trust bank account balances to the general ledger in a periodic and timely manner.

Questioned Costs: None.

Recommendation: The City must reconcile the outside lien holders and developer's escrow trust bank account balances to the general ledger in a periodic and timely manner.

Views of Responsible
Officials and Planned

Corrective Actions: The City has hired a Chief Municipal Financial Officer, effective April 1, 2014, and delegated responsibility to additional financial staff to reconcile the outside lien holders and developer's escrow trust bank account balances to the general ledger in a periodic and timely manner.

**THE CITY OF UNION CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINDING FS13-02

Criteria: In accordance with N.J.A.C. 5:30-5.7, the City is responsible for maintaining a general ledger, together with the books of original entry and supporting subsidiary ledgers constituting a complete accounting system.

Condition: The City did properly maintain a complete accounting system with an audit trail properly reflecting the activity for the year.

Context: During the close of the year the City adjusted the current fund to reconcile the subsidiary ledgers to the general ledger with a net imbalance of \$1,199,256 posted to the capital fund interfund balance. During the audit this adjustment was reversed and adjustments were posted to properly reconcile the subsidiary ledgers and interfund balances to the general ledger.

Effect: A proper audit trail has not been posted to the general ledger.

Cause: The City had not properly maintained the old accounting system prior to rolling it over and the new accounting system was implemented in the middle of the fiscal year. The general ledger and subsidiary ledgers were adjusted with net entries that were netted to the current fund fund balance and interfund balances.

Questioned Costs: None.

Recommendation: The City must properly maintain a complete accounting system with an audit trail properly reflecting the activity for the year.

Views of Responsible
Officials and Planned

Corrective Actions: The City has fully implemented the new accounting system and has properly assigned and trained staff on individual accounting system tasks that will assure a complete accounting system will be maintained with an audit trail properly reflecting the activity for the year ended June 30, 2014.

**THE CITY OF UNION CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section 3 – Federal Awards and State Financial Assistance Findings and Questioned Costs

(This section identifies the audit findings required to be reported by Section .510(a) of Circular A-133 and New Jersey OMB Circular 04-04.)

None Reported

**THE CITY OF UNION CITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND
QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

Financial Statement Findings

FINDING FS12-01

Condition: The City did not reconcile the payroll bank account balances to the general ledger in a periodic and timely manner.

Recommendation: The City must reconcile the payroll bank account balance to the general ledger in a periodic and timely manner.

Status: Recommendation has been adopted for the payroll bank account however a similar finding has been reported for the outside lien holders and developer's escrow trust bank account in finding *FS13-01*.

FINDING FS12-02

Condition: The City expended \$1,873,389 without appropriations, \$1,050,984 in capital projects where improvements were authorized in the succeeding year; \$250,661 in Trust Fund reserves were in excess of the amounts reserved.

Recommendation: The City must monitor expenditures charged to grants and capital projects as to not expend money for which no appropriation or improvement authorization is provided and trust reserves as to not expend money in excess of the amount reserved. They City must also budget appropriately as to have sufficient budget appropriations for the entire year.

Status: Recommendation has been substantially adopted and is no longer a reportable finding; however a comment has been reported on the comments and recommendations accompanying this report for a much lesser amount in comment 4.

**THE CITY OF UNION CITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND
QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Financial Statement Findings (Continued)

FINDING FS12-03

Condition: The City is not including full-time PERS employees' terminal leave days in the calculation of the compensated absences liability.

Recommendation: The City must include full-time PERS employees' terminal leave days in the calculation of the compensated absences liability.

Status: Recommendation has been adopted no similar findings were noted.

Federal Awards and State Financial Assistance Findings and Questioned Costs

State Financial Assistance – Clean Communities (Municipality Road Mileage)

FINDING SA12-04

Condition: The City has not submitted required annual reports to the Department of Environmental Protection for 2010 and subsequent years, thereafter.

Recommendation: The City must submit required annual reports to the Department of Environmental Protection for the Clean Communities (Municipal Road Mileage) program by the required deadline.

Status: Recommendation has been adopted, no similar findings were noted.

GENERAL COMMENTS

**THE CITY OF UNION CITY
GENERAL COMMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-3 AND 11-4, ET SEQ.

N.J.S.A. 40A:11-3 states: “When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent 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 except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$36,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.”

N.J.S.A. 40A:11-4 states: “Every contract awarded by a contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law.”

The minutes indicate that bids were requested by public advertisement and contracts awarded for the following items:

HVAC Maintenance	Litter Clean Up
NJ DOT Road Program	Poly Garbage Bags
Roadway Improvement Project	Roof Installation
Solid Waste and Recycling Collection	Street Improvements
Summer Food for Children Programs	Traffic Light Improvements

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500 “for the performance of any work, or for the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles,” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S.A. 40A:11-6.

**THE CITY OF UNION CITY
GENERAL COMMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**CONTRACTS AND AGREEMENTS EXCEPTED FROM PUBLIC
ADVERTISEMENT FOR BIDS PER N.J.S.A. 40A:11-5, et seq., 40A:11-6.1(b) AND
40A:11-12**

N.J.S.A. 40A:11-12 states: “Any contracting unit under this act [the City] may without advertising for bids, or having rejected all bids obtained pursuant to advertising therefore, purchase any goods or services under any contract or contracts for such goods or services entered into on behalf of the State by the Division of Purchase and Property in the Department of the Treasury.”

When utilizing state contracts, as the contracts are commonly referred to, the City is required to place its order with the vendor offering the lowest price, including delivery charges, that best meets the City’s requirements, and is also required to document such with specificity prior to placing the order.

N.J.S.A. 40A:11-5.1(a)(i) states: “Any contract the amount of which exceeds the bid threshold, may be negotiated and awarded by the governing body without public advertising for bids and bidding thereof and shall be awarded by resolution of the governing body if the subject matter thereof consists of professional services. The governing body shall in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in the official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file and available for public inspection in the office of the clerk.”

There are additional exceptions noted in N.J.S.A. 40A:11-5, et seq., for contracts which may be negotiated and awarded by resolution of the governing body without public advertising for bids. The City has also awarded contracts under other exceptions noted in N.J.S.A. 40A:11-5 including:

- N.J.S.A. 40A:11-5.1(dd), the provision or performance of goods or services for the support or maintenance of proprietary computer hardware and software, except that this provision shall not be utilized to acquire or upgrade non-proprietary hardware or to acquire or update non-proprietary software;
- N.J.S.A. 40A:11-5.1(f), the supplying of any product or the rendering of any service by a public utility, which is subject to the jurisdiction of the Board of Public Utilities or the Federal Energy Regulatory Commission or its successor, in accordance with tariffs and schedules of charges made, charged or exacted, filed with the board or commission, and
- N.J.S.A. 40A:11-5.1(x) The printing of municipal ordinances or other services necessarily incurred in connection with the revision and codification of municipal ordinances.

**THE CITY OF UNION CITY
GENERAL COMMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**CONTRACTS AND AGREEMENTS EXCEPTED FROM PUBLIC
ADVERTISEMENT FOR BIDS PER N.J.S.A. 40A:11-5, et seq., 40A:11-6.1(b) AND
40A:11-12 (Continued)**

N.J.S.A. 40A:11-6.1(b) states: “When in excess of the bid threshold, and after documented effort by the contracting agent [the City] to secure competitive quotations, a contract for extraordinary unspecifiable services may be awarded upon a determination in writing by the contracting agent that the solicitation of competitive quotations is impracticable. Any such contract shall be awarded by resolution of the governing body.”

N.J.S.A. 40A:11-5.1(a)(ii) further states: “The governing body shall in each instance state supporting reasons for its action in the resolution awarding each [extraordinary unspecifiable service] contract and reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed...a brief notice of the award of such contract.”

The notice shall be printed once, in the official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file and available for public inspection in the office of the clerk.

**EXPENDITURE LESS THAN THE BID THRESHOLD BUT 15% OR MORE OF THAT
AMOUNT PER N.J.S.A. 40A:11-6.1**

N.J.S.A. 40A:11-6.1 states, “For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, except for paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting unit agent shall award the contract after soliciting at least two competitive quotations, if practicable.” The City advised us that quotations were, for the most part, solicited for items, the cost of which is \$2,625 or more, within the terms of N.J.S.A. 40A:11-6.1.

**THE CITY OF UNION CITY
GENERAL COMMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

COLLECTION OF INTEREST ON DELINQUENT TAXES

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

The Governing body on the 20th day of May, 1980, adopted the following resolution authorizing interest to be charged on delinquent taxes.

“WHEREAS, the City of Union City is desirous of determining rates of interest to be charged for delinquent payment of taxes.

NOW THEREFORE, BE IT RESOLVED by the Mayor and the Board of Commissioners of the City of Union City as follows:

1. Pursuant to N.J.S.A. 54:4-67, the rate of interest to be charged for the non-payment of taxes on or before the date when they would become delinquent is hereby fixed at eight percent (8%) per annum on the first \$1,500 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500 to be calculated from the date the tax was payable until the date of actual payment, provided however that no interest shall be charged if payment of any installment is made within the tenth (10th) calendar day following the date upon which the same becomes payable”.

It appears from the examination of the Collector’s records that interest was generally collected in accordance with the foregoing resolutions.

TAXES AND TAX TITLE LIENS

The taxes outstanding at June 30, 2013, included taxes from the fiscal years ended June 30, 2013 and 2012. The following comparison is made of the number of tax title liens receivable at June 30, 2013:

<u>Period Ended</u>	<u>Number of Liens</u>
June 30, 2013	6
June 30, 2012	8
June 30, 2011	12
June 30, 2010	9
June 30, 2009	0
June 30, 2008	0
June 30, 2007	0
June 30, 2006	0
June 30, 2005	3
June 30, 2004	4

**THE CITY OF UNION CITY
COMMENTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

COMMENT 1: The City has advanced to, or borrowed, monies from various funds.

Recommendation: Interfund advances should be avoided, if possible, and be settled prior to the year-end.

COMMENT 2: In order to maintain a positive cash flow the City is not paying over to the School District the appropriation for local school purposes according to statutory deadlines.

Recommendation: The City must pay over to the School District the appropriation for local school purposes according to statutory deadlines.

COMMENT 3: The City expended \$18,782 without appropriations and \$19,336 in Trust Fund reserves in excess of the amounts reserved.

Recommendation: The City must monitor expenditures charged to the current fund as to not expend money for which no appropriation is provided and trust reserves as to not expend money in excess of the amounts reserved.

COMMENT 4: The City is not enrolling newly hired employees into the State pension system in a timely manner.

Recommendation: The City should enroll newly hired employees into the State pension system as they become eligible to enroll.