

**CITY OF UNION CITY
NEW JERSEY
AUDIT OF FINANCIAL STATEMENTS
AND
FEDERAL AND STATE GRANT PROGRAMS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010
WITH
REPORTS OF INDEPENDENT AUDITOR'S
AND
LETTERS OF COMMENTS AND RECOMMENDATIONS**

CITY OF UNION CITY

TABLE OF CONTENTS

JUNE 30, 2011

	<u>EXHIBIT</u>	<u>PAGE</u>
FINANCIAL SECTION		
Independent Auditor's Report		1 - 2
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		3 - 31

CITY OF UNION CITY

TABLE OF CONTENTS

JUNE 30, 2011

	<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	
Grants Receivables	A-24	
Reserve for Grants - Unappropriated	A-25	
Reserve for Grants - Appropriated	A-26	
Reserve for Neighborhood Housing	A-27	

CITY OF UNION CITY

TABLE OF CONTENTS

JUNE 30, 2011

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/(Due From) 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 Current Fund - Other Trust Fund	B-11
Due To Unemployment Trust Fund - Other Trust Fund	B-12
Reserve for Other Trust Fund Activity	B-13
Accounts Payable - Other Trust Fund	B-14
Cash and Cash Equivalents - CDA Fund	B-15
Due From HUD CDA Grant - CDA Fund	B-16
Reserve for Program Income - CDA Fund	B-17
Accounts Payable - CDA Fund	B-18
Reserve for Community Development Block Grant - CDA Fund	B-19
Due To Current Fund - CDA Fund	B-20
Cash and Cash Equivalents - Public Defender Trust Fund	B-21
Reserve for Public Defender Trust Expenditures	B-22
Due To Current Fund - Public Defender Trust Fund	B-23
Accounts Payable - Public Defender Trust Fund	B-24

CITY OF UNION CITY

TABLE OF CONTENTS

JUNE 30, 2011

	<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	
Demolition Loan Payable	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	
Reserve for General Serial Bonds	C-19	
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		32
Tax Rate Information		33
Tax Levies and Collections		34
Delinquent Taxes and Tax Title Liens		35
Property Acquired by Tax Title Lien Liquidation		36
Fund Balances		37
Roster of Officials		38

CITY OF UNION CITY

TABLE OF CONTENTS

JUNE 30, 2011

	<u>SCHEDULE</u>	<u>PAGE</u>
SINGLE AUDIT SECTION		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		39 - 41
Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04		42 - 44
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		45 - 47
Schedule of Findings and Questioned Costs:		
Section 1 - Summary of Auditors' Results		48 - 49
Section 2 - Financial Statement Findings		50 - 54
Section 3 - Federal Award and State Financial Assistance Findings and Questioned Costs		55
Summary Schedule of Prior Audit Findings and Questioned Costs as Prepared by Management		56 - 58
GENERAL COMMENTS		
General Comments		59 - 61
Comments and Recommendations		62

FINANCIAL SECTION

DONOHUE, GIRONDA & DORIA

Certified Public Accountants

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

310 Broadway
Bayonne, NJ 07002
(201) 437-9000
Fax: (201) 437-1432
E-Mail: dgd@dgdcpas.com

Frederick J. Tomkins, CPA, RMA
Linda P. Kish, CPA, RMA
Tammy L. Zucca, CPA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheets of the individual funds of the City of Union City, New Jersey (the "City") as of June 30, 2011 and 2010 and the related statements of operations and changes in fund balance for the years then ended; and the related statement of revenues, expenditures and fund balance for the year ended June 30, 2011 as listed in the foregoing table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and the standards applicable to 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

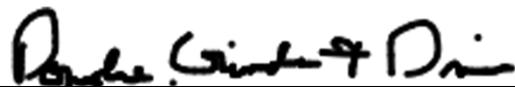
As described in Note 1, these financial statements were prepared in conformity with accounting principles prescribed by the Division, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the City's policy to prepare its financial statements on the basis of accounting discussed in the second preceding paragraph the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of June 30, 2011 and 2010, or the results of its operations for the years then ended.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the City as of June 30, 2011 and 2010, and the results of its operations of such funds and the changes in its fund balances for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 9, 2012, 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 compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The supplementary information and accompanying information are presented for purpose of additional analysis as required by the Division, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are not a required part of the basic financial statements. The supplementary information, accompanying information, and schedules of expenditures of federal awards and state financial assistance have been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole, on the basis of accounting described in Note 1.



DONOHUE, GIRONDA & DORIA
Certified Public Accountants



FREDERICK J. TOMKINS
Registered Municipal Accountant #327

Bayonne, New Jersey
March 9, 2012

CURRENT FUND

EXHIBIT A

**THE CITY OF UNION CITY
CURRENT FUND
JUNE 30, 2011 AND 2010**

COMPARATIVE BALANCE SHEETS

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	A-4	\$ 9,002,706	\$ 9,936,793
Change Fund	Unchanged	830	830
		<u>9,003,536</u>	<u>9,937,623</u>
Other Assets:			
Revenue Accounts Receivable	A-10	1,017,240	478,720
Grants Receivable	A-24	11,680,963	11,109,068
		<u>12,698,203</u>	<u>11,587,788</u>
Deferred Charges	A-23	8,689,490	3,275,958
		<u>8,689,490</u>	<u>3,275,958</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	53,582	80,913
Property Acquired for Taxes at Assessed Valuation	A-9	171,900	171,900
Tax Title Liens Receivable	A-13	633,478	40,520
Other Receivables	A-14	236,978	40,454
Interfunds Receivable:			
Due from Unemployment Trust	A-11	-	54,664
Due from Public Defender Trust Fund	A-11	8,887	7,687
Due from Dog License Trust	A-11	8,809	17,736
Due from CDA Trust	A-11	1,517,098	1,725,386
	A	<u>2,630,732</u>	<u>2,139,260</u>
Total Assets		<u>\$ 33,021,961</u>	<u>\$ 26,940,629</u>

See Accompanying Notes to the Financial Statements.

EXHIBIT A

**THE CITY OF UNION CITY
CURRENT FUND
JUNE 30, 2011 AND 2010**

COMPARATIVE BALANCE SHEETS

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves	A-3, A-15	\$ 5,775,510	\$ 7,872,816
Tax Overpayments	A-8	-	-
Prepaid Taxes	A-18	123,595	175,438
Accounts Payable	A-21	1,276,741	951,331
Reserve for Encumbrances	A-22	2,822,843	1,514,082
Reserve for Unappropriated Grants	A-25	268,468	130,687
Reserve for Appropriated Grants	A-26	4,090,318	5,153,086
Reserve for Neighborhood Housing	A-27	1,824	1,824
Other Reserves	A-17	3,207,364	1,800,501
Local School District Taxes Payable	A-19	7,709,318	3,083,727
County Taxes Payable	A-20	-	-
Intergovernmental Payables:			
Due to State of NJ - Sr. Citizens' & Veterans'	A-12	16,107	12,019
Other	A-16	58,283	731,326
Interfunds Payable:			
Due to Capital Fund	A-11	1,993,239	157,101
Due to Other Trust Fund	A-11	882,109	-
Due to Unemployment Trust	A-11	13,079	-
		<u>28,238,798</u>	<u>21,583,938</u>
Reserve for Receivables	Above	<u>2,630,732</u>	<u>2,139,260</u>
Total Liabilities		<u>30,869,530</u>	<u>23,723,198</u>
Fund Balance	A-1	<u>2,152,431</u>	<u>3,217,431</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 33,021,961</u>	<u>\$ 26,940,629</u>

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011 AND 2010**

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

	Ref.	2011	2010
		<u> </u>	<u> </u>
Fund Balance Utilized	A-1	\$ 1,065,000	\$ 117,000
Miscellaneous Revenue Anticipated	A-2	43,805,688	47,177,000
Receipts from Delinquent Taxes	A-2	55,752	2,402,563
Receipts from Current Taxes	A-2	89,362,521	86,788,171
Non-Budget Revenues	A-2	885,310	188,088
Unexpended Balances of 2010 Appropriations Cancelled		-	1,363
Other Credits to Income:			
Receipts from Tax Title Liens	A-13	25,458	
Other Receivable Returned	A-14	25,000	39,319
Unexpended Balance of Appropriation Reserves	A-15	1,097,350	930,615
Cancelled Reserve for Accrued Salaries		-	515,117
Interfunds:			
Dog License Fund - Statutory Excess	A-11	1,950	5,220
Capital Fund Surplus Anticipated		-	635,185
Interfunds Returned		-	27,448
		<u>136,324,029</u>	<u>138,827,089</u>
Budget Appropriations	A-3	103,532,310	103,903,095
Local School District Taxes	A-2, A-19	15,418,637	15,418,637
County Taxes	A-2, A-20	15,733,121	15,757,609
Interest on Late County Tax Payments	A-4	60,721	7,853
Refunds of Prior Year Taxes	A-7	347,164	-
Interfund Advances Originating in Current Year	A-11	2,364,475	1,843,829
Other Receivable Advances	A-14	221,524	14,019
Grants Receivable Cancelled	A-24	450,000	-
Grants Appropriated Reprogrammed	A-26	147,845	-
		<u>138,275,797</u>	<u>136,945,042</u>
(Deficit) Excess in Operations		(1,951,768)	1,882,047
Adjustments:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Deficit	A-23	1,951,768	-
Fund Balance, Beginning of Year	A	<u>3,217,431</u>	<u>1,452,384</u>
		3,217,431	3,334,431
Decreased by:			
Utilized as Anticipated Revenue	A-1	<u>1,065,000</u>	<u>117,000</u>
Fund Balance, End of Year	A	<u>\$ 2,152,431</u>	<u>\$ 3,217,431</u>

See Accompanying Notes to the Financial Statements.

EXHIBIT A-2

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

STATEMENT OF REVENUES

	Ref.	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated		\$ 1,065,000	\$ 1,065,000	\$ -
Total Fund Balance Anticipated	A-1	<u>1,065,000</u>	<u>1,065,000</u>	<u>-</u>
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	A-10	266,025	220,131	(45,894)
Other	A-10	84,000	158,023	74,023
Fees and Permits	A-10	152,000	236,653	84,653
Fines and Costs:				
Municipal Court	A-10	2,975,000	2,907,560	(67,440)
Interest and Costs on Taxes	A-10	550,000	624,091	74,091
Interest on Investments and Deposits	A-10	60,000	31,296	(28,704)
Wedding Fees	A-10	18,350	20,325	1,975
Public Telephone Commissions	A-10	990	468	(522)
Cable Franchise Fees	A-10	120,000	121,801	1,801
Payment in Lieu of Taxes				
Union Plaza Apartments	A-10	227,000	206,077	(20,923)
Union City Renaissance Urban Renewal	A-10	19,000	9,746	(9,254)
Palisade Urban Renewal Assoc.	A-10	27,000	28,574	1,574
Holy Rosary	A-10	17,000	29,710	12,710
Total Local Revenues		<u>4,516,365</u>	<u>4,594,455</u>	<u>78,090</u>
State Aid Without Offsetting Appropriations				
Consolidated Municipal Property Tax Relief Aid	A-10	7,254,141	7,254,141	-
Energy Receipts Taxes	A-10	8,196,021	8,196,021	-
Additional State School Aid	A-10	1,417,396	1,417,396	-
Special Municipal Aid	A-10	11,305,507	11,305,507	-
Total State Aid Without Offsetting Appropriations		<u>28,173,065</u>	<u>28,173,065</u>	<u>-</u>
Dedicated Uniform Construction Code Fees Offset with Appropriations				
Uniform Construction Code Fees	A-10	<u>831,775</u>	<u>841,373</u>	<u>9,598</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	360,000	-
Gasoline	A-10	40,000	20,761	(19,239)
47th Street Pool	A-10	100,000	103,000	3,000
Lease Central Maintenance Facility	A-10	30,000	49,393	19,393
Police Services	A-10	598,000	598,000	-
Total Special Items of Revenue - Interlocal Service Agreements		<u>1,428,000</u>	<u>1,431,154</u>	<u>3,154</u>

EXHIBIT A-2

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

STATEMENT OF REVENUES

	Ref.	Budget	Realized	Excess or (Deficit)
Special Items of Revenue - Public and Private Revenues				
Urban Enterprise Zone:				
Litter Clean-Up Project		\$ 235,560	\$ 235,560	\$ -
Business Recruitment Marketing Program		276,044	276,044	-
Administration		148,201	148,201	-
Summer Food Program		139,932	139,932	-
Public Health		62,046	62,046	-
Pedestrian School Safety:				
Salaries and Wages		15,000	15,000	-
Other Expenses		2,000	2,000	-
Click-it or Ticket		4,000	4,000	-
Over the Limit Under Arrest		5,000	5,000	-
Body Armor Fund		17,404	17,404	-
Green Communities		3,000	3,000	-
Recycling Tonnage Grant		27,909	27,909	-
Alcohol Education		3,167	3,167	-
Drunk Driving Enforcement Fund		19,961	19,961	-
Byrne Justice Assistance Grant		58,002	58,002	-
Municipal Alliance		68,772	68,772	-
Port Authority of New York and New Jersey -				
Various Street Improvements		500,000	500,000	-
Strengthening Union City Families		1,379,660	1,379,660	-
Secure Our Schools		152,841	152,841	-
COPS Law Enforcement Technology		350,000	350,000	-
COPS Law Enforcement Technology		300,000	300,000	-
Bulletproof Vest Partnership Program		7,800	7,800	-
Green Acres Trust Grant - Doric Park		600,000	600,000	-
Hudson County Open Space Trust - Doric Park		350,000	350,000	-
Hudson County Open Space Trust - Doric Park		400,000	400,000	-
Total Special Items of Revenue - Public and Private Revenues	A-24	<u>5,126,299</u>	<u>5,126,299</u>	<u>-</u>
Special Items of Revenue - Other				
Uniform Fire Safety Act	A-10	-	4,188	4,188
Interfunds:				
Due from CDA Trust Fund	A-10, A-11	2,567,950	2,567,950	-
Due from Payroll Agency Trust Fund	A-10, A-13	10,026	-	(10,026)
Due from State Unemployment Trust Fund	A-10, A-13	54,663	54,663	-
Due from Dog License Trust Fund	A-10, A-13	12,541	12,541	-
Due from Public Defender Trust Fund	A-10, A-13	7,687	-	(7,687)
Emergency Medical Services	A-10	1,000,000	1,000,000	-
Total Special Items of Revenue - Other		<u>3,652,867</u>	<u>3,639,342</u>	<u>(13,525)</u>
Total Miscellaneous Revenues	A-1	43,728,371	43,805,688	77,317
Receipts From Delinquent Taxes	A-1, A-7	<u>119,000</u>	<u>55,752</u>	<u>(63,248)</u>
Subtotal General Revenues and Fund Balance Anticipated		<u>44,912,371</u>	<u>44,926,440</u>	<u>14,069</u>

See Accompanying Notes to the Financial Statements.

EXHIBIT A-2

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

STATEMENT OF REVENUES

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to Be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes		\$ 57,700,000	\$ 57,290,824	\$ (409,176)
Addition to Local District School Tax		919,939	919,939	-
Total Amount to Be Raised by Taxes for Support of Municipal Budget	Below, A-7	<u>58,619,939</u>	<u>58,210,763</u>	<u>(409,176)</u>
Non-Budget Revenues	Below, A-1, A-4	-	885,310	885,310
Total General Revenues	A-3	<u>\$ 103,532,310</u>	<u>\$ 104,022,513</u>	<u>\$ 490,203</u>
ANALYSIS OF REALIZED REVENUE				
Allocation of Current Taxes				
Revenue from Collections	A-7	\$ 88,452,521		
Add: Reserve for Uncollected Taxes	A-3	<u>910,000</u>		
	A-1	89,362,521		
Less:				
Allocated to School Taxes	A-1, A-18	15,418,637		
Allocated to County Taxes	A-1, A-29	<u>15,733,121</u>		
Amount for Support of Municipal Budget	Above		\$ 58,210,763	
Receipts from Delinquent Taxes				
Delinquent Tax Collections	A-1, A-7		55,752	
Miscellaneous Revenues Anticipated				
Public and Private Revenues	A-10	38,679,389		
	A-24	<u>5,126,299</u>		
	A-1		43,805,688	
Fund Balance	A-1		1,065,000	
ANALYSIS OF NON-BUDGET REVENUE				
Refund of 2010 Hudson County Open Space Tax Overpayment		\$ 175,131		
Police Administrative Fees		16,137		
Verizon Franchise Fee		15,187		
Motor Vehicle Inspection Fines		3,798		
Bus Shelter		2,500		
Senior Citizens' and Veterans' Deduction Administration Fee		1,827		
Poll Rental		940		
Restitution		409		
State Aid:				
Local Enforcement Agency Rebates		53,442		
State Central Motor Pool - Automotive Services		727		
Vital Statistics Regulation Electronic Death Registration		581		
Other Subsidies		343,659		
Other Miscellaneous Receipts		<u>270,972</u>		
	Above, A-1		<u>885,310</u>	
	Above		<u>\$ 104,022,513</u>	

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

STATEMENT OF EXPENDITURES

Expenditures	Ref.	SFY 2011	Total for SFY 2011 as Modified by all Transfers	Expended SFY 2011	
				Paid or Charged	Reserved
Operations within "CAPS"					
DEPARTMENT OF PUBLIC AFFAIRS					
Director's Office					
Salaries and Wages		\$ 84,500	\$ 89,000	88,841	\$ 159
Other Expenses		4,500	4,500	4,153	347
Municipal Court					
Salaries and Wages		1,229,000	1,204,000	1,203,688	312
Other Expenses		205,000	205,000	161,274	43,726
Public Defender					
Salaries and Wages		38,000	35,500	35,455	45
Other Expenses		100	100	-	100
Senior Citizens					
Salaries and Wages		63,200	63,200	63,170	30
Other Expenses		70,000	70,000	40,737	29,263
Hispanic/Cultural Affairs					
Other Expenses		125,000	89,500	88,756	744
North Hudson Council of Mayors					
Other Expenses		69,000	69,000	68,212	788
Municipal Land Use Law (NJS 40:55D-1)					
Regional Planning Board					
Salaries and Wages		17,500	17,500	17,500	-
Other Expenses		500	500	-	500
Continuous Planning Program		29,000	29,000	28,800	200
Veterans Affairs					
Salaries and Wages		7,000	7,000	7,000	-
Other Expenses		500	500	-	500
Celebration of Public Events					
Other Expenses		35,000	70,500	70,446	54
Total Department Of Public Affairs		<u>1,977,800</u>	<u>1,954,800</u>	<u>1,878,032</u>	<u>76,768</u>
Detail:					
Salaries and Wages		1,432,200	1,416,200	1,415,654	546
Other Expenses		538,600	538,600	462,378	76,222
DEPARTMENT OF REVENUE AND FINANCE					
Director's Office					
Salaries and Wages		152,750	133,750	133,741	9
Other Expenses		5,000	5,000	3,679	1,321
City Clerk's Office					
Salaries and Wages		451,000	438,000	437,452	548
Other Expenses		84,000	84,000	75,062	8,938
Treasurer's Office					
Salaries and Wages		459,000	463,100	463,100	-
Other Expenses		100,000	143,000	137,092	5,908
Assessment of Taxes					
Salaries and Wages		257,750	260,250	260,194	56
Other Expenses		100,000	100,000	89,039	10,961
Collection of Taxes					
Salaries and Wages		327,000	327,000	326,965	35
Other Expenses		68,000	68,000	34,071	33,929

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

STATEMENT OF EXPENDITURES

Expenditures	Ref.	SFY 2011	Total for SFY 2011 as Modified by all Transfers	Expended SFY 2011	
				Paid or Charged	Reserved
DEPARTMENT OF REVENUE AND FINANCE					
(Continued)					
Central Purchasing					
Salaries and Wages		\$ 121,000	\$ 76,000	\$ 75,393	\$ 607
Other Expenses		3,700	3,700	2,204	1,496
Rent Control Board					
Salaries and Wages		337,000	337,000	336,606	394
Other Expenses		36,000	36,000	28,275	7,725
Insurance					
General Liability		1,467,000	1,467,000	1,393,801	73,199
Workers Compensation		1,675,000	1,675,000	1,268,826	406,174
Employee Group Health		13,921,192	14,720,862	13,860,771	860,091
Tax Searches					
Salaries and Wages		5,000	5,000	5,000	-
Elections					
Salaries and Wages		8,200	8,200	2,220	5,980
Other Expenses		100,000	100,000	13,016	86,984
Membership NJ League of Municipalities					
Other Expenses		4,500	4,500	3,808	692
Annual Audit					
Other Expenses		67,700	67,700	-	67,700
Tax Sale Costs					
Other Expenses		25,000	10,000	293	9,707
Postage-All Departments					
Other Expenses		178,000	200,000	196,369	3,631
Data Processing					
Other Expenses		55,000	45,000	43,516	1,484
Day Care Center					
Other Expenses		260,000	260,000	260,000	-
Total Department Of Revenue And Finance		<u>20,268,792</u>	<u>21,038,062</u>	<u>19,450,493</u>	<u>1,587,569</u>
Detail:					
Salaries and Wages		2,118,700	2,048,300	2,040,671	7,629
Other Expenses		18,150,092	18,989,762	17,409,822	1,579,940
DEPARTMENT OF PUBLIC SAFETY					
Director's Office					
Salaries and Wages		224,000	203,000	202,093	907
Other Expenses		25,000	25,000	22,183	2,817
Weddings					
Salaries and Wages		18,350	18,350	17,530	820
Legal Department					
Salaries and Wages		43,200	43,200	43,102	98
Other Expenses		1,125,000	1,125,000	1,108,263	16,737
Police Department					
Salaries and Wages		17,016,344	17,055,394	17,054,320	1,074
Overtime		395,000	393,900	393,837	63
Other Expenses		450,000	430,000	400,691	29,309
Traffic Signs and Safety					
Other Expenses		48,000	48,000	13,995	34,005

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

STATEMENT OF EXPENDITURES

Expenditures	Ref.	SFY 2011	Total for SFY 2011 as Modified by all Transfers	Expended SFY 2011	
				Paid or Charged	Reserved
DEPARTMENT OF PUBLIC SAFETY					
(Continued)					
Emergency Management Services					
Salaries and Wages		\$ 28,000	\$ 28,000	\$ 27,616	\$ 384
Other Expenses		5,000	5,000	4,766	234
Emergency Medical Services					
Salaries and Wages		790,000	798,800	798,739	61
Other Expenses		69,000	64,000	44,556	19,444
Life Hazard Use Fee-Uniform Fire Safety					
Salaries and Wages		125,000	140,500	140,472	28
Other Expenses		12,500	12,500	10,372	2,128
Contribution to Union City Redevelopment Agency		25,000	25,000	25,000	-
Board of Health					
Salaries and Wages		290,000	265,000	264,408	592
Other Expenses		93,000	93,000	89,429	3,571
Divisions of Inspections					
Other Expenses		1,200	1,200	1,200	-
School Crossing Guards					
Salaries and Wages		799,007	799,007	795,247	3,760
Total Department Of Public Safety		<u>21,582,601</u>	<u>21,573,851</u>	<u>21,457,819</u>	<u>116,032</u>
Detail:					
Salaries and Wages		19,728,901	19,745,151	19,737,364	7,787
Other Expenses		<u>1,853,700</u>	<u>1,828,700</u>	<u>1,720,455</u>	<u>108,245</u>
DEPARTMENT OF PUBLIC WORKS					
Director's Office					
Salaries and Wages		189,000	189,400	189,369	31
Other Expenses		3,000	3,000	2,472	528
Street Cleaning					
Salaries and Wages		1,916,000	1,944,800	1,944,423	377
Other Expenses		175,000	235,950	234,719	1,231
Streets Repairs and Maintenance					
Other Expenses		95,000	82,500	80,922	1,578
Snow Removal					
Salaries and Wages		105,000	105,000	89,489	15,511
Other Expenses		150,000	150,000	150,000	-
Board of Adjustment					
Salaries and Wages		17,500	17,500	17,500	-
Other Expenses		78,000	78,000	77,692	308
Solid Waste Disposal					
Salaries and Wages		1,040,000	987,000	986,908	92
Other Expenses		3,700,000	3,700,000	3,319,111	380,889
Recycling Program					
Other Expenses		70,000	40,000	11,828	28,172
Public Assistance					
Other Expenses		52,000	52,000	43,391	8,609
Engineering Services					
Other Expenses		250,000	250,000	244,722	5,278
Total Department Of Public Works		<u>7,840,500</u>	<u>7,835,150</u>	<u>7,392,546</u>	<u>442,604</u>
Detail:					
Salaries and Wages		3,267,500	3,243,700	3,227,689	16,011
Other Expenses		<u>4,573,000</u>	<u>4,591,450</u>	<u>4,164,857</u>	<u>426,593</u>

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

STATEMENT OF EXPENDITURES

Expenditures	Ref.	SFY 2011	Total for SFY 2011 as Modified by all Transfers	Expended SFY 2011	
				Paid or Charged	Reserved
DEPARTMENT OF PARKS AND PUBLIC PROPERTY					
Director's Office					
Salaries and Wages		\$ 63,000	\$ 64,500	\$ 64,474	\$ 26
Other Expenses		4,000	4,000	3,553	447
Parks and Playgrounds					
Salaries and Wages		360,000	334,000	333,014	986
Other Expenses		161,000	191,000	189,904	1,096
Public Buildings and Grounds					
Salaries and Wages		590,000	667,000	666,922	78
Other Expenses		377,000	397,000	396,683	317
Recreation					
Salaries and Wages		300,000	300,000	299,432	568
Other Expenses		255,000	255,000	253,876	1,124
Total Department Of Parks And Public Property		<u>2,110,000</u>	<u>2,212,500</u>	<u>2,207,858</u>	<u>4,642</u>
Detail:					
Salaries and Wages		1,313,000	1,365,500	1,363,842	1,658
Other Expenses		<u>797,000</u>	<u>847,000</u>	<u>844,016</u>	<u>2,984</u>
UNIFORM CONSTRUCTION CODE					
State Uniform Construction Code Officials					
Salaries and Wages		447,000	447,000	441,869	5,131
Other Expenses		187,925	187,925	43,975	143,950
Sub-Code Officials					
Plumbing Inspector					
Salaries and Wages		65,000	65,000	65,000	-
Other Expenses		6,500	6,500	1,200	5,300
Electrical Inspector					
Salaries and Wages		26,600	26,600	26,250	350
Other Expenses		4,000	4,000	-	4,000
Elevator Inspector					
Other Expenses		70,000	70,000	50,337	19,663
Fire Inspector					
Salaries and Wages		20,750	20,750	19,852	898
Other Expenses		4,000	4,000	-	4,000
Total Uniform Construction Code		<u>831,775</u>	<u>831,775</u>	<u>648,483</u>	<u>183,292</u>
Detail:					
Salaries and Wages		559,350	559,350	552,971	6,379
Other Expenses		<u>272,425</u>	<u>272,425</u>	<u>95,512</u>	<u>176,913</u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

STATEMENT OF EXPENDITURES

Expenditures	Ref.	SFY 2011	Total for SFY 2011 as Modified by all Transfers	Expended SFY 2011	
				Paid or Charged	Reserved
UNCLASSIFIED					
Retirement Benefits		\$ 495,000	\$ 495,000	\$ 495,000	\$ -
Gasoline		425,000	425,000	331,424	93,576
Telephone		220,000	220,000	167,832	52,168
Electricity		725,000	725,000	593,224	131,776
Water		53,000	53,000	32,529	20,471
Natural Gas		375,000	350,000	248,470	101,530
Street Lighting		1,110,000	1,110,000	1,087,926	22,074
Sewer		41,000	41,000	15,441	25,559
Fire Hydrants		290,000	290,000	286,423	3,577
Printing-All Departments		245,000	245,000	244,560	440
Photocopying		71,000	41,000	30,630	10,370
Fleet Maintenance & Repairs					
Other Expenses		360,000	380,000	376,574	3,426
Total Unclassified		<u>4,410,000</u>	<u>4,375,000</u>	<u>3,910,033</u>	<u>464,967</u>
Detail:					
Other Expenses		<u>4,410,000</u>	<u>4,375,000</u>	<u>3,910,033</u>	<u>464,967</u>
TOTAL OPERATIONS WITHIN "CAPS"					
		<u>59,021,468</u>	<u>59,821,138</u>	<u>56,945,264</u>	<u>2,875,874</u>
Detail					
Salaries and Wages		28,419,651	28,378,201	28,338,191	40,010
Other Expenses		<u>30,594,817</u>	<u>31,442,937</u>	<u>28,607,073</u>	<u>2,835,864</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Overexpenditures		811,080	811,080	811,080	-
Expenditures without Appropriations		152,960	152,960	152,960	-
Statutory Expenditures - Contributions to:					
Social Security System (O.A.S.I.)		1,194,900	1,194,900	1,099,530	95,370
Police and Fire Retirement System		4,643,501	4,643,501	4,643,501	-
Public Employees Retirement System		1,573,260	1,573,260	1,573,260	-
Unemployment Insurance		55,000	55,000	55,000	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"		<u>8,430,701</u>	<u>8,430,701</u>	<u>8,335,331</u>	<u>95,370</u>
Total General Appropriations for Municipal Purposes Within "CAPS"		<u>67,452,169</u>	<u>68,251,839</u>	<u>65,280,595</u>	<u>2,971,244</u>
OTHER OPERATIONS EXCLUDED FROM "CAPS"					
Employee Group Health		799,670	-	-	-
Maintenance of Free Public Library		1,264,899	1,264,899	781,788	483,111
City Match for Grants		1,500	1,500	982	518
Contribution to North Hudson Fire & Rescue Joint Meeting		17,400,000	17,400,000	15,079,363	2,320,637
Total Other Operations Excluded from "CAPS"		<u>19,466,069</u>	<u>18,666,399</u>	<u>15,862,133</u>	<u>2,804,266</u>

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

STATEMENT OF EXPENDITURES

Expenditures	Ref.	SFY 2011	Total for SFY 2011 as Modified by all Transfers	Expended SFY 2011	
				Paid or Charged	Reserved
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	-
47th Street Pool		100,000	100,000	100,000	-
Recreation Center Lease		300,000	300,000	300,000	-
Central Maintenance Facility Lease		30,000	30,000	30,000	-
Police Services		598,000	598,000	598,000	-
Total Interlocal Municipal Service Agreements		<u>1,428,000</u>	<u>1,428,000</u>	<u>1,428,000</u>	<u>-</u>
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Urban Enterprise Zone:					
Litter Clean-Up Project		235,560	235,560	235,560	-
Business Recruitment Marketing Program		276,044	276,044	276,044	-
Administration		148,201	148,201	148,201	-
Administration - City Match		36,000	36,000	36,000	-
Summer Food Program		139,932	139,932	139,932	-
Public Health		62,046	62,046	62,046	-
Pedestrian School Safety:					
Salaries and Wages		15,000	15,000	15,000	-
Other Expenses		2,000	2,000	2,000	-
Click-it or Ticket		4,000	4,000	4,000	-
Over the Limit Under Arrest		5,000	5,000	5,000	-
Body Armor Fund		17,404	17,404	17,404	-
Green Communities		3,000	3,000	3,000	-
Recycling Tonnage Grant		27,909	27,909	27,909	-
Alcohol Education		3,167	3,167	3,167	-
Drunk Driving Enforcement Fund		19,961	19,961	19,961	-
Byrne Justice Assistance Grant		58,002	58,002	58,002	-
Municipal Alliance		68,772	68,772	68,772	-
Municipal Alliance - City Match		22,193	22,193	22,193	-
Port Authority of New York and New Jersey -					
Various Street Improvements		347,040	347,040	347,040	-
Strengthening Union City Families		1,379,660	1,379,660	1,379,660	-
Secure Our Schools		152,841	152,841	152,841	-
COPS Law Enforcement Technology		350,000	350,000	350,000	-
COPS Law Enforcement Technology		300,000	300,000	300,000	-
Bulletproof Vest Partnership Program		7,800	7,800	7,800	-
Total Public and Private Programs Offset by Revenue		<u>3,681,532</u>	<u>3,681,532</u>	<u>3,681,532</u>	<u>-</u>
Total Operations Excluded from "CAPS"		<u>24,575,601</u>	<u>23,775,931</u>	<u>20,971,665</u>	<u>2,804,266</u>
Detail					
Salaries and Wages		1,406,460	1,406,460	1,406,460	-
Other Expenses		23,169,141	22,369,471	19,565,205	2,804,266
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"					
Capital Improvement Fund		50,000	50,000	50,000	-
Total Capital Improvements Excluded from "CAPS"		<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

STATEMENT OF EXPENDITURES

Expenditures	Ref.	SFY 2011	Total for SFY 2011 as Modified by all Transfers	Expended SFY 2011	
				Paid or Charged	Reserved
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"					
Payment of Bond Principal		\$ 2,725,000	\$ 2,725,000	\$ 2,725,000	\$ -
Payment of Bond Anticipation Notes & Capital Notes		447,000	447,000	447,000	-
Interest on Bonds		2,297,933	2,297,933	2,297,933	-
Interest on Notes		153,238	153,238	153,238	-
Green Trust Loan Program					
Loan Repayments for Principal and Interest		9,741	9,741	9,741	-
Demolition Bond - Principal and Interest		16,347	16,347	16,347	-
Green Loan Trust Program		89,530	89,530	89,530	-
Hudson County Improvement Authority -					
Fire Dept Assets - Principal		348,783	348,783	348,783	-
Fire Dept Assets - Interest		523,675	523,675	523,675	-
Total Municipal Debt Service Excluded from "CAPS"		<u>6,611,247</u>	<u>6,611,247</u>	<u>6,611,247</u>	<u>-</u>
DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"					
Expenditures without Authorizations		1,555,958	1,555,958	1,555,958	-
Total Deferred Charges-Municipal-Excluded from "CAPS"		<u>1,555,958</u>	<u>1,555,958</u>	<u>1,555,958</u>	<u>-</u>
Total General Appropriations for Municipal Purposes					
Excluded from "CAPS"		<u>32,792,806</u>	<u>31,993,136</u>	<u>29,188,870</u>	<u>2,804,266</u>
LOCAL DISTRICT SCHOOL PURPOSES					
EXCLUDED FROM "CAPS"					
Type 1 District School Debt Service					
Payment of Bond Principal		1,900,000	1,900,000	1,900,000	-
Interest on Bonds		477,335	477,335	477,335	-
Total Local District School Purposes Excluded from "CAPS"		<u>2,377,335</u>	<u>2,377,335</u>	<u>2,377,335</u>	<u>-</u>
Total General Appropriations Excluded from "CAPS"		<u>35,170,141</u>	<u>34,370,471</u>	<u>31,566,205</u>	<u>2,804,266</u>
Subtotal General Appropriations		102,622,310	102,622,310	96,846,800	5,775,510
Reserve for Uncollected Taxes		<u>910,000</u>	<u>910,000</u>	<u>910,000</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS		<u>\$ 103,532,310</u>	<u>\$ 103,532,310</u>	<u>\$ 97,756,800</u>	<u>\$ 5,775,510</u>
	Ref.	A-2	A-1	Below	A
Reserve for Uncollected Taxes	A-2			\$ 910,000	
Cash Disbursements	A-4			88,329,354	
Capital Improvement Fund	A-11			50,000	
Unemployment Insurance	A-11			55,000	
Union City Redevelopment Agency	A-14			25,000	
Grants Appropriated	A-26			3,623,339	
Grants Appropriated - City Match	A-26			58,193	
Transfer from Accounts Payable	A-21			830,132	
Transfer to Reserve for Encumbrances	A-22			1,355,784	
Deferred Charges	A-23			2,519,998	
	Above			<u>\$ 97,756,800</u>	

See Accompanying Notes to the Financial Statements.

TRUST FUNDS

EXHIBIT B

**THE CITY OF UNION CITY
TRUST FUNDS
JUNE 30, 2011 AND 2010**

COMPARATIVE BALANCE SHEETS

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Dog License Fund			
Cash and Cash Equivalents	B-1	\$ 19,221	\$ 27,105
Total Dog License Fund		<u>19,221</u>	<u>27,105</u>
Unemployment Trust Fund			
Cash and Cash Equivalents	B-6	2,536	32,286
Due from Current Fund	B-8	13,079	-
Due from Other Trust Fund	B-9	27,271	22,378
Total Unemployment Trust Fund		<u>42,886</u>	<u>54,664</u>
Other Trust Fund			
Cash and Cash Equivalents	B-10	2,977,093	3,428,942
Due from Current fund	B-11	882,109	-
Total Other Trust Fund		<u>3,859,202</u>	<u>3,428,942</u>
Community Development Agency Fund			
Cash and Cash Equivalents	B-15	118,807	88,176
Due from HUD CDA Grant	B-16	1,827,007	2,525,858
Total Community Development Agency Fund		<u>1,945,814</u>	<u>2,614,034</u>
Public Defender Trust Fund			
Cash and Cash Equivalents	B-21	8,887	8,887
Total Public Defender Trust Fund		<u>8,887</u>	<u>8,887</u>
Total Assets		<u>\$ 5,876,010</u>	<u>\$ 6,133,632</u>

See Accompanying Notes to the Financial Statements.

EXHIBIT B

**THE CITY OF UNION CITY
TRUST FUNDS
JUNE 30, 2011 AND 2010**

COMPARATIVE BALANCE SHEETS

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Dog License Fund			
Due to State of New Jersey	B-2	\$ 3,603	\$ 3,265
Reserve for Dog License Expenditures	B-3	6,809	5,583
Due to Current Fund	B-4	8,809	17,736
Accounts Payable	B-5	-	521
Total Dog License Fund		<u>19,221</u>	<u>27,105</u>
Unemployment Trust Fund			
Reserve for Unemployment Trust	B-7	42,886	-
Due to Current Fund	B-8	-	54,664
Total Unemployment Trust Fund		<u>42,886</u>	<u>54,664</u>
Other Trust Fund			
Due to Unemployment Trust Fund	B-12	27,271	22,378
Reserve for Other Trust Activities	B-13	3,831,931	3,138,638
Accounts Payable	B-14	-	267,926
Total Other Trust Fund		<u>3,859,202</u>	<u>3,428,942</u>
Community Development Agency Fund			
Reserve for Program Income	B-17	-	-
Accounts Payable	B-18	-	10,405
Reserve for Community Development Block Grant	B-19	428,716	878,243
Due to Current Fund	B-20	1,517,098	1,725,386
Total Community Development Agency Fund		<u>1,945,814</u>	<u>2,614,034</u>
Public Defender Trust Fund			
Reserve for Public Defender Trust Expenditures	B-22	-	-
Due to Current Fund	B-23	8,887	7,687
Accounts Payable	B-24	-	1,200
Total Public Defender Trust Fund		<u>8,887</u>	<u>8,887</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 5,876,010</u>	<u>\$ 6,133,632</u>

See Accompanying Notes to the Financial Statements.

GENERAL CAPITAL FUND

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
JUNE 30, 2011 AND 2010**

COMPARATIVE BALANCE SHEETS

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
ASSETS			
Cash and Cash Equivalents	C-2, C-3	\$ 881	\$ 758
Due from State of New Jersey - Green Acres	C-17	429,834	429,834
Due from State of New Jersey - Green Trust	C-18	107,777	107,777
Due from Current Fund	C-15	1,993,239	157,101
Deferred Charges to Future Taxation:			
Funded	C-5	68,470,559	72,156,093
Unfunded	C-4	12,146,834	12,733,834
 Total Assets and Deferred Charges		 <u>\$ 83,149,124</u>	 <u>\$ 85,585,397</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Capital Improvement Fund	C-6	\$ 270,013	\$ 220,013
Improvement Authorizations:			
Funded	C-7	129,138	261,161
Unfunded	C-7	350,824	229,692
General Serial Bonds	C-8	53,094,999	55,819,999
School Serial Bonds	C-9	6,520,000	8,420,000
Capital Lease Payable - HCIA	C-10	7,496,693	7,845,475
Green Acres Loan	C-11	1,358,867	54,814
Demolition Loan	C-12	-	15,805
Bond Anticipation Notes	C-13	11,812,000	12,259,000
Encumbrances Payable	C-14	244,321	387,169
Reserve for General Serial Bonds	C-19	1,800,000	-
Fund Balance	C-1	72,269	72,269
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 83,149,124</u>	 <u>\$ 85,585,397</u>
 Bonds and Notes Authorized But Not Issued	C-16	 <u>\$ 334,834</u>	 <u>\$ 474,834</u>

See Accompanying Notes to the Financial Statements.

THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance, June 30, 2010	C	<u>\$ 72,269</u>
Balance, June 30, 2011	C	<u>\$ 72,269</u>

See Accompanying Notes to the Financial Statements.

FIXED ASSETS

**THE CITY OF UNION CITY
FIXED ASSET GROUP OF ACCOUNTS
JUNE 30, 2011 AND 2010**

COMPARATIVE BALANCE SHEETS

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>FIXED ASSETS</u>			
Land		\$ 11,233,700	\$ 12,841,700
Buildings and Improvements		77,274,485	17,341,386
Furniture and Fixtures		83,259	
Machinery, Equipment and Other		<u>7,614,026</u>	<u>10,257,703</u>
	D-1	<u>\$ 96,205,470</u>	<u>\$ 40,440,789</u>
<u>RESERVE</u>			
Reserve for Fixed Assets	D-2	<u>\$ 96,205,470</u>	<u>\$ 40,440,789</u>

See Accompanying Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

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, 2011 AND 2010

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, 2011 AND 2010

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.

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

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.

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.

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

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.

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.

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 1. 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.

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, 2011 and 2010, none of the City's bank balances of \$12,365,285 and \$14,953,377, respectively, was exposed to custodial credit risk.

As of June 30, 2011 and 2010, the City's deposits and investments are summarized as follows:

	2011	2010
Insured - FDIC	\$ 946,769	\$ 869,884
Insured - GUDPA	10,095,534	12,762,313
NJARM	866,803	865,914
NJ Cash Management Fund	456,179	455,266
Total	\$ 12,365,285	\$ 14,953,377

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

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

B. 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
- 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, 2011 and 2010, 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.

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

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

B. INVESTMENTS (Continued)

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, 2011 the City's investments were not exposed to custodial credit risk or foreign currency risk.

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, 2011 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, 2011 and 2010, the City had a balance of \$456,179 and \$455,266, respectively, in the New Jersey Cash Management Fund.

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

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

B. INVESTMENTS (Continued)

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 Ace, 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, 2011 and 2010, the City has a balance of \$866,803 and \$865,914, 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.

During fiscal year ended June 30, 2011, the City collected \$55,752 from delinquent taxes which represented 64.93% of the delinquent balances at June 30, 2010. For the fiscal year ended June 30, 2010, the City collected \$2,402,563 from delinquent taxes which represented 94.21% of the delinquent balances at June 30, 2009 plus the added tax levy for 2009.

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.

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 4. PROPERTY TAX CALENDAR (Continued)

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, 2011 and 2010, the City's Prepaid taxes were \$123,595 and \$175,438, respectively.

NOTE 5. SCHOOL DISTRICT

At June 30, 2011 and 2010, 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 CITY OF UNION CITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 6. LONG-TERM DEBT (Continued)

A. SUMMARY OF MUNICIPAL DEBT (Continued)

The following is a summary of changes in long-term debt for the year ended June 30, 2011:

	Balance June 30, 2010	Bonds and Notes			Balance June 30, 2011
		Authorized	Issued/ (Unissued)	Paid	
General Bonds and Notes	\$ 68,078,999	\$ -	\$ 11,812,000	\$ 14,984,000	\$ 64,906,999
Bonds Issued by Another Public Body and Guaranteed by Municipalities	2,469,600	-	-	157,400	2,312,200
Demolition Loan	15,805	-	-	15,805	-
Green Acres Loans	54,814	-	1,381,526	77,473	1,358,867
HCIA Capital Leases	7,845,475	-	-	348,782	7,496,693
Authorized but Not Issued	474,834	-	(140,000)	-	334,834
Total General Debt	78,939,527	-	13,053,526	15,583,460	76,409,593
School Serial Bonds	8,420,000	-	-	1,900,000	6,520,000
Total	\$ 87,359,527	\$ -	\$ 13,053,526	\$ 17,483,460	\$ 82,929,593

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, 2011 is as follows:

Fiscal Year Ending	General Bonds		Type I School Bonds		HCIA Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 2,880,000	\$ 2,153,622	\$ 2,030,000	\$ 352,066	\$ 380,473	\$ 495,553
2013	3,425,000	2,000,013	2,170,000	217,920	407,162	470,445
2014	2,638,107	2,788,287	2,320,000	74,240	438,853	443,290
2015	2,582,108	2,857,842	-	-	453,888	414,570
2016	2,521,251	2,922,956	-	-	480,577	383,604
2017-2021	16,398,533	10,592,920	-	-	2,996,670	1,363,180
2022-2026	14,565,000	3,730,953	-	-	2,339,070	265,927
2027-2031	4,915,000	2,007,188	-	-	-	-
2032-2033	3,170,000	304,062	-	-	-	-

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

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 1.66%. The Equalized Valuation Basis of the City at June 30, 2011 is \$3,637,418,559.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 6,520,000	\$ 6,520,000	\$ -
General Debt	76,409,593	16,117,200	60,292,393

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

3-1/2% of Equalized Valuation Basis	\$ 127,309,650
Net Debt	<u>60,292,393</u>
Remaining Borrowing Power	<u>\$ 67,017,257</u>

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

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:

Fiscal Year Ending	Total Payments	1997 Refunding Issue <u>Principal</u>	ERI Pension Bonds <u>Principal</u>	2007 Refunding Issue <u>Principal</u>
2012	\$ 2,880,000	\$ 2,760,000	\$ 120,000	\$ -
2013	3,425,000	2,900,000	525,000	-
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>\$ 53,094,999</u>	<u>\$ 5,660,000</u>	<u>\$ 13,805,000</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, 2011 AND 2010

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
2012	\$ 115,913	\$ 2,030,000	\$ 380,473	\$ 245,000	\$ 135,473
2013	118,242	2,170,000	407,162	265,000	142,162
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>\$ 1,358,867</u>	<u>\$ 6,520,000</u>	<u>\$ 7,496,693</u>	<u>\$ 5,100,000</u>	<u>\$ 2,396,693</u>

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 6. LONG-TERM DEBT (Continued)

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.

NOTE 7. FUND BALANCE APPROPRIATED

Fund balances at June 30, 2010 and 2009 which were appropriated and included as anticipated revenue in their own respective funds for the years ending June 30, 2011 and 2010 were \$1,065,000 and \$117,000, respectively. There was no fund balance included as anticipated revenue for the fiscal year 2012 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 CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)

A. STATE-MANAGED PENSION PLANS (Continued)

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.

Significant Legislation

P.L. 2010, c.1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

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

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new 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.

THE CITY OF UNION CITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 8. PENSION (Continued)

A. STATE-MANAGED PENSION PLANS (Continued)

P.L. 2008, c.89, effective November 1, 2008, increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c.103, certain parts effective July 1, 2007 established an employee contribution of 1.5 percent of the employee's base salary to offset health benefits costs.

The contribution policy is set by laws of the State of New Jersey. For the years ended June 30, 2011 and 2010 contributions made by employees for PERS and PFRS were 5.5% and 8.5% of their base wages, respectively. Employers are required to contribute at an actuarially determined rate. On March 17, 2009 P.L. 2009, c.19 was enacted, allowing employers to defer 50% of the normal and accrued liability component of the PERS and PFRS obligations for the year ended June 30, 2009. The deferred amount will be repaid over a period of 15 years, commencing in the year ending June 30, 2012. The amount will fluctuate based on pension system investment earnings on the deferred amount. The City and employees' contributions to 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			
2011	\$ 1,331,184	4.56%	\$ -	\$ 101,103	\$ 140,973	\$ 607,514
2010	1,047,464	8.49%	-	145,259	140,973	689,163
2009	842,730	6.55%	421,365	104,753	-	718,376

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			
2011	\$ 4,423,111	15.16%	\$ -	\$ 192,392	\$ 27,998	\$ 1,459,049
2010	4,133,589	24.54%	-	205,380	26,921	1,432,395
2009	3,879,435	23.65%	1,939,718	159,521	-	1,395,279

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 8. PENSION (Continued)

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.

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.

THE CITY OF UNION CITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 8. PENSION (Continued)

B. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

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.

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.

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 8. PENSION (Continued)

B. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

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, 2011 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, which 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, 2011 and 2010.

As of June 30, 2011 and 2010, the total accumulated compensated absence liability was \$9,428,731 and \$9,002,924, respectively.

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.

THE CITY OF UNION CITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 11. 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 2011 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, 2011, the City does not believe that any material liabilities will result from such audits.

NOTE 12. 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, 2011 and 2010, the City's exposure for claims incurred under its obligation to provide workers' compensation insurance amounted to approximately \$756,139 and \$1,214,574, respectively.

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 12. RISK MANAGEMENT

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.

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, 2011, 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 13. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances remained on the balance sheets of the fund financial statement at June 30, 2011. 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.

NOTE 14. 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.

THE CITY OF UNION CITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 15. 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.

As of June 30, 2011 and 2010, the City had 341 and 334 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, 2011 and 2010 were \$7,089,405 and \$6,652,690, respectively.

In accordance with GAAP and accrual accounting principles, the costs associated 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 30 years, commencing with the current 2008 liability.

As of December 31, 2008 the Actuarial Accrued Liability is \$88,052,000 for retirees and \$68,519,000 for active employees for a total accrued liability of \$156,571,000. Under the GASB accounting standard the Annual Required Contribution (“ARC”) is \$13,914,000 for the year ending December 31, 2008 assuming a 30 year amortization of the Unfunded Actuarial Accrued Liability. The Net OPEB Obligation is \$9,462,000, based on estimated 2008 cash payments of \$4,452,000 and the ARC state above.

NOTE 16. 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, 2007 through December 31, 2010. 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 CITY OF UNION CITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 16. NEW JERSEY INTERGOVERNMENTAL INSURANCE FUND (Continued)

The Commissioners of NJIIF 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 17. 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:

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.

THE CITY OF UNION CITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 17. NORTH HUDSON SEWERAGE AUTHORITY (Continued)

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 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%.

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 17. NORTH HUDSON SEWERAGE AUTHORITY (Continued)

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, 2011 and 2010. The NHSA estimates that no amounts will be due from the City for fiscal year ending June 30, 2012.

NOTE 18. 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.

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.

THE CITY OF UNION CITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 18. NORTH HUDSON REGIONAL FIRE AND RESCUE (Continued)

As of June 30, 2011 and 2010, the City contributed \$15,079,363 and \$13,704,442, 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.

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."

THE CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 18. NORTH HUDSON REGIONAL FIRE AND RESCUE (Continued)

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.

NOTE 19. SUBSEQUENT EVENTS

On June 28, 2011 P.L. 2011 c.78 was approved to make various significant changes to pension and health care benefits for public employees. The following are changes provided by the law applicable to the pension plans of the City of Union City employees:

- New Pension Committees Formed
- New Employee Pension Contribution Rates
- Pension Plan Design Changes
- Funding Changes
- Retirement Systems Actuary Selection Committee
- COLA Suspension
- Contractual Rights to Employer Pension Contributions
- Target Funded Ratio Defined
- Investment Council
- Super Conciliator
- Retiring While Serving in Elected Office
- Pension Plan Compliance Provisions

The law also provides for the following health care benefit changes:

- Required Active and Retired Employee Contributions towards Health Benefit Coverage
- Coverage for Out-of-State Health Care Providers

THE CITY OF UNION CITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 19. SUBSEQUENT EVENTS (Continued)

On July 5, 2011, the City introduced a bond ordinance for various capital improvements and the acquisition of various capital equipment; appropriating \$9,185,000; and authorizing the issuance up to \$8,725,750 of general obligation bonds or bond anticipation notes.

On January 17, 2012 P.L. 2011, c. 224 was approved to permit municipalities to seek Local Finance Board approval to bond for a prior year deficit resulting, in part or in whole, due to impacts from tax appeals. For the year ended June 30, 2011, the City had a deficit in operations of \$2,222,740 resulting in part from \$526,256 refunded in tax appeals. On December 6, 2011, the City utilized the newly enacted P.L. 2011, c. 224 by introducing a refunding bond ordinance for the permanent financing of tax refund payments; authorizing the issuance of up to \$600,000 of general obligation tax refunding bonds.

On December 6, 2011 the City also introduced: (1) A bond ordinance authorizing the acquisition and installation of computer equipment; appropriating \$100,000; and authorizing the issuance of up to \$95,000 of general obligation bonds or bond anticipation notes. (2) An ordinance providing for the acquisition of an interest in the real property known as United Water "Reservoir # 2" and for the approval of an agreement for such purchase with the Township of Weehawken and for financing a portion of the price through the State of New Jersey, Department of Environmental Protection, grant from the Green Acres Trust and loan from the New Jersey Environmental Infrastructure Trust not to exceed \$250,000 and to be raised in the succeeding year's budget.

On February 22, 2012, the City introduced (1) An ordinance amending the purpose of \$250,000 of a bond ordinance adopted on August 16, 2011 from the reconstruction and resurfacing of West Street to the reconstruction and resurfacing of 34th Street. (2) An ordinance cancelling \$174,480 and \$29,045 in unfunded appropriation balances of a bond ordinance adopted December 19, 2006 provided for various capital projects and reappropriating \$175,000 for the acquisition of ambulances and \$28,525 for the repair of the public works facility roof.

On March 6, 2012 the City introduced a refunding bond ordinance providing funds to pay an emergency appropriation in relation to the amphitheater project; authorizing the issuance of up to \$627,000 of general obligation refunding bonds.

SUPPLEMENTARY INFORMATION – CURRENT FUND

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance, June 30, 2010	A		\$ 9,936,793
Increased by Receipts:			
Miscellaneous Revenues Not Anticipated	A-2	\$ 885,310	
Petty Cash	A-5	1,500	
Tax Collector	A-6	89,260,897	
Revenue Accounts Receivable	A-10	36,901,971	
Interfund	A-11	8,572,820	
State of New Jersey - Veterans and Senior Citizens Deductions	A-12	91,355	
Tax Title Liens	A-13	25,458	
Other Liabilities	A-16	321,990	
Other Reserves	A-17	104,893	
Deferred Charges	A-23	161,235	
Grants Receivable	A-24	2,689,948	
Reserve for Grants - Unappropriated	A-25	<u>188,818</u>	
			<u>139,206,195</u>
			149,142,988
Decreased by Disbursements:			
Interest on Late County Tax Payment	A-1	60,721	
Appropriations	A-3	88,329,354	
Petty Cash	A-5	1,500	
Interfund	A-11	8,309,019	
Other Receivables	A-14	221,524	
Appropriation Reserves	A-15	6,328,857	
Other Liabilities	A-16	995,033	
Other Reserves	A-17	108,030	
Local School District Taxes Payable	A-19	10,793,046	
County Taxes Payable	A-20	15,733,121	
Accounts Payable	A-21	951,331	
Reserve for Encumbrances	A-22	1,514,082	
Deferred Charges	A-23	3,369,578	
Grants Appropriated	A-26	<u>3,425,086</u>	
			<u>140,140,282</u>
Balance, June 30, 2011	A		<u><u>\$ 9,002,706</u></u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF PETTY CASH

	<u>Ref.</u>	
Balance, June 30, 2010		\$ -
Increased by:		
Cash Receipts	A-4	1,500
		<u>1,500</u>
Decreased by:		
Cash Disbursements	A-4	1,500
		<u>1,500</u>
Balance, June 30, 2011		<u><u>\$ -</u></u>

SCHEDULE OF CASH - TAX COLLECTOR

	<u>Ref.</u>	
Balance, June 30, 2010		\$ -
Increased by:		
Operating Fund:		
Taxes Receivable	A-7	\$ 88,424,660
Revenue Accounts Receivable	A-10	1,238,898
Prepaid Taxes	A-18	<u>123,595</u>
		<u>89,787,153</u>
		89,787,153
Decreased by:		
Payments to Treasurer	A-4	89,260,897
Tax Refunds	A-7	<u>526,256</u>
		<u>89,787,153</u>
Balance, June 30, 2011		<u><u>\$ -</u></u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance, June 30, 2010	A	<u>\$ -</u>
Balance, June 30, 2011	A	<u>\$ -</u>

**SCHEDULE OF FORECLOSED PROPERTY
AT ASSESSED VALUATIONS**

	<u>Ref.</u>	
Balance, June 30, 2010	A	<u>\$ 171,900</u>
Balance, June 30, 2011	A	<u>\$ 171,900</u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance	Accrued	Collections		Balance
		June 30, 2010	in 2010-2011	Collector	Treasurer	June 30, 2011
Licenses:						
Alcoholic Beverage	A-2	\$ -	220,131	220,131	\$ -	\$ -
Other	A-2	-	158,023	158,023	-	-
Fees and Permits	A-2	-	236,653	236,653	-	-
Fines and Costs:						
Municipal Court	A-2	-	2,907,560	-	2,907,560	-
Interest and Costs on Taxes	A-2	-	624,091	624,091	-	-
Interest on Investments and Deposits	A-2	-	31,296	-	31,296	-
Wedding Fees	A-2	-	20,325	-	20,325	-
Public Telephone Commissions	A-2	-	468	-	468	-
Cable Franchise Fees	A-2	-	121,801	-	121,801	-
Payment in Lieu of Taxes						
Union Plaza Apartments	A-2	-	206,077	-	206,077	-
Union City Renaissance Urban Renewal	A-2	-	9,746	-	9,746	-
Palisade Urban Renewal Assoc.	A-2	-	28,574	-	28,574	-
Holy Rosary	A-2	-	29,710	-	29,710	-
Consolidated Municipal Property Tax Relief Aid	A-2	-	7,254,141	-	7,254,141	-
Energy Receipts Taxes	A-2	-	8,196,021	-	8,196,021	-
Additional State School Aid	A-2	-	1,417,396	-	1,417,396	-
Special Municipal Aid	A-2	-	11,305,507	-	11,305,507	-
Uniform Construction Code Fees	A-2	-	841,373	-	841,373	-
Union City Board of Education:						
Lease Recreational Center	A-2	118,720	300,000	-	181,280	237,440
Solid Waste Removal	A-2	360,000	360,000	-	-	720,000
Gasoline	A-2	-	20,761	-	20,761	-
47th Street Pool	A-2	-	103,000	-	103,000	-
Lease Central Maintenance Facility	A-2	-	49,393	-	49,393	-
Police Services	A-2	-	598,000	-	538,200	59,800
Uniform Fire Safety Act	A-2	-	4,188	-	4,188	-
Interfunds:						
Due from CDA Trust Fund	A-2, A-11	-	2,567,950	-	2,567,950	-
Due from State Unemployment Trust Fund	A-2, A-11	-	54,663	-	54,663	-
Due from Dog License Trust Fund	A-2, A-11	-	12,541	-	12,541	-
Emergency Medical Services	A-2	-	1,000,000	-	1,000,000	-
		<u>\$ 478,720</u>	<u>\$ 38,679,389</u>	<u>\$ 1,238,898</u>	<u>\$ 36,901,971</u>	<u>\$ 1,017,240</u>
	Ref.	A	A-2	A-6	A-4	A

THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
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	Payroll Agency
Balance, June 30, 2010								
Receivable	\$ 1,805,473	\$ -	\$ -	\$ 54,664	\$ 7,687	\$ 17,736	\$ 1,725,386	\$ -
Payable	(157,101)	(157,101)	-	-	-	-	-	-
	<u>1,648,372</u>	<u>(157,101)</u>	<u>-</u>	<u>54,664</u>	<u>7,687</u>	<u>17,736</u>	<u>1,725,386</u>	<u>-</u>
Increased by:								
Statutory Excess	1,950	-	-	-	-	1,950	-	-
Cash Disbursements	8,309,019	153,739	3,485,915	52,713	16,360	2,550	4,597,742	-
	<u>8,310,969</u>	<u>153,739</u>	<u>3,485,915</u>	<u>52,713</u>	<u>16,360</u>	<u>4,500</u>	<u>4,597,742</u>	<u>-</u>
Decreased by:								
Anticipated Revenue	2,635,154	-	-	54,663	-	12,541	2,567,950	-
Charges to 2011 Appropriations	105,000	50,000	-	55,000	-	-	-	-
Cash Receipts	8,572,820	1,939,877	4,368,024	10,793	15,160	886	2,238,080	-
	<u>11,312,974</u>	<u>1,989,877</u>	<u>4,368,024</u>	<u>120,456</u>	<u>15,160</u>	<u>13,427</u>	<u>4,806,030</u>	<u>-</u>
Balance, June 30, 2011								
Receivable	1,534,794	-	-	-	8,887	8,809	1,517,098	-
Payable	(2,888,427)	(1,993,239)	(882,109)	(13,079)	-	-	-	-
	<u>\$ (1,353,633)</u>	<u>\$ (1,993,239)</u>	<u>\$ (882,109)</u>	<u>\$ (13,079)</u>	<u>\$ 8,887</u>	<u>\$ 8,809</u>	<u>\$ 1,517,098</u>	<u>\$ -</u>
Interfund Advanced	\$ 2,364,475	\$ -	\$ -	\$ (1)	\$ 1,200	\$ 3,614	\$ 2,359,662	\$ -

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

	<u>Ref.</u>		
Balance, June 30, 2010	A		\$ 12,019
Increased by:			
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector (Net)	Below	\$ 8,588	
Cash Receipts	A-4	<u>91,355</u>	
			<u>99,943</u>
			111,962
Decreased by:			
Senior Citizens' and Veterans' Deductions Per Tax Billings (Net)	Below	91,355	
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector (Net)	Below	<u>4,500</u>	
			<u>95,855</u>
Balance, June 30, 2011	A		<u><u>\$ 16,107</u></u>

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

Senior Citizens' and Veterans' Deductions (Net):			
Per Tax Billings	Above	\$ 91,355	
Allowed by Tax Collector	Above	4,500	
Disallowed by Tax Collector	Above	<u>(8,588)</u>	
	A-7		<u><u>\$ 87,267</u></u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>	
Balance, June 30, 2010	A	\$ 40,520
Increased by:		
Transfer from Taxes Receivable	A-7	<u>618,416</u>
		658,936
Decreased by:		
Cash Receipts	A-4	<u>25,458</u>
Balance, June 30, 2011	A	<u><u>\$ 633,478</u></u>
Tax Title Liens Collected	A-1	\$ 25,458

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF OTHER RECEIVABLES

	<u>Balance June 30, 2010</u>	<u>Cash Disbursements</u>	<u>Budget Appropriation</u>	<u>Balance June 30, 2011</u>
Due from:				
North Fork - Bank Charges	\$ 3,176	\$ -	\$ -	\$ 3,176
Redevelopment Agency	37,278	7,612	25,000	19,890
Due from U.S. Federal Emergency Management Agency	<u>-</u>	<u>213,912</u>	<u>-</u>	<u>213,912</u>
Total Other Receivables	<u>\$ 40,454</u>	<u>\$ 221,524</u>	<u>\$ 25,000</u>	<u>\$ 236,978</u>
	<u>Ref.</u>			
	A	A-4	A-3	A
Other Receivables Returned	A-1		\$ 25,000	
Other Receivables Advances	A-1	\$ 221,524		

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF APPROPRIATION RESERVES

Expenditures	Ref.	Balance June 30, 2011	Balance After Transfers	Paid or Charged	Balance Lapsed
Operations within "CAPS"					
DEPARTMENT OF PUBLIC AFFAIRS					
Director's Office					
Salaries and Wages		\$ 2,637	\$ 2,637	\$ 2,637	\$ -
Other Expenses		1,940	1,440	1,410	30
Municipal Court					
Salaries and Wages		14,125	14,125	14,125	-
Other Expenses		15,972	15,972	13,892	2,080
Public Defender					
Salaries and Wages		445	445	445	-
Other Expenses		100	100	-	100
Senior Citizens					
Salaries and Wages		8,341	8,341	8,341	-
Other Expenses		6,753	6,753	6,686	67
Hispanic/Cultural Affairs					
Other Expenses		1	501	500	1
North Hudson Council of Mayors					
Other Expenses		788	788	-	788
Municipal Land Use Law (NJS 40:55D-1)					
Regional Planning Board					
Salaries and Wages		600	600	600	-
Other Expenses		500	500	-	500
Continuous Planning Program		14,600	14,600	12,000	2,600
Veterans Affairs					
Other Expenses		175	175	-	175
Celebration of Public Events					
Other Expenses		450	450	450	-
Total Department Of Public Affairs		<u>67,427</u>	<u>67,427</u>	<u>61,086</u>	<u>6,341</u>
Detail:					
Salaries and Wages		26,148	26,148	26,148	-
Other Expenses		41,279	41,279	34,938	6,341
DEPARTMENT OF REVENUE AND FINANCE					
Director's Office					
Salaries and Wages		5,439	5,439	5,439	-
Other Expenses		1,607	1,607	-	1,607
City Clerk's Office					
Salaries and Wages		19,324	16,624	16,624	-
Other Expenses		53	18,253	17,055	1,198
Treasurer's Office					
Salaries and Wages		17,520	17,520	17,520	-
Other Expenses		4,307	29,307	29,307	-
Assessment of Taxes					
Salaries and Wages		8,452	8,452	8,452	-
Other Expenses		3,615	28,615	26,144	2,471
Collection of Taxes					
Salaries and Wages		10,357	10,357	10,357	-
Other Expenses		2,973	2,973	-	2,973
Central Purchasing					
Salaries and Wages		12,781	12,781	12,781	-
Other Expenses		120	120	-	120
Rent Control Board					
Salaries and Wages		10,394	10,394	10,394	-
Other Expenses		2,126	2,126	1,215	911

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF APPROPRIATION RESERVES

Expenditures	Ref.	Balance June 30, 2011	Balance After Transfers	Paid or Charged	Balance Lapsed
DEPARTMENT OF REVENUE AND FINANCE					
(Continued)					
Insurance					
General Liability		\$ 39,251	\$ 39,251	\$ -	\$ 39,251
Workers Compensation		1,608	1,608	1,563	45
Employee Group Health		147,332	147,332	93,262	54,070
Tax Searches					
Salaries and Wages		100	100	100	-
Elections					
Salaries and Wages		5,145	4,645	-	4,645
Other Expenses		40,119	25,119	25,119	-
Membership NJ League of Municipalities					
Other Expenses		692	692	-	692
Annual Audit					
Other Expenses		67,700	67,700	67,700	-
Tax Sale Costs					
Other Expenses		22,109	12,109	2,891	9,218
Postage-All Departments					
Other Expenses		557	2,357	2,257	100
Data Processing					
Other Expenses		10,157	4,857	2,425	2,432
Total Department Of Revenue And Finance		<u>433,838</u>	<u>470,338</u>	<u>350,605</u>	<u>119,733</u>
Detail:					
Salaries and Wages		89,512	86,312	81,667	4,645
Other Expenses		344,326	384,026	268,938	115,088
DEPARTMENT OF PUBLIC SAFETY					
Director's Office					
Salaries and Wages		1,939	1,939	1,939	-
Other Expenses		144	144	(169)	313
Weddings					
Salaries and Wages		2,345	2,345	2,345	-
Legal Department					
Salaries and Wages		1,398	1,398	1,398	-
Other Expenses		12,986	27,986	20,502	7,484
Police Department					
Salaries and Wages		40,695	30,695	30,695	-
Overtime		1,283	1,283	1,283	-
Other Expenses		2,697	12,697	(2,473)	15,170
Traffic Signs and Safety					
Other Expenses		7,423	7,423	-	7,423
Emergency Management Services					
Salaries and Wages		1,000	1,000	1,000	-
Other Expenses		743	743	485	258
Emergency Medical Services					
Salaries and Wages		6,339	6,339	6,339	-
Other Expenses		14,491	11,391	1,870	9,521
Life Hazard Use Fee-Uniform Fire Safety					
Salaries and Wages		15,112	15,112	15,112	-
Other Expenses		10,338	8,538	-	8,538
Contribution to Union City Redevelopment Agency		5	5	5	-

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF APPROPRIATION RESERVES

Expenditures	Ref.	Balance June 30, 2011	Balance After Transfers	Paid or Charged	Balance Lapsed
DEPARTMENT OF PUBLIC SAFETY					
(Continued)					
Board of Health					
Salaries and Wages		\$ 11,544	\$ 11,544	\$ 11,544	\$ -
Other Expenses		2,035	17,035	14,594	2,441
School Crossing Guards					
Salaries and Wages		3,239	3,239	3,239	-
Total Department Of Public Safety		<u>135,756</u>	<u>160,856</u>	<u>109,708</u>	<u>51,148</u>
Detail:					
Salaries and Wages		84,894	74,894	74,894	-
Other Expenses		<u>50,862</u>	<u>85,962</u>	<u>34,814</u>	<u>51,148</u>
DEPARTMENT OF PUBLIC WORKS					
Director's Office					
Salaries and Wages		3,510	3,510	3,510	-
Other Expenses		2,333	2,333	2,207	126
Street Cleaning					
Salaries and Wages		21,599	21,599	21,599	-
Other Expenses		5,223	5,223	743	4,480
Streets Repairs and Maintenance					
Other Expenses		16,170	17,170	16,614	556
Snow Removal					
Salaries and Wages		5,941	5,941	5,941	-
Other Expenses		6,868	6,868	6,868	-
Board of Adjustment					
Salaries and Wages		2,500	2,500	2,500	-
Other Expenses		6,046	28,046	21,888	6,158
Solid Waste Disposal					
Salaries and Wages		10,223	10,223	10,223	-
Other Expenses		73,779	16,879	(24,307)	41,186
Recycling Program					
Other Expenses		19,739	19,739	-	19,739
Public Assistance					
Other Expenses		5,096	5,396	5,380	16
Engineering Services					
Other Expenses		1,726	111,726	111,726	-
Total Department Of Public Works		<u>180,753</u>	<u>257,153</u>	<u>184,892</u>	<u>72,261</u>
Detail:					
Salaries and Wages		43,773	43,773	43,773	-
Other Expenses		<u>136,980</u>	<u>213,380</u>	<u>141,119</u>	<u>72,261</u>
DEPARTMENT OF PARKS AND PUBLIC PROPERTY					
Director's Office					
Salaries and Wages		7,603	7,603	7,603	-
Other Expenses		1,894	1,894	-	1,894
Parks and Playgrounds					
Salaries and Wages		27,445	27,445	27,445	-
Other Expenses		838	37,838	37,040	798
Public Buildings and Grounds					
Salaries and Wages		5,446	5,446	5,446	-
Other Expenses		21,239	28,239	14,547	13,692

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF APPROPRIATION RESERVES

Expenditures	Ref.	Balance June 30, 2011	Balance After Transfers	Paid or Charged	Balance Lapsed
DEPARTMENT OF PARKS AND PUBLIC PROPERTY (Continued)					
Recreation					
Salaries and Wages		\$ 56,637	\$ 56,637	\$ 56,637	\$ -
Other Expenses		197,401	111,401	25,194	86,207
Total Department Of Parks And Public Property		<u>318,503</u>	<u>276,503</u>	<u>173,912</u>	<u>102,591</u>
Detail:					
Salaries and Wages		97,131	97,131	97,131	-
Other Expenses		<u>221,372</u>	<u>179,372</u>	<u>76,781</u>	<u>102,591</u>
UNIFORM CONSTRUCTION CODE					
State Uniform Construction Code Officials					
Salaries and Wages		22,972	22,972	22,972	-
Other Expenses		201,011	201,011	(2,653)	203,664
Sub-Code Officials					
Plumbing Inspector					
Salaries and Wages		2,000	2,000	2,000	-
Other Expenses		5,300	5,300	-	5,300
Electrical Inspector					
Salaries and Wages		1,400	1,400	1,400	-
Other Expenses		6,500	6,500	-	6,500
Elevator Inspector					
Other Expenses		53,082	53,082	13,915	39,167
Fire Inspector					
Salaries and Wages		298	298	298	-
Other Expenses		<u>6,005</u>	<u>6,005</u>	<u>-</u>	<u>6,005</u>
Total Uniform Construction Code		<u>298,568</u>	<u>298,568</u>	<u>37,932</u>	<u>260,636</u>
Detail:					
Salaries and Wages		26,670	26,670	26,670	-
Other Expenses		<u>271,898</u>	<u>271,898</u>	<u>11,262</u>	<u>260,636</u>
UNCLASSIFIED					
Retirement Benefits		7,773	7,773	7,773	-
Gasoline		54,283	49,283	-	49,283
Telephone		41,689	41,689	14,806	26,883
Electricity		4,684	104,684	102,597	2,087
Water		21,329	21,329	7,261	14,068
Natural Gas		259,449	68,449	24,694	43,755
Street Lighting		293,501	293,501	-	293,501
Sewer		22,490	22,490	-	22,490
Fire Hydrants		13,641	13,641	-	13,641
Printing-All Departments		51,605	51,605	51,505	100
Photocopying		515	515	-	515
Fleet Maintenance & Repairs					
Other Expenses		510	510	(1,408)	1,918
Total Unclassified		<u>771,469</u>	<u>675,469</u>	<u>207,228</u>	<u>468,241</u>
Detail:					
Salaries and Wages		-	-	-	-
Other Expenses		<u>771,469</u>	<u>675,469</u>	<u>207,228</u>	<u>468,241</u>
TOTAL OPERATIONS WITHIN "CAPS"		<u>2,206,314</u>	<u>2,206,314</u>	<u>1,125,363</u>	<u>1,080,951</u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF APPROPRIATION RESERVES

Expenditures	Ref.	Balance June 30, 2011	Balance After Transfers	Paid or Charged	Balance Lapsed
STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures - Contributions to:					
Social Security System (O.A.S.I.)		\$ 11,300	\$ 11,300	\$ -	\$ 11,300
Total Statutory Expenditures - Municipal Within "CAPS"		<u>11,300</u>	<u>11,300</u>	<u>-</u>	<u>11,300</u>
Total General Appropriations for Municipal Purposes Within "CAPS"		<u>2,217,614</u>	<u>2,217,614</u>	<u>1,125,363</u>	<u>1,092,251</u>
OTHER OPERATIONS EXCLUDED FROM "CAPS"					
Employee Group Health		58,238	58,238	58,238	-
Contribution to North Hudson Fire & Rescue Joint Meeting		<u>5,231,865</u>	<u>5,231,865</u>	<u>5,231,865</u>	<u>-</u>
Total Other Operations Excluded from "CAPS"		<u>5,290,103</u>	<u>5,290,103</u>	<u>5,290,103</u>	<u>-</u>
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Union City Board of Education					
Solid Waste Removal		360,000	360,000	360,000	-
Gasoline		<u>5,099</u>	<u>5,099</u>	<u>-</u>	<u>5,099</u>
Total Interlocal Municipal Service Agreements		<u>365,099</u>	<u>365,099</u>	<u>360,000</u>	<u>5,099</u>
Total General Appropriations Excluded from "CAPS"		<u>5,655,202</u>	<u>5,655,202</u>	<u>5,650,103</u>	<u>5,099</u>
Detail:					
Other Expenses		<u>5,655,202</u>	<u>5,655,202</u>	<u>5,650,103</u>	<u>5,099</u>
TOTAL GENERAL APPROPRIATIONS		<u>\$ 7,872,816</u>	<u>\$ 7,872,816</u>	<u>\$ 6,775,466</u>	<u>\$ 1,097,350</u>
	<u>Ref.</u>	A		A-4	A-1
Cash Disbursements	A-4			\$ 6,328,857	
Accounts Payable	A-21			<u>446,609</u>	
	Above			<u>\$ 6,775,466</u>	

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF OTHER INTERGOVERNMENTAL LIABILITIES

	<u>Balance June 30, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2011</u>
Due to:				
North Hudson Sewerage Authority	\$ 727,345	\$ -	\$ 692,341	35,004
NJ Construction Code Fees	3,551	25,296	29,639	(792)
Parking Authority	<u>430</u>	<u>296,694</u>	<u>273,053</u>	<u>24,071</u>
	<u>\$ 731,326</u>	<u>\$ 321,990</u>	<u>\$ 995,033</u>	<u>58,283</u>
<u>Ref.</u>	A	A-4	A-4	A

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF OTHER RESERVES

	Balance June 30, 2010	Increase by	Decrease by	Balance June 30, 2011
Liquor License Retirement and Escrow	\$ 47,180	\$ 14,600	\$ 30,000	\$ 31,780
Library Bills	1,699,470	-	78,030	1,621,440
Outside Lien Holder	2,022	-	-	2,022
Demolition	17,140	-	-	17,140
COAH Security Deposit	34,689	-	-	34,689
Supplmental Gross Franchise Receipts	-	90,293	-	90,293
Legal Settlement	-	660,000	-	660,000
City Match for Grant	-	750,000	-	750,000
	<u>\$ 1,800,501</u>	<u>\$ 1,514,893</u>	<u>\$ 108,030</u>	<u>\$ 3,207,364</u>
	Ref. A	Below	Below	A
Cash Receipts	A-4	\$ 104,893	\$ -	
Cash Disbursements	A-4	-	108,030	
Deferred Charges	A-23	<u>1,410,000</u>	<u>-</u>	
	Above	<u>\$ 1,514,893</u>	<u>\$ 108,030</u>	

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF PREPAID TAXES

	Ref.	
Balance, June 30, 2010	A	\$ 175,438
Increased by:		
Cash Collections	A-6	123,595
		299,033
Decreased by:		
Applied to 2010 Taxes	A-7	175,438
		175,438
Balance, June 30, 2011	A	\$ 123,595

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Balance, June 30, 2010	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>10,793,046</u>
Balance, June 30, 2011	A	<u><u>\$ 7,709,318</u></u>

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>		
Balance, June 30, 2010	A		\$ -
Increased by:			
County Taxes	A-7	\$ 15,576,328	
Added Taxes	A-7	<u>156,793</u>	
	A-1, A-2		15,733,121
Decreased by:			
Cash Disbursements	A-4		<u>15,733,121</u>
Balance, June 30, 2011	A		<u><u>\$ -</u></u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>		
Balance, June 30, 2010	A		\$ 951,331
Increased by:			
Charges to 2011 Appropriations	A-3	\$ 830,132	
Charges to Appropriation Reserves	A-15	<u>446,609</u>	
			<u>1,276,741</u>
			2,228,072
Decreased by:			
Cash Disbursements	A-4		<u>951,331</u>
Balance, June 30, 2011	A		<u><u>\$ 1,276,741</u></u>

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>		
Balance, June 30, 2010	A		\$ 1,514,082
Increased by:			
Charges to 2011 Appropriations	A-3	\$ 1,355,784	
Grants Appropriated	A-26	<u>1,467,059</u>	
			<u>2,822,843</u>
			4,336,925
Decreased by:			
Cash Disbursements	A-4		<u>1,514,082</u>
Balance, June 30, 2011	A		<u><u>\$ 2,822,843</u></u>

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF DEFERRED CHARGES

	Balance June 30, 2010	Increased by:				Decrease by:			Balance June 30, 2011
		Deficit in Operations	Cash Disbursements	Other Reserves	Grants Receivable Cancelled	Cash Receipts	Budget Appropriations		
Expenditures without Appropriations:									
Capital Fund:									
Street Improvements	\$ 452,195	\$ -	\$ 215,844	\$ -	\$ -	\$ -	\$ 264,248	\$ -	\$ 403,791
Charges Prior to Improvement Authorization	-	-	2,002,742	-	-	-	-	-	2,002,742
Port Authority Project	152,960	-	-	-	-	-	152,960	-	-
Green Trust Project	1,555,958	-	-	-	-	-	1,555,958	-	-
44th and 45th Street Park Improvements	-	-	390,202	-	-	-	-	-	390,202
Overexpended Trust Fund reserves:									
CDA Trust Fund	943,826	-	359,270	-	-	-	380,722	-	922,374
Public Defender Trust Fund	4,909	-	9,441	-	-	-	-	-	14,350
Unemployment Trust Fund	101,006	-	-	-	-	-	101,006	-	-
Overexpended budget appropriation:									
Contribution to:									
Public Employee Retirement System	65,104	-	91,972	-	-	-	65,104	-	91,972
Snow Removal	-	-	300,107	-	-	161,235	-	-	138,872
Deficit in Operations	-	1,951,768	-	-	-	-	-	-	1,951,768
Cancelled Grants Receivable	-	-	-	-	1,363,419	-	-	-	1,363,419
Emergency Appropriation:									
Legal Settlement	-	-	-	660,000	-	-	-	-	660,000
City Match for Grant	-	-	-	750,000	-	-	-	-	750,000
	<u>\$ 3,275,958</u>	<u>\$ 1,951,768</u>	<u>\$ 3,369,578</u>	<u>\$ 1,410,000</u>	<u>\$ 1,363,419</u>	<u>\$ 161,235</u>	<u>\$ 2,519,998</u>	<u>\$ 8,689,490</u>	
Ref.	A	A-1	A-4	A-17	A-24	A-4	A-3	A	

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF GRANTS RECEIVABLE

	<u>Balance June 30, 2010</u>	<u>SFY 2011 Budget Revenue Realized</u>	<u>Received</u>	<u>Reprogrammed /Cancelled</u>	<u>Balance June 30, 2011</u>
STATE GRANTS					
NJ Department of Commerce and Economic Development:					
Urban Enterprise Zone:					
Litter Clean-Up Project	\$ 103,430	\$ -	\$ 53,167	\$ -	\$ 50,263
Litter Clean-Up Project	349,903	-	159,500	-	190,403
Litter Clean-Up Project	-	235,560	-	-	235,560
Business Recruitment and Marketing	45,327	-	-	45,327	-
Business Recruitment and Marketing	105,977	-	-	105,977	-
Business Recruitment and Marketing	327,120	-	282,462	-	44,658
Business Recruitment and Marketing	367,644	-	37,085	-	330,559
Business Recruitment and Marketing	-	276,044	-	-	276,044
Administration	43,304	-	28,717	-	14,587
Administration	140,396	-	111,315	-	29,081
Administration	85,000	-	69,903	-	15,097
Administration	-	148,201	-	-	148,201
Façade Improvements	65,000	-	-	65,000	-
Façade Improvements	200,000	-	-	200,000	-
Façade Improvements	78,758	-	-	78,758	-
Façade Improvements	45,955	-	-	-	45,955
Façade Improvements	235,000	-	128,039	-	106,961
Summit Avenue Cameras	23,502	-	-	23,502	-
Summit Avenue Cameras	14,583	-	-	14,583	-
Hiring of Police	133,000	-	133,000	-	-
Purchase of Four-Faced Clocks	14,581	-	-	14,581	-
Commercial District Improvement	10,640	-	-	10,640	-
Purchase of Waste Receptacles	800	-	-	800	-
Purchase of Waste Receptacles	39,000	-	38,955	45	-
Painting of Decorative Lamps & Parking Meters	2,500	-	-	2,500	-
Purchase of two four-wheel drive trucks	(33,367)	-	-	(33,367)	-
Police Bicycles	248	-	-	248	-
Purchase of Benches	4,816	-	-	4,816	-
Purchase of Gumbusters	49,216	-	32,299	-	16,917
NJ Department of Community Affairs:					
Neighborhood Preservation -					
Balanced Housing Neighborhood	31,814	-	-	31,814	-
NJ Department of Health and Human Services:					
Passed through Town of North Bergen:					
Public Health Priority Funding	59,871	-	-	59,871	-
Public Health Priority Funding	1,934	-	-	1,934	-
Public Health Priority Funding	31,023	-	-	-	31,023
Public Health Priority Funding	-	62,046	54,171	-	7,875
NJ Department of Law and Public Safety:					
Body Armor Fund					
Body Armor Fund	4,828	-	-	-	4,828
Body Armor Fund	-	17,404	12,958	-	4,446
Emergency Management Assistance	5,000	-	-	5,000	-
NJ Division of Highway Traffic Safety:					
Pedestrian School Safety	65,040	-	-	65,040	-
Pedestrian School Safety	139	-	-	139	-
Pedestrian School Safety	18,000	-	-	-	18,000
Pedestrian School Safety	-	17,000	4,750	-	12,250
NJ Department of Environmental Protection:					
Clean Communities					
Clean Communities	(17,422)	-	-	-	(17,422)
Statewide Livable Communities Aid -					
Municipal owned Historic Buildings					
Bergenline Ave	50,000	-	-	-	50,000
Capital Improvements	190,000	-	-	190,000	-
Local Library Program	190,000	-	-	190,000	-
Local Library Program	70,000	-	-	70,000	-
Local Library Program	70,000	-	-	70,000	-
Municipal Stormwater Regulation Program	5,155	-	-	-	5,155
Recycling Tonnage	-	27,909	27,909	-	-
Green Acres Trust:					
Doric Park (Firemen's Memorial Park)	-	600,000	-	-	600,000
NJ Administrative Office of the Courts:					
Alcoholic Education	-	3,167	3,167	-	-

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF GRANTS RECEIVABLE

	<u>Balance June 30, 2010</u>	<u>SFY 2011 Budget Revenue Realized</u>	<u>Received</u>	<u>Reprogrammed /Cancelled</u>	<u>Balance June 30, 2011</u>
STATE GRANTS (Continued)					
NJ Department of Treasury:					
NJ Division of Motor Vehicles:					
Drunk Driving Enforcement Fund	\$ -	\$ 19,961	\$ 19,961	\$ -	\$ -
Passed through County of Hudson:					
Municipal Alliance on Alcoholism and Drug Abuse 07	2,085	-	-	2,085	-
Municipal Alliance on Alcoholism and Drug Abuse 08	10,188	-	-	10,188	-
Municipal Alliance on Alcoholism and Drug Abuse 09	(2,867)	-	-	(2,867)	-
Municipal Alliance on Alcoholism and Drug Abuse 10	43,594	-	30,512	-	13,082
Municipal Alliance on Alcoholism and Drug Abuse 11	-	68,772	29,753	-	39,019
PORT AUTHORITY OF NEW YORK AND NEW JERSEY GRANTS					
Various Street Improvements	-	500,000	-	-	500,000
COUNTY OF HUDSON GRANTS					
Open Space Trust Fund:					
Washington Park Soccer Field	25,000	-	-	-	25,000
Michael Leggerio Park (Formerly 38th Street Amphitheater)	325,000	-	-	-	325,000
15th Street Library Glass	35,000	-	-	-	35,000
Unidentified	450,000	-	-	450,000	-
Doric Park (Firemen's Memorial Park)	-	350,000	350,000	-	-
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	76,608	-	2,531	-	74,077
Summer Food Program	-	139,932	126,491	-	13,441
Passed through State of NJ Department of Environmental Protection:					
Green Communities	2,000	-	-	2,000	-
Green Communities	-	3,000	3,000	-	-
U.S. Department of Health and Human Services:					
Strengthening Union City Families	-	1,379,660	75,000	-	1,304,660
U.S. Department of Labor:					
Summer Youth Program	223,247	-	-	-	223,247
U.S. Department of Justice:					
Passed through State of NJ Department of Law and Public Safety:					
Local Law Enforcement Block Grant	91,800	-	-	91,800	-
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	-	-	152,841
Law Enforcement Technology	-	350,000	-	-	350,000
Law Technology Project	-	300,000	-	-	300,000
ARRA - Hiring Recovery Program	2,209,264	-	624,266	-	1,584,998
COPS in Schools	250,000	-	-	-	250,000
Making Officer Redeployment Effective	1,617	-	-	1,617	-
Passed through State of NJ Department of Law and Public Safety:					
Passed through County of Hudson:					
Byrne Justice Assistance Program	12,394	-	-	-	12,394
Byrne Justice Assistance Program	59,939	-	-	-	59,939
Byrne Justice Assistance Program	-	58,002	9,720	-	48,282
ARRA - Edward Byrne Memorial Justice Recovery Act	247,159	-	17,724	-	229,435
U.S. Department of Homeland Security:					
WTC Attack - Police Salary & Wages	23,693	-	-	23,693	-
WTC Attack - Non-Uniform Personnel	17,695	-	-	17,695	-
U.S. Department of Housing and Urban Development:					
Passed through County of Hudson:					
Community Development Block Grant -					
Washington Park Soccer Field	75,000	-	-	-	75,000
Michael Leggerio Park (Formerly 38th Street Amphitheater)	325,000	-	-	-	325,000

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF GRANTS RECEIVABLE

	<u>Balance June 30, 2010</u>	<u>SFY 2011 Budget Revenue Realized</u>	<u>Received</u>	<u>Reprogrammed /Cancelled</u>	<u>Balance June 30, 2011</u>	
FEDERAL GRANTS (Continued)						
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	863,361	-	210,958	-	652,403	
Passed through State of NJ Department of Law and Public Safety:						
Click It or Ticket	-	4,000	4,000	-	-	
Over the Limit Under Arrest	-	5,000	2,800	-	2,200	
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	-	-	-	391,701	
Signal Improvement Project	1,000,000	-	56,872	-	943,128	
U.S. Department of Energy:						
ARRA - Energy Efficiency & Conservation Block Grant	521,600	-	-	-	521,600	
Total Grants	<u>\$ 11,109,068</u>	<u>\$ 5,126,299</u>	<u>\$ 2,740,985</u>	<u>\$ 1,813,419</u>	<u>\$ 11,680,963</u>	
	<u>Ref.</u>	<u>A</u>	<u>A-2</u>	<u>Below</u>	<u>Below</u>	<u>A</u>
Cancelled to Operations	A-1			\$ -	\$ 450,000	
Cash Receipts	A-4			2,689,948	-	
Cancelled to Deferred Charges	A-23			-	1,363,419	
Grants Unappropriated	A-25			51,037	-	
	Above			<u>\$ 2,740,985</u>	<u>\$ 1,813,419</u>	

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	<u>Balance June 30, 2010</u>	<u>Transferred to Budget</u>	<u>Received</u>	<u>Balance June 30, 2011</u>
STATE GRANTS:				
NJ Department of Commerce & Economic Development:				
Urban Enterprise Zone - Letter Cleanup	\$ 72,250	\$ -	\$ -	\$ 72,250
NJ Administrative Office of the Courts:				
Alcohol Education	3,167	3,167	3,020	3,020
NJ Department of Environmental Protection:				
Recycling Tonnage Grant	27,909	27,909	84,679	84,679
Municipality Road Mileage	-	-	68,206	68,206
NJ Department of Law and Public Safety:				
Crime Victim Compensation	-	-	422	422
NJ Division of Highway Traffic Safety:				
Highway Traffic Safety	5,000	-	-	5,000
NJ Department of Treasury:				
Division of Motor Vehicles:				
Drunk Driving Enforcement Fund	19,961	19,961	17,144	17,144
FEDERAL GRANTS:				
U.S. Department of Justice:				
Passed through State of NJ Department of Law and Public Safety:				
TASE Grant	2,400	-	-	2,400
Crime Victim Compensation	-	-	500	500
U.S. Department of Transportation:				
Passed through State of NJ Department of Law and Public Safety:				
Passed through Division of Highway Traffic Safety:				
Pedestrian Safety Study	-	-	14,847	14,847
	<u>\$ 130,687</u>	<u>\$ 51,037</u>	<u>\$ 188,818</u>	<u>\$ 268,468</u>
<u>Ref.</u>	A	A-24	A-4	A

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	Year	Balance June 30, 2010	Transferred from 2011 Budget Appropriations			Reprogrammed /Cancelled	June 30, 2011
			City Match	Budget	Expended		
STATE GRANTS							
NJ Department of Commerce and Economic Development:							
Urban Enterprise Zone:							
Litter Clean-Up Project	2003 - 2004	\$ 21,831	\$ -	\$ -	\$ -	\$ 21,831	\$ -
Litter Clean-Up Project	2005 - 2006	720	-	-	-	720	-
Litter Clean-Up Project	2007 - 2008	41,127	-	-	-	41,127	-
Litter Clean-Up Project	2009 - 2010	30,903	-	-	26,583	4,320	-
Litter Clean-Up Project	2010 - 2011	-	-	235,560	235,560	-	-
Business Recruitment and Marketing	2005 - 2006	62,245	-	-	-	62,245	-
Business Recruitment and Marketing	2006 - 2007	1,590	-	-	-	1,590	-
Business Recruitment and Marketing	2007 - 2008	1,516	-	-	-	1,516	-
Business Recruitment and Marketing	2008 - 2009	95,232	-	-	63,609	1,984	29,639
Business Recruitment and Marketing	2010 - 2011	-	-	276,044	55,680	-	220,364
Administration - City Match	2003 - 2004	49,549	-	-	-	49,549	-
Administration	2004 - 2005	10,696	-	-	-	10,696	-
Administration - City Match	2004 - 2005	10,132	-	-	-	10,132	-
Administration	2006 - 2007	18,355	-	-	-	18,355	-
Administration	2007 - 2008	43,252	-	-	-	43,252	-
Administration	2008 - 2009	16,500	-	-	-	16,500	-
Administration - City Match	2008 - 2009	55,737	-	-	-	55,737	-
Administration	2009 - 2010	3,184	-	-	3,155	29	-
Administration - City Match	2009 - 2010	7,865	-	-	-	7,865	-
Administration	2010 - 2011	-	-	148,201	131,403	-	16,798
Administration - City Match	2010 - 2011	-	36,000	-	24,000	-	12,000
Façade Improvements	2002 - 2003	22,353	-	-	-	22,353	-
Façade Improvements	2005 - 2006	45,955	-	-	19,500	26,455	-
Façade Improvement IV	2007 - 2008	164,595	-	-	-	164,595	-
Master Plan	2004 - 2005	15,522	-	-	-	15,522	-
Commercial District Improvements Phase I	2007 - 2008	10,640	-	-	-	10,640	-
Commercial District Improvements Phase II	2007 - 2008	59	-	-	-	59	-
Summit Avenue Cameras	2002 - 2003	5,594	-	-	(746)	6,340	-
Summit Avenue Cameras - City Match	2002 - 2003	46,129	-	-	-	46,129	-
Four-Faced Clocks	2005 - 2006	14,350	-	-	-	14,350	-
Four-Faced Clocks	2006 - 2007	18,770	-	-	-	18,770	-
Purchase of two four-wheel drive maint. Trucks	2007 - 2008	1,370	-	-	-	1,370	-
Purchase of Waste Receptacles	2007 - 2008	800	-	-	-	800	-
Purchase of Waste Receptacles	2009 - 2010	45	-	-	-	45	-
Painting of Decorative Lamps & Parking Meters	2007 - 2008	2,500	-	-	-	2,500	-
Purchase of Gumbusters	2008 - 2009	7,907	-	-	-	-	7,907
NJ Department of Health and Human Services:							
Pandemic Influenza Preparedness	2006 - 2007	6,038	-	-	-	6,038	-
Passed through Township of North Bergen:							
Public Health Priority Funding	2002 - 2003	2,340	-	-	-	2,340	-
Public Health Priority Funding	2004 - 2005	62,046	-	-	11,136	50,640	270
Public Health Priority Funding	2010 - 2011	-	-	62,046	62,046	-	-
NJ Department of Law and Public Safety:							
Statewide Domestic Preparedness	2002 - 2003	14,928	-	-	-	14,928	-
Statewide Domestic Preparedness	2003 - 2004	90	-	-	-	90	-
Body Armor Fund	2002 - 2003	281	-	-	-	281	-
Body Armor Fund	2003 - 2004	78	-	-	-	78	-
Body Armor Fund	2007 - 2008	212	-	-	-	212	-
Body Armor Fund	2009 - 2010	497	-	-	-	-	497
Body Armor Fund	2010 - 2011	-	-	17,404	17,160	-	244
Safe and Secure Communities Program	2007 - 2008	36,491	-	-	36,491	-	-
Emergency Management Assistance Reserve	2004 - 2005	11,000	-	-	-	11,000	-
NJ Division of Highway Traffic Safety:							
Pedestrian Safety Education and Enforcement Grant	2005 - 2006	299	-	-	299	-	-
Pedestrian School Safety	2006 - 2007	14	-	-	14	-	-
Pedestrian School Safety	2007 - 2008	39,796	-	-	39,796	-	-
Pedestrian School Safety	2009 - 2010	107	-	-	104	3	-
Pedestrian School Safety	2010 - 2011	-	-	17,000	17,000	-	-
NJ Department of Environmental Protection:							
Clean Communities	2003 - 2004	23,938	-	-	23,938	-	-
Clean Communities	2004 - 2005	67,892	-	-	67,892	-	-
Clean Communities	2005 - 2006	27,982	-	-	-	27,982	-
Clean Communities	2006 - 2007	39,785	-	-	-	39,785	-
Clean Communities Challenge Grant	2007 - 2008	45,483	-	-	-	45,483	-
Clean Communities Challenge Grant	2008 - 2009	38,043	-	-	-	-	38,043
Clean Communities Challenge Grant	2009 - 2010	67,636	-	-	20,840	-	46,796
Statewide Livable Communities:							
Local Library Program	2004 - 2005	26,910	-	-	-	26,910	-
Historic Buildings	2004 - 2005	50,000	-	-	-	-	50,000
Special Legal Counsel		-	-	-	-	-	-
Municipal Stormwater Regulation Program	2004 - 2005	20,619	-	-	-	20,619	-
Recycling Tonnage	2006 - 2007	8,547	-	-	-	8,547	-
Recycling Tonnage	2010 - 2011	-	-	27,909	-	-	27,909

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	Year	Balance June 30, 2010	Transferred from 2011 Budget Appropriations			Reprogrammed /Cancelled	June 30, 2011
			City Match	Budget	Expended		
STATE GRANTS (Continued)							
NJ Administrative Office of the Courts:							
Alcoholic Education	Prior	\$ 4,108	\$ -	\$ -	\$ -	\$ 4,108	\$ -
Alcoholic Education	1995 - 1996	11,699	-	-	-	11,699	-
Alcoholic Education	1996 - 1997	5,886	-	-	-	5,886	-
Alcoholic Education	1997 - 1998	1,381	-	-	-	1,381	-
Alcoholic Education	1998 - 1999	658	-	-	-	658	-
Alcoholic Education	1999 - 2000	7,256	-	-	-	7,256	-
Alcoholic Education	2001 - 2002	3,650	-	-	-	3,650	-
Alcoholic Education	2006 - 2007	655	-	-	-	655	-
Alcoholic Education	2007 - 2008	380	-	-	-	380	-
Alcoholic Education	2010 - 2011	-	-	3,167	-	-	3,167
NJ Department of Treasury:							
NJ Division of Motor Vehicles:							
Drunk Driving Enforcement Fund	2005 - 2006	20	-	-	-	20	-
Drunk Driving Enforcement Fund	2009 - 2010	10,378	-	-	554	-	9,824
Drunk Driving Enforcement Fund	2010 - 2011	-	-	19,961	13,200	-	6,761
Passed through County of Hudson:							
Municipal Alliance to Prevent Alcoholism and Drug Abuse - City Match	2003	916	-	-	-	916	-
Municipal Alliance to Prevent Alcoholism and Drug Abuse - City Match	2004	1,303	-	-	-	1,303	-
Municipal Alliance to Prevent Alcoholism and Drug Abuse	2005	2,248	-	-	515	1,733	-
Municipal Alliance to Prevent Alcoholism and Drug Abuse	2008	11,531	-	-	-	11,531	-
Municipal Alliance to Prevent Alcoholism and Drug Abuse	2009	2,818	-	-	-	2,818	-
Municipal Alliance to Prevent Alcoholism and Drug Abuse - City Match	2009	492	-	-	-	492	-
Municipal Alliance to Prevent Alcoholism and Drug Abuse	2010	36,908	-	-	21,303	15,605	-
Municipal Alliance to Prevent Alcoholism and Drug Abuse - City Match	2010	5,557	-	-	5,557	-	-
Municipal Alliance to Prevent Alcoholism and Drug Abuse	2011	-	-	68,772	39,821	-	28,951
Municipal Alliance to Prevent Alcoholism and Drug Abuse - City Match	2011	-	22,193	-	19,594	-	2,599
Total State Grants		<u>1,525,919</u>	<u>58,193</u>	<u>876,064</u>	<u>956,004</u>	<u>1,002,403</u>	<u>501,769</u>
COUNTY OF HUDSON GRANTS							
Open Space Trust Fund							
Washington Park Soccer Field	2007	16,353	-	-	16,353	-	-
15th St Library	2008	35,000	-	-	-	-	35,000
Unidentified	2010	390,000	-	-	(60,000)	450,000	-
		<u>441,353</u>	<u>-</u>	<u>-</u>	<u>(43,647)</u>	<u>450,000</u>	<u>35,000</u>
PORT AUTHORITY OF NEW YORK AND NEW JERSEY GRANT							
Various Street Improvements							
	2011	-	-	347,040	339,798	-	7,242
FEDERAL GRANTS							
U.S. Department of Agriculture:							
Passed through NJ Department of Agriculture:							
Summer Food Program	2002 - 2003	19,529	-	-	-	19,529	-
Summer Food Program	2003 - 2004	8,228	-	-	-	8,228	-
Summer Food Program	2004 - 2005	5,879	-	-	-	5,879	-
Summer Food Program	2005 - 2006	84,356	-	-	-	84,356	-
Summer Food Program	2005 - 2006	90,137	-	-	-	90,137	-
Summer Food Program	2007 - 2008	7,221	-	-	-	7,221	-
Summer Food Program	2009 - 2010	54,400	-	-	-	54,400	-
Summer Food Program	2010 - 2011	-	-	139,932	103,970	-	35,962
Passed through NJ Department of Environmental Protection:							
Green Communities	2005 - 2006	2,000	-	-	-	2,000	-
Green Communities	2010 - 2011	-	-	3,000	3,000	-	-
U.S. Department of Health and Human Services:							
Domestic Violence Grant	2002 - 2003	2,250	-	-	-	2,250	-
Domestic Violence Grant - City Match	2002 - 2003	637	-	-	-	637	-
Community Resources Recreation - Reserve		2,818	-	-	-	2,818	-
Strengthening Union City Families	2010 - 2011	-	-	1,379,660	1,355,435	-	24,225
U.S. Department of Labor:							
Summer Youth Program	2008 - 2009	139,609	-	-	68,522	71,087	-
U.S. Department of Justice:							
Passed through State of NJ Department of Law and Public Safety:							
Local Law Enforcement Block Grant	Prior	123,270	-	-	-	123,270	-
Local Law Enforcement Block Grant - City Match	2004 - 2005	2,799	-	-	-	2,799	-
Bulletproof Vest Partnership Program	2010 - 2011	-	-	7,800	7,800	-	-

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	Year	Balance June 30, 2010	Transferred from 2011 Budget Appropriations			Reprogrammed /Cancelled	June 30, 2011
			City Match	Budget	Expended		
Community Oriented Policing Services (COPS):							
Secure Our Schools	2008 - 2009	\$ 135,194	\$ -	\$ -	\$ 103,228	\$ -	\$ 31,966
Secure Our Schools - City Match	2008 - 2009	135,194	-	-	-	135,194	-
Secure Our Schools	2010 - 2011	-	-	152,841	-	-	152,841
Law Enforcement Technology	2010 - 2011	-	-	350,000	14,021	-	335,979
Law Technology Project	2010 - 2011	-	-	300,000	-	-	300,000
ARRA - Hiring Recovery Program	2009 - 2010	2,082,844	-	-	506,757	-	1,576,087
Universal Hiring Supplemental	1998 - 1999	125,000	-	-	-	125,000	-
Universal Hiring Supplemental - City Match	1998 - 1999	71,832	-	-	-	71,832	-
Universal Hiring Supplemental	1998 - 1999	87,980	-	-	-	87,980	-
Universal Hiring Supplemental - City Match	1998 - 1999	113,679	-	-	-	113,679	-
Universal Hiring	2006 - 2007	164,506	-	-	164,506	-	-
School Based Partners	1998 - 1999	26,053	-	-	-	26,053	-
COPS in Schools	1999 - 2000	41,502	-	-	-	41,502	-
COPS in Schools	2009 - 2010	161,373	-	-	161,373	-	-
Making Officer Redeployment Effective		54,781	-	-	-	54,781	-
Making Officer Redeployment Effective - City Match	2002 - 2003	2,007	-	-	-	2,007	-
Making Officer Redeployment Effective	2002 - 2003	835	-	-	-	835	-
Passed through State of NJ Department of Law and Public Safety:							
Passed through County of Hudson:							
Byrne Justice Assistance Grant	2010	55,239	-	-	(870)	-	56,109
Byrne Justice Assistance Grant	2011	-	-	58,002	50,244	-	7,758
ARRA - Edward Byrne Memorial Justice Assistance Grant	2009 - 2010	247,159	-	-	11,666	-	235,493
U.S. Department of Transportation:							
Passed through NJ Department of Transportation:							
Highway Planning and Construction -							
Local Municipal Aid -							
Hillside Terrace	1998 - 1999	22,446	-	-	-	22,446	-
Various	1999 - 2000	6,043	-	-	-	6,043	-
18th Street & Palisade Ave	2000 - 2001	12,088	-	-	-	12,088	-
17th Street	2001 - 2002	8,221	-	-	-	8,221	-
49th Street	2001 - 2002	3,382	-	-	-	3,382	-
48th Street	2001 - 2002	6,209	-	-	-	6,209	-
Bergenline Avenue - Section 1	2002 - 2003	36	-	-	-	36	-
Metropolitan Planning Organization -							
12th Street	2006 - 2007	2,034	-	-	-	-	2,034
Various Streets	2008 - 2009	8,151	-	-	-	-	8,151
Central Avenue	2008 - 2009	21,726	-	-	21,450	-	276
Various Streets	2009 - 2010	325,996	-	-	301,233	-	24,763
Signal Improvement Project	2009 - 2010	1,000,000	-	-	743,312	-	256,688
Passed through State of NJ Department of Law and Public Safety:							
Click-it or Ticket	2010 - 2011	-	-	4,000	3,600	-	400
Over the Limit Under Arrest	2010 - 2011	-	-	5,000	2,800	-	2,200
U.S. Department of Energy:							
ARRA - Energy Efficiency & Conservation Block Grant	2009 - 2010	513,318	-	-	17,943	-	495,375
Total Federal Grants		<u>5,977,961</u>	<u>-</u>	<u>2,400,235</u>	<u>3,639,990</u>	<u>1,191,899</u>	<u>3,546,307</u>
UNALLOCATED APPROPRIATIONS							
Unallocated Appropriations	Various	(2,792,147)	-	-	-	(2,792,147)	-
Total		<u>\$ 5,153,086</u>	<u>\$ 58,193</u>	<u>\$ 3,623,339</u>	<u>\$ 4,892,145</u>	<u>\$ (147,845)</u>	<u>4,090,318</u>
	Ref.	A	A-3	A-3	Below	A-1	A
Cash Disbursements	A-4				\$ 3,425,086		
Reserve for Encumbrances	A-22				<u>1,467,059</u>		
	Above				<u>\$ 4,892,145</u>		

**THE CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF RESERVE FOR NEIGHBORHOOD HOUSING

	<u>Ref.</u>	
Balance, June 30, 2010	A	<u>\$ 1,824</u>
Balance, June 30, 2011	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, 2011**

SCHEDULE OF CASH AND CASH EQUIVALENTS - DOG LICENSE FUND

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ 27,105
Increased by:			
Sale of Dog Licenses - State	B-2	\$ 1,367	
Sale of Dog Licenses - City	B-3	2,290	
Due from Current Fund	B-4	<u>1,000</u>	
			<u>4,657</u>
			31,762
Decreased by:			
Due to Current Fund	B-4		<u>12,541</u>
Balance, June 30, 2011	B		<u>\$ 19,221</u>

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

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ 3,265
Increased by:			
State Fees Collected:			
Cash Receipts	B-1		<u>1,367</u>
			4,632
Decreased by:			
Transmitted to State - by Current Fund	B-4		<u>1,029</u>
Balance, June 30, 2011	B		<u>\$ 3,603</u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF RESERVE FOR DOG LICENSE FUND EXPENDITURES

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ 5,583
Increased by:			
Cash Receipts	B-1	\$ 2,290	
Fees Received in Current Fund	B-4	<u>886</u>	
			<u>3,176</u>
			8,759
Decreased by:			
Statutory Excess	B-4		<u>1,950</u>
Balance, June 30, 2011	B		<u><u>\$ 6,809</u></u>

LICENSE FEES COLLECTED

	2009	\$ 3,080	
	2010	<u>3,729</u>	
		<u><u>\$ 6,809</u></u>	

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF DUE TO CURRENT FUND - DOG LICENSE FUND

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ 17,736
Increased by:			
Cash Receipts	B-1	\$ 1,000	
Transmitted to State	B-2	1,029	
Statutory Excess	B-3	1,950	
Accounts Payable	B-5	<u>521</u>	
			<u>4,500</u>
			22,236
Decreased by:			
Cash Disbursements	B-1	12,541	
Reserve for Expenditures	B-3	<u>886</u>	
			<u>13,427</u>
Balance, June 30, 2011	B		<u><u>\$ 8,809</u></u>

SCHEDULE OF ACCOUNTS PAYABLE - DOG LICENSE FUND

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ 521
Decreased by:			
Due to Current Fund	B-4		<u>521</u>
Balance, June 30, 2011	B		<u><u>\$ -</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF CASH AND CASH EQUIVALENTS - UNEMPLOYMENT TRUST FUND

	<u>Ref.</u>	
Balance, June 30, 2010	B	\$ 32,286
Decreased by Cash Receipts:		
Due from Current Fund	B-8	24,913
		<u>57,199</u>
Decreased by Cash Disbursements:		
Due to Current Fund	B-8	54,663
		<u>54,663</u>
Balance, June 30, 2011	B	<u><u>\$ 2,536</u></u>

SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST FUND

	<u>Ref.</u>	
Balance, June 30, 2010	B	\$ -
Increased by:		
Received in Other Trust Fund	B-9	\$ 4,893
Current Fund Budget Appropriation	B-8	55,000
Received in Current Fund	B-8	10,793
		<u>70,686</u>
		70,686
Decreased by:		
Expenditures Paid by Current Fund	B-8	27,800
		<u>27,800</u>
Balance, June 30, 2011	B	<u><u>\$ 42,886</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**SCHEDULE OF DUE TO/(DUE FROM) CURRENT FUND -
UNEMPLOYMENT TRUST FUND**

	<u>Ref.</u>		
Balance, June 30, 2010 Due to	B		\$ 54,664
Increased by:			
Cash Receipts	B-6	\$ 24,913	
Reserve for Expenditures	B-7	<u>27,800</u>	
			<u>52,713</u>
			107,377
Decreased by:			
Cash Disbursements	B-6	54,663	
Current Fund Budget Appropriation	B-7	55,000	
Reserve for Expenditures	B-7	<u>10,793</u>	
			<u>120,456</u>
Balance, June 30, 2011 (Due from)	B		<u><u>\$ 13,079</u></u>

SCHEDULE OF DUE FROM OTHER TRUST FUND - UNEMPLOYMENT TRUST FUND

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ 22,378
Increased by:			
Received in Other Trust Fund	B-6		<u>4,893</u>
Balance, June 30, 2011	B		<u><u>\$ 27,271</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF CASH AND CASH EQUIVALENTS - OTHER TRUST FUND

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ 3,428,942
Increased by Cash Receipts:			
Due to Unemployment Trust Fund	B-12	\$ 4,893	
Reserve for Other Trust Fund Activity	B-13	<u>10,467,405</u>	
			<u>10,472,298</u>
			13,901,240
Decreased by Cash Disbursements:			
Due to Current Fund	B-11	4,346,360	
Reserve for Other Trust Fund Activity	B-13	6,309,861	
Accounts Payable	B-14	<u>267,926</u>	
			<u>10,924,147</u>
Balance, June 30, 2011	B		<u><u>\$ 2,977,093</u></u>

SCHEDULE OF DUE FROM CURRENT FUND - OTHER TRUST FUND

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ -
Increased by:			
Cash Disbursements	B-10	\$ 4,346,360	
Reserve for Other Trust Fund Activity	B-13	<u>21,664</u>	
			<u>4,368,024</u>
			4,368,024
Decreased by:			
Reserve for Other Trust Fund Activity	B-13		<u>3,485,915</u>
Balance, June 30, 2011	B		<u><u>\$ 882,109</u></u>

THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

SCHEDULE OF DUE TO UNEMPLOYMENT TRUST FUND - OTHER TRUST FUND

	<u>Ref.</u>	
Balance, June 30, 2010	B	\$ 22,378
Increased by:		
Cash Receipts	B-10	<u>4,893</u>
Balance, June 30, 2011	B	<u><u>\$ 27,271</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF RESERVE FOR OTHER TRUST FUND ACTIVITY

	Balance June 30, 2010	Increase	Decrease	Balance June 30, 2011
Accumulated Absences Trust	\$ 37,496	\$ -	\$ -	\$ 37,496
Ambulance Donations	1,937	-	-	1,937
Bankruptcy for Tax Collector	257	-	-	257
Battered Wives	4,982	11,172	8,025	8,129
Cablevision Bond	25,000	-	-	25,000
COAH	74,660	8,096	53,301	29,455
Court Bails	2,794	1,953	2,500	2,247
Cultural Center Donations	985	185	-	1,170
DARE Donations	1	-	-	1
DEA	5,991	126,885	18,642	114,234
Developer's Escrow	69,159	1,121	33,384	36,896
Disposal of Forfeited Property	186,166	47,582	79,270	154,478
Earth Day	44	-	-	44
Fire Victims Fund	3,836	13,635	8,575	8,896
Hardship Fees - Rent Control	624	-	-	624
Insurance Proceeds	41,222	73,837	36,410	78,649
Meeting of the Cities	-	5,813	-	5,813
Outside Lien Holders - New	129,257	6,281,423	6,099,368	311,312
Outside Lien Holders - Old	2,148	-	2,021	127
P.O.A.A	863	79,376	79,753	486
Police Details	179,629	766,375	896,927	49,077
Premium of Tax Lien Sale	1,831,086	1,132,900	1,181,979	1,782,007
Prisoners' Property	5,980	3,972	-	9,952
Recycling Funds	68,243	18,261	63,585	22,919
Relocation Program	3,396	-	2,475	921
Reserve for EMS	82,012	856,949	550,500	388,461
Safe Haven Donations	1,160	-	-	1,160
Self Insurance Trust	368,610	744,666	663,575	449,701
Senior Citizens Bus Trips	309	-	-	309
Snow Removal Trust	57	6,868	-	6,925
Soccer Program	9,053	-	-	9,053
State Health Benefits	12,438	131,728	-	144,166
Swimming Pool	(59)	2,500	1,155	1,286
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	(11,448)	150,814	14,331	125,035
	<u>\$ 3,138,638</u>	<u>\$ 10,489,069</u>	<u>\$ 9,795,776</u>	<u>\$ 3,831,931</u>

	Ref.	B	Below	Below	B
Cash Receipts	B-9		\$ 10,467,405		
Received in Current Fund	B-11		<u>21,664</u>		
	Above		<u>\$ 10,489,069</u>		
Cash Disbursements	B-9			\$ 6,309,861	
Expenditures Paid by Current Fund	B-11			<u>3,485,915</u>	
	Above			<u>\$ 9,795,776</u>	

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF ACCOUNTS PAYABLE - OTHER TRUST FUND

	<u>Ref.</u>	
Balance, June 30, 2010	B	\$ 267,926
Decreased by:		
Cash Disbursements	B-10	<u>267,926</u>
Balance, June 30, 2011	B	<u><u>\$ -</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF CASH AND CASH EQUIVALENTS - CDA FUND

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ 88,176
Increased by Cash Receipts:			
Due from HUD	B-16	\$ 2,208,501	
Reserve for Program Income	B-17	15,520	
Reserve for Expenditures	B-19	31,270	
Due to Current Fund - Advance	B-20	<u>2,567,000</u>	
			<u>4,822,291</u>
			4,910,467
Decreased by Cash Disbursements:			
Due from Current Fund	B-20		<u>4,791,660</u>
Balance, June 30, 2011	B		<u><u>\$ 118,807</u></u>

SCHEDULE OF DUE FROM HUD CDBG GRANT - CDA FUND

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ 2,525,858
Increased by:			
New Grant Authorization	B-19		<u>1,509,650</u>
			4,035,508
Decreased by:			
Cash Receipts	B-15		<u>2,208,501</u>
Balance, June 30, 2011	B		<u><u>\$ 1,827,007</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF RESERVE FOR PROGRAM INCOME - CDA FUND

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ -
Increased by:			
Cash Receipts	B-15	\$ 15,520	
Overexpended - Due to Current Fund	B-20	<u>359,270</u>	
			<u>374,790</u>
			374,790
Decreased by:			
Transfer to Reserve for Expenditures	B-19	10,684	
Expenditures Paid by Current Fund	B-20	<u>364,106</u>	
			<u>374,790</u>
			374,790
Balance, June 30, 2011	B		<u><u>\$ -</u></u>

SCHEDULE OF ACCOUNTS PAYABLE - CDA FUND

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ 10,405
Decreased by:			
Due to Current Fund	B-20		<u>10,405</u>
Balance, June 30, 2011	B		<u><u>\$ -</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ 878,243
Increased by:			
Cash Receipts	B-15	\$ 31,270	
New Grant Authorization	B-16	1,509,650	
Transfer From Program Income	B-17	10,684	
Received in Current Fund	B-20	<u>14,370</u>	
			<u>1,565,974</u>
			2,444,217
Decreased by:			
Expenditures Paid by Current Fund	B-20		<u>2,015,501</u>
Balance, June 30, 2011	B		<u><u>\$ 428,716</u></u>

SCHEDULE OF DUE TO CURRENT FUND - CDA FUND

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ 1,725,386
Increased by:			
Cash Receipts	B-15	\$ 2,567,000	
Reserve for Program Income	B-17	364,106	
Accounts Payable	B-18	10,405	
Reserve for Expenditures	B-19	<u>2,015,501</u>	
			<u>4,957,012</u>
			6,682,398
Decreased by:			
Cash Disbursements	B-15	4,791,660	
Overexpenditures	B-17	359,270	
Reserve for Expenditures	B-19	<u>14,370</u>	
			<u>5,165,300</u>
Balance, June 30, 2011	B		<u><u>\$ 1,517,098</u></u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

	<u>Ref.</u>	
Balance, June 30, 2010	B	\$ 8,887
Balance, June 30, 2011	B	\$ 8,887

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

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ -
Increased by:			
Public Defender Court Fees	B-23	\$ 15,159	
Overexpenditures	B-23	<u>9,441</u>	
			<u>24,600</u>
			24,600
Decreased by:			
Expenditures Paid by Current Fund	B-23		<u>24,600</u>
Balance, June 30, 2011	B		<u>\$ -</u>

**THE CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ 7,687
Increased by:			
Reserve for Expenditures	B-22	\$ 24,600	
Accounts Payable	B-24	<u>1,200</u>	
			<u>25,800</u>
			33,487
Decreased by:			
Public Defender Court Fees	B-22	15,159	
Overexpenditures	B-22	<u>9,441</u>	
			<u>24,600</u>
Balance, June 30, 2011	B		<u><u>\$ 8,887</u></u>

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

	<u>Ref.</u>		
Balance, June 30, 2010	B		\$ 1,200
Decreased by:			
Due to Current Fund	B-23		<u>1,200</u>
Balance, June 30, 2011	B		<u><u>\$ -</u></u>

SUPPLEMENTARY INFORMATION – GENERAL CAPITAL FUND

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF CASH AND CASH EQUIVALENTS

	<u>Ref.</u>		
Balance, June 30, 2010	C		\$ 758
Increased by Cash Receipts:			
Green Acres Loan Payable:			
17th Street Playground	C-11	\$ 70,000	
Swimming Pool Improvement (47th St.)	C-11	<u>800,000</u>	
	C-3		<u>870,000</u>
			870,758
Decreased by Cash Disbursements:			
Transferred to Current Fund	C-3, C-15		<u>869,877</u>
Balance, June 30, 2011	C		<u><u>\$ 881</u></u>

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

ANALYSIS OF CASH AND CASH EQUIVALENTS

Improvement Authorizations	Ref.	Balance		Cash		Transfers		Balance June 30, 2011
		June 30, 2010	Cash Receipts	Disbursements	To	From	June 30, 2011	
Fund Balance	C-1	\$ 72,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,269
Capital Improvement Fund	C-6	220,013	-	-	50,000	-	-	270,013
Encumbrances Payable	C-14	387,169	-	-	244,321	387,169	-	244,321
Due from Current Fund	C-15	(157,101)	-	869,877	369,583	1,335,844	-	(1,993,239)
Due from State of New Jersey:								
Green Acres	C-17	(429,834)	-	-	-	-	-	(429,834)
Green Trust	C-18	(107,777)	-	-	-	-	-	(107,777)
Reserve for General Serial Bonds	C-19	-	800,000	-	1,000,000	-	-	1,800,000
Improvement Authorizations:								
Improvement to Ellsworth Park		1,285	-	-	-	-	-	1,285
Redevelopment Agency Issue		46,935	-	-	-	-	-	46,935
Traffic Light Improvements		4,330	-	-	7,621	-	-	11,951
Various Capital Improvements		8,439	-	-	-	-	-	8,439
17th Street Park		(464,760)	70,000	-	70,000	4,859	-	(329,619)
Reconstruction of 15th St. Library into Museum and Cultural Center		98,345	-	-	-	91,731	-	6,614
Traffic Light Improvements		5,386	-	-	128,563	-	-	133,949
24th Street Park Improvements		10,193	-	-	-	10,193	-	-
Construction of New Parking Deck		174,490	-	-	-	-	-	174,490
Construction of Doric Water Park		1,008	-	-	-	-	-	1,008
Reconstruction of Roof at Jose Marti Park		29,045	-	-	-	-	-	29,045
Indian Pond Park - 33rd Street		1,323	-	-	-	-	-	1,323
38th Street and Park Avenue Amphitheatre		100,000	-	-	-	40,292	-	59,708
	Ref.	\$ 758	\$ 870,000	\$ 869,877	\$ 1,870,088	\$ 1,870,088	\$ 1,870,088	\$ 881
		C	C-2, C-11	C-2, C-13	contra	contra	contra	C

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Purpose	Balance June 30, 2010	Deferred Charges to Future Taxation Funded	Bond Anticipation Notes	Due from Current Fund	Balance June 30, 2011
Ellisworth Park Improvements	\$ 4,834	\$ -	\$ -	\$ -	\$ 4,834
17th Street Park	470,000	70,000	-	70,000	330,000
Traffic Light Improvements	772,000	-	28,000	-	744,000
24th Street Park Improvements	475,000	-	17,000	-	458,000
Construction of New Parking Deck	1,700,000	-	62,000	-	1,638,000
Construction of Doric Water Park	6,150,000	-	225,000	-	5,925,000
Construction of 39th Street Skate Park	290,000	-	11,000	-	279,000
Reconstruction of Roof at Jose Marti Park	90,000	-	3,000	-	87,000
Street Improvements - Broadway and Park Ave.	<u>2,782,000</u>	<u>-</u>	<u>101,000</u>	<u>-</u>	<u>2,681,000</u>
	<u>\$ 12,733,834</u>	<u>\$ 70,000</u>	<u>\$ 447,000</u>	<u>\$ 70,000</u>	<u>\$ 12,146,834</u>
<u>Ref.</u>	C	C-5, C-16	C-13	C-15, C-16	C

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>Ref.</u>		
Balance, June 30, 2010	C		\$ 72,156,093
Increased by:			
Deferred Charges to Future Taxation - Unfunded	C-4	\$ 70,000	
Green Acres Loan Correction	C-11	511,526	
Reserve for General Serial Bonds	C-19	<u>800,000</u>	
			<u>1,381,526</u>
			73,537,619
Decreased by:			
General Serial Bonds Payment	C-8	2,725,000	
School Serial Bonds Payment	C-9	1,900,000	
HCIA Lease Payment	C-10	348,782	
Green Acres Loan Payment	C-11	77,473	
Demolition Loan Payment	C-12	<u>15,805</u>	
			<u>5,067,060</u>
Balance, June 30, 2011	C		<u>\$ 68,470,559</u>

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, June 30, 2010	C	\$ 220,013
Increased by:		
2010 Budget Appropriation	C-15	<u>50,000</u>
Balance, June 30, 2011	C	<u><u>\$ 270,013</u></u>

THE CITY OF UNION CITY
 GENERAL CAPITAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Original Amount	Balance, June 30, 2010		2011 Authorizations	Paid or Charged	Balance, June 30, 2011	
		Funded	Unfunded			Funded	Unfunded
Addition and Renovation to City Hall	\$ 7,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Improvement to Ellsworth Park	250,000	6,119	-	-	-	6,119	-
Redevelopment Funding	4,340,000	46,935	-	-	-	46,935	-
Traffic Lights	2,000,000	-	4,330	-	(7,621)	-	11,951
Various Capital Improvements	250,000	8,439	-	-	-	8,439	-
17th Street Park	610,000	-	5,240	-	4,859	-	381
Reconstruction of 15th St. Library into a Museum and Cultural Center	1,700,000	98,345	-	-	91,731	6,614	-
Traffic Light Improvements	811,000	-	5,386	-	(128,563)	-	133,949
24th Street Park Improvements	500,000	-	10,193	-	10,193	-	-
Construction of New Parking Deck	1,700,000	-	174,490	-	-	-	174,490
Construction of Doric Water Park	6,150,000	-	1,008	-	-	-	1,008
Reconstruction of Roof at Jose Marti Park	90,000	-	29,045	-	-	-	29,045
Indian Park Pond - 33rd Street	2,100,000	1,323	-	-	-	1,323	-
38th Street and Park Avenue Amphitheatre	100,000	100,000	-	-	40,292	59,708	-
		\$ 261,161	\$ 229,692	\$ -	\$ 10,891	\$ 129,138	\$ 350,824
		C	C	C-4	Below	C	C
Ref.							
Paid by Current Fund	C-15				\$ 369,583		
Cancelled to Current Fund	C-15				(215,844)		
Encumbrances Payable	C-14				244,321		
Prior Year Reversals - Encumbrances Payable	C-14				(387,169)		
Above					\$ 10,891		

EXHIBIT C-8

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Original Amount	Maturities of Bonds Outstanding		Interest Rate %	Balance June 30, 2010	Decrease	Balance June 30, 2011
			Date	Amount				
1998 Refunding Issue	09/01/97	\$ 25,145,000	9/15/2011	\$ 2,760,000	5.200	\$ 8,285,000	\$ 2,625,000	\$ 5,660,000
			9/15/2012	2,900,000				
ERI Pension Bonds	12/15/02	15,735,000	1/1/2012	120,000	5.375			
			1/1/2013	525,000				
			1/1/2014	585,000				
			1/1/2015	665,000				
			1/1/2016	725,000				
			1/1/2017	825,000				
			1/1/2018	15,000				
			1/1/2019	30,000				
			1/1/2020	100,000				
			1/1/2021	165,000				
			1/1/2022	225,000				
			1/1/2023	315,000				
			1/1/2024	375,000				
1/1/2025	475,000							
1/1/2026	575,000							
1/1/2027	690,000							
1/1/2028	825,000							
1/1/2029	975,000							
1/1/2030	1,125,000							
1/1/2031	1,300,000							
1/1/2032	1,475,000							
1/1/2033	1,695,000							
						13,905,000	100,000	13,805,000

EXHIBIT C-8

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Amount	Maturities of Bonds Outstanding		Interest Rate %	Balance June 30, 2010	Decrease	Balance June 30, 2011
			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
						\$ 55,819,999	\$ 2,725,000	\$ 53,094,999
						<u>C</u>	<u>C-5</u>	<u>C</u>
					<u>Ref.</u>			

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF SCHOOL SERIAL BONDS

Purpose	Date of Issue	Original Issue Amount	Maturities of Bonds Outstanding June 30, 2011		Interest Rate %	Balance June 30, 2010	Decrease	Balance June 30, 2011
			Date	Amount				
School Improvements	3/19/1992	\$ 26,975,000	11/1/2011	\$ 2,030,000	6.375			
			11/1/2012	2,170,000	6.400	\$ 8,420,000	\$ 1,900,000	\$ 6,520,000
			11/1/2013	2,320,000	6.400	\$ 8,420,000	\$ 1,900,000	\$ 6,520,000
					<u>Ref.</u>	C	C-5	C

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF CAPITAL LEASE PAYABLE - HCIA

	<u>Ref.</u>	
Balance, June 30, 2010	C	\$ 7,845,475
Decreased by:		
Loan Payment	C-5	<u>348,782</u>
Balance, June 30, 2011	C	<u><u>\$ 7,496,693</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>		
2012	\$ 71,917	\$ 63,555	\$ 245,000	\$ 380,472
2013	75,262	66,900	265,000	407,162
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><u>\$ 1,244,337</u></u>	<u><u>\$ 1,152,356</u></u>	<u><u>\$ 5,100,000</u></u>	<u><u>\$ 7,496,693</u></u>

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF GREEN ACRES LOANS PAYABLE

	<u>Ref.</u>		
Balance, June 30, 2010	C	\$	54,814
Increased by:			
Deferred Charges to Future Taxation - Funded	C-5	\$	511,526
Cash Receipts:			
17th Street Playground	C-2		70,000
Swimming Pool Improvement (47th St.)	C-2		800,000
	C-3		<u>870,000</u>
			<u>1,381,526</u>
			1,436,340
Decreased by:			
Loan Payment	C-5		<u>77,473</u>
Balance, June 30, 2011	C	\$	<u><u>1,358,867</u></u>

Analysis of Repayment of Loan and Interest

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2012	\$ 26,599	\$ 115,913
2013	24,271	118,242
2014	21,895	120,619
2015	19,469	123,043
2016	16,997	125,517
2017	14,522	118,251
2018	12,539	41,560
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	<u>268</u>	<u>26,782</u>
	<u>\$ 216,815</u>	<u>\$ 1,358,867</u>

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF DEMOLITION LOAN PAYABLE

	<u>Ref.</u>	
Balance, June 30, 2010	C	\$ 15,805
Decreased by:		
Loan Payment	C-5	15,805
Balance, June 30, 2011	C	\$ -

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF BOND ANTICIPATION NOTES

Improvement Description	Original Issue Amount	Date of		Interest Rate %	Balance June 30, 2010	Increase	Decrease	Balance June 30, 2011
		Issue	Maturity					
Traffic Light Improvements	\$ 772,000	01/20/10	01/19/11	1.25	\$ 772,000	\$ -	\$ 772,000	\$ -
24th Street Park Improvements	475,000	01/20/10	01/19/11	1.25	475,000	-	475,000	-
Construction of New Parking Deck	1,700,000	01/20/10	01/19/11	1.25	1,700,000	-	1,700,000	-
Construction of Doric Wate Park	6,150,000	01/20/10	01/19/11	1.25	6,150,000	-	6,150,000	-
Reconstruction of 39th Street Skate Park	290,000	01/20/10	01/19/11	1.25	290,000	-	290,000	-
Reconstruction of roof at Jose Marti Park	90,000	01/20/10	01/19/11	1.25	90,000	-	90,000	-
Street Improvements - Broadway and Park Avenue	2,782,000	01/20/10	01/19/11	1.25	2,782,000	-	2,782,000	-
Traffic Light Improvements	744,000	01/20/11	01/19/12	2.00	-	744,000	-	744,000
24th Street Park Improvements	458,000	01/20/11	01/19/12	2.00	-	458,000	-	458,000
Construction of New Parking Deck	1,638,000	01/20/11	01/19/12	2.00	-	1,638,000	-	1,638,000
Construction of Doric Wate Park	5,925,000	01/20/11	01/19/12	2.00	-	5,925,000	-	5,925,000
Reconstruction of 39th Street Skate Park	279,000	01/20/11	01/19/12	2.00	-	279,000	-	279,000
Reconstruction of roof at Jose Marti Park	87,000	01/20/11	01/19/12	2.00	-	87,000	-	87,000
Street Improvements - Broadway and Park Avenue	2,681,000	01/20/11	01/19/12	2.00	-	2,681,000	-	2,681,000
					<u>\$ 12,259,000</u>	<u>\$ 11,812,000</u>	<u>\$ 12,259,000</u>	<u>\$ 11,812,000</u>
				<u>Ref.</u>	<u>C</u>	<u>Below</u>	<u>Below</u>	<u>C</u>
Reissued				Contra	\$ 11,812,000	\$ 11,812,000	\$ 11,812,000	\$ 11,812,000
Deferred Charges to Future Taxation - Unfunded				C-4	-	447,000	447,000	-
				Above	\$ 11,812,000	\$ 12,259,000	\$ 12,259,000	\$ 12,259,000

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>	
Balance, June 30, 2010	C	\$ 387,169
Increased by:		
Charges to Improvement Authorizations	C-7	<div style="border-top: 1px solid black;">244,321</div>
		<div style="border-top: 1px solid black; border-bottom: 1px solid black;">631,490</div>
Decreased by:		
Reverse Prior Year Balance	C-7	<div style="border-top: 1px solid black;">387,169</div>
Balance, June 30, 2011	C	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 244,321</div>

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF DUE FROM CURRENT FUND

	<u>Ref.</u>		
Balance, June 30, 2010	C		\$ 157,101
Increased by:			
Cash Disbursements	C-2, C-3	\$ 869,877	
Deferred Charged to Future Taxation - Unfunded	C-4	70,000	
Capital Improvement Fund	C-6	50,000	
Charges to Improvement Authorizations Cancelled	C-7	215,844	
Reserve for General Serial Bonds	C-19	<u>1,000,000</u>	
			<u>2,205,721</u>
			<u>2,362,822</u>
Decreased by:			
Charges to Improvement Authorizations	C-7		<u>369,583</u>
Balance, June 30, 2011	C		<u><u>\$ 1,993,239</u></u>

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Improvement Description</u>	<u>Balance June 30, 2010</u>	<u>Grant Awarded</u>	<u>Debt Issued</u>	<u>Balance June 30, 2011</u>
Improvement to Ellsworth Park	\$ 4,834	\$ -	\$ -	\$ 4,834
17th Street Park	<u>470,000</u>	<u>70,000</u>	<u>70,000</u>	<u>330,000</u>
	<u>\$ 474,834</u>	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 334,834</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, 2011

SCHEDULE OF DUE FROM STATE OF NEW JERSEY - GREEN ACRES

	<u>Ref.</u>	
Balance, June 30, 2010	C	<u>\$ 429,834</u>
Balance, June 30, 2011	C	<u>\$ 429,834</u>

SCHEDULE OF DUE FROM STATE OF NEW JERSEY - GREEN TRUST

	<u>Ref.</u>	
Balance, June 30, 2010	C	<u>\$ 107,777</u>
Balance, June 30, 2011	C	<u>\$ 107,777</u>

**THE CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF RESERVE FOR GENERAL SERIAL BONDS

	Balance	Green Acres Trust		Balance
	June 30, 2010	Loan Payable	Grant Award	June 30, 2011
2007 Refunding Serial Bonds - Swimming Pool Improvement (47th St.)	\$ -	\$ 800,000	\$ 1,000,000	\$ 1,800,000
	<u>\$ -</u>	<u>\$ 800,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,800,000</u>
<u>Ref.</u>	C	C-5	C-15	C

SUPPLEMENTARY INFORMATION – FIXED ASSETS

**THE CITY OF UNION CITY
FIXED ASSET GROUP OF ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF FIXED ASSETS - ACQUISITIONS AND DISPOSALS

	<u>Balance June 30, 2010</u>	<u>Adjustments Per Valuation</u>	<u>Balance June 30, 2011</u>
Land	\$ 12,841,700	\$ (1,608,000)	\$ 11,233,700
Buildings and Improvements	17,341,386	59,933,099	77,274,485
Furniture and Fixtures	-	83,259	83,259
Machinery and Equipment	<u>10,257,703</u>	<u>(2,643,677)</u>	<u>7,614,026</u>
	<u>\$ 40,440,789</u>	<u>\$ 55,764,681</u>	<u>\$ 96,205,470</u>
<u>Ref.</u>	D	D-2	D

**THE CITY OF UNION CITY
FIXED ASSET GROUP OF ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SCHEDULE OF RESERVE FOR FIXED ASSETS

Balance, June 30, 2010	<u>Ref.</u> D	\$ 40,440,789
Increased by:		
Additions	D-1	<u>55,764,681</u>
Balance, June 30, 2011	D	<u><u>\$ 96,205,470</u></u>

ACCOMPANYING INFORMATION

THE CITY OF UNION CITY

SCHEDULE OF OPERATIONS AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	June 30, 2011		June 30, 2010	
	Amount	Percent	Amount	Percent
Revenue and Other Income Realized:				
Fund Balance Utilized	\$ 1,065,000	0.78%	\$ 117,000	0.08%
Miscellaneous Revenue Anticipated	43,805,688	32.13%	47,177,000	33.98%
Receipts from Delinquent Taxes	55,752	0.04%	2,402,563	1.73%
Receipts from Current Taxes	89,362,521	65.56%	86,788,171	62.52%
Other Credits to Income	2,035,068	1.49%	2,342,355	1.69%
	136,324,029	100.00%	138,827,089	100.00%
Expenditures:				
Budget Appropriations	103,532,310	74.87%	103,903,095	75.87%
School and County Taxes	31,151,758	22.53%	31,176,246	22.77%
Other	3,591,729	2.60%	1,865,701	1.36%
	138,275,797	100.00%	136,945,042	100.00%
(Deficit) Excess in Operations	(1,951,768)		1,882,047	
Adjustments:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year				
Deficit	1,951,768		-	
Decreased by:				
Utilization as Anticipated Revenue	1,065,000		117,000	
Statutory (Deficit) Excess to Fund Balance	(1,065,000)		1,765,047	
Fund Balance, July 1,	3,217,431		1,452,384	
Fund Balance, June 30,	\$ 2,152,431		\$ 3,217,431	

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>
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
2008	5.474	3.365	0.967	1.115
2007	5.107	2.997	0.958	1.127

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>
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%
2008	74,870,609	70,805,668	94.57%
2007	71,868,277	71,356,990	99.29%

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>
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%
2008	-	2,857,557	2,857,557	3.82%
2007	-	32,504	32,504	0.05%

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>
2011	\$ 171,900
2010	171,900
2009	171,900
2008	171,900
2007	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, 2011	\$ 2,152,431	\$ 1,065,000
June 30, 2010	3,217,431	117,000
June 30, 2009	1,452,384	1,750,000
June 30, 2008	-	-
June 30, 2007	864,471	55,752

THE CITY OF UNION CITY

ROSTER OF OFFICIALS

JUNE 30, 2011

<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	
Tilo E. Rivas	Commissioner - Public Works	
Maryury A. Martinetti	Commissioner - Revenue and Finance	
William Senande	City Clerk	
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
Lisa Toscano	Chief Financial Officer (Ended April 30, 2012)	\$1,000,000
Richard P. Cahill	Chief Financial Officer (Effective March 5, 2012)	\$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.

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.)

310 Broadway
Bayonne, NJ 07002
(201) 437-9000
Fax: (201) 437-1432
E-Mail: dgd@dgdcpas.com

Frederick J. Tomkins, CPA, RMA
Linda P. Kish, CPA, RMA
Tammy L. Zucca, CPA

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

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

We have audited the financial statements of the City of Union City, New Jersey (the "City"), as of and for the year ended June 30, 2011, and have issued our report thereon dated March 9, 2012. We conducted our audit 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; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

As disclosed in Note 1, the financial statements were prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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

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

Our consideration of the 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 over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of control 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 to be material weaknesses: *FS11-01* and *SA11-06*.

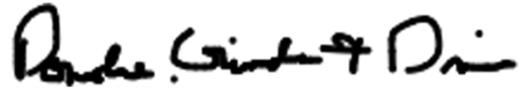
A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies: *FS11-02* through *FS11-04*.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questions Costs as Finding *FS11-03* and *FS11-05*. We also noted certain other matters that we reported to management of the City in the Comments and Recommendations section of this report.

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

This report is intended solely for the information of the Mayor, City Council, management of the City, Division of Local Government Services, applicable federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



DONOHUE, GIRONDA & DORIA
Certified Public Accountants



FREDERICK J. TOMKINS
Registered Municipal Accountant #327

Bayonne, New Jersey
March 9, 2012

DONOHUE, GIRONDA & DORIA

Certified Public Accountants

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

310 Broadway
Bayonne, NJ 07002
(201) 437-9000
Fax: (201) 437-1432
E-Mail: dgd@dgdcpas.com

Frederick J. Tomkins, CPA, RMA
Linda P. Kish, CPA, RMA
Tammy L. Zucca, CPA

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

Compliance

We have audited the compliance of the City of Union City, New Jersey (the “City”), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement*, that could have a direct and material effect on each of the City’s major federal and state programs for the fiscal year ended June 30, 2011. The City’s major federal and state programs are identified in the Summary of Auditor’s Results Section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the City’s management. Our responsibility is to express an opinion on the City’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and the New Jersey OMB’s 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 direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City’s compliance with those requirements.

In our opinion, the City of Union City, New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04 and which is described in the accompanying schedule of findings and questioned costs as item *SA11-06*.

Internal Control over Compliance

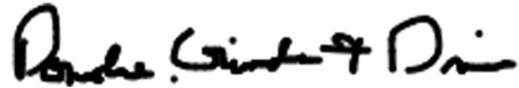
The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the City's internal control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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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 or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item *SA11-06* to be a material weakness.

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

This report is intended solely for the information and use of the Mayor, City Council, management of the City, Division of Local Government Services, applicable federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



DONOHUE, GIRONDA & DORIA
Certified Public Accountants



FREDERICK J. TOMKINS
Registered Municipal Accountant #327

Bayonne, New Jersey
March 9, 2012

THE CITY OF UNION CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Department and Program	State Account Number/ Grant Number	Federal CFDA Number	Grant Period		Grant Award	Program Amount/ Funds Received	Funds Available June 30, 2010	Current Year Appropriations	Current Year Disbursements and Charges	Program Income/ Reprogrammed/ Cancellations/ Transfers	Funds Available June 30, 2011	Cumulative Expenditures
			From	To								
U.S. Department of Agriculture:												
Passed through State of NJ Department of Agriculture:												
** Summer Food Program	10-3350-100-033(034)	10.559	07/01/10	06/30/11	\$ 129,925	\$ 126,491	\$ -	\$ 139,932	\$ 103,970	\$ -	\$ 35,962	\$ 93,963
** Summer Food Program	10-3350-100-033(034)	10.559	07/01/09	06/30/10	145,013	2,531	54,400	-	-	(54,400)	-	90,613
** Summer Food Program	10-3350-100-033(034)	10.559	07/01/07	06/30/08	12,726	-	7,221	-	-	(7,221)	-	5,505
** Summer Food Program	10-3350-100-033(034)	10.559	07/01/05	06/30/06	84,356	-	84,356	-	-	(84,356)	-	-
** Summer Food Program	10-3350-100-033(034)	10.559	07/01/05	06/30/06	211,992	-	90,137	-	-	(90,137)	-	121,855
** Summer Food Program	10-3350-100-033(034)	10.559	07/01/04	06/30/05	96,638	-	5,879	-	-	(5,879)	-	90,759
** Summer Food Program	10-3350-100-033(034)	10.559	07/01/03	06/30/04	86,350	-	8,228	-	-	(8,228)	-	78,122
** Summer Food Program	10-3350-100-033(034)	10.559	07/01/02	06/30/03	84,404	-	19,529	-	-	(19,529)	-	64,875
<i>Total Summer Food Program</i>						<u>129,022</u>	<u>269,750</u>	<u>139,932</u>	<u>103,970</u>	<u>(269,750)</u>	<u>35,962</u>	
Passed through State of NJ Department of Environmental Protection:												
** Green Communities	42-4870-100-038	10.664	07/01/10	06/30/11	3,000	3,000	-	3,000	3,000	-	-	3,000
** Green Communities	42-4870-100-038	10.664	07/01/05	06/30/06	2,000	-	2,000	-	-	(2,000)	-	-
<i>Total Green Communities</i>						<u>3,000</u>	<u>2,000</u>	<u>3,000</u>	<u>3,000</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>
<i>Total U.S. Department of Agriculture</i>						<u>132,022</u>	<u>271,750</u>	<u>142,932</u>	<u>106,970</u>	<u>(271,750)</u>	<u>35,962</u>	
U.S. Department of Housing and Urban Development:												
CDBG - Program Cluster:												
** Community Development Block Grant	B-09-MC-34-0119	14.218	07/01/10	06/30/11	1,509,650	1,543,393	-	1,509,650	1,137,258	56,324	428,716	1,080,934
** Community Development Block Grant	B-09-MC-34-0119	14.218	07/01/09	06/30/10	1,380,565	-	213,135	-	213,135	-	-	1,380,565
** ARRA - Community Development Block Grant - Recovery	B-09-MY-34-0119	14.253	07/01/09	06/30/10	362,891	340,088	340,088	-	340,088	-	-	362,891
<i>Total CDBG - Program Cluster</i>						<u>1,883,481</u>	<u>553,223</u>	<u>1,509,650</u>	<u>1,690,481</u>	<u>56,324</u>	<u>428,716</u>	
** ARRA - Homeless Prevention and Rapid Re-Housing Program	S09-MY-34-0023	14.262	07/01/09	06/30/10	555,355	325,020	325,020	-	325,020	-	-	555,355
<i>Total U.S. Department of Housing and Urban Development</i>						<u>2,208,501</u>	<u>878,243</u>	<u>1,509,650</u>	<u>2,015,501</u>	<u>56,324</u>	<u>428,716</u>	
U.S. Department of Justice:												
Passed through State of NJ Department of Law and Public Safety:												
Crime Victim Compensation	66-1440-100-024-11	16.576	06/01/10	06/30/11	500	500	-	-	-	-	-	-
Local Law Enforcement Block Grant	96LBVX7836	16.592	*	*	*	-	123,270	-	-	(123,270)	-	*
Local Law Enforcement Block Grant	96LBVX7836	16.592	01/01/05	12/31/05	25,193	-	2,799	-	-	(2,799)	-	22,394
<i>Total Local Law Enforcement Block Grant</i>						<u>-</u>	<u>126,069</u>	<u>-</u>	<u>-</u>	<u>(126,069)</u>	<u>-</u>	<u>-</u>
** Bulletproof Vest Partnership Program	*	16.607	06/01/10	06/30/11	7,800	-	-	7,800	7,800	-	-	7,800
Community Oriented Policing Services (COPS) -												
** Secure Our Schools	2010CKWX0724	16.710	06/01/10	06/30/11	152,841	-	-	152,841	-	-	152,841	-
** Secure Our Schools	2008CKWX0724	16.710	06/01/08	06/30/09	270,388	-	270,388	-	103,228	(135,194)	31,966	103,228
** Law Enforcement Technology	2010CKWX0054	16.710	06/01/10	06/30/11	350,000	-	-	350,000	14,021	-	335,979	14,021
** Law Technology Project	2010CKWX0054	16.710	06/01/10	06/30/11	300,000	-	-	300,000	-	-	300,000	-
** ARRA - Hiring Recovery Program	2009RKWX0629	16.710	06/01/09	11/30/10	2,209,264	624,266	2,082,844	-	506,757	-	1,576,087	633,177
** Universal Hiring	2006CCWX0170	16.710	06/01/06	11/30/07	164,506	-	164,506	-	164,506	-	-	164,506
** Universal Hiring Supplemental #4	99CCWX0170	16.710	06/01/99	11/30/04	900,000	-	201,659	-	-	(201,659)	-	698,341
** Universal Hiring Supplemental #3	99CCWX0170	16.710	03/01/98	02/28/01	*	-	196,832	-	-	(196,832)	-	*
** School Based Partners	98SBWX0100	16.710	05/01/98	01/31/01	*	-	26,053	-	-	(26,053)	-	*
** COPS in Schools	2010SHWX0589	16.710	06/01/09	11/30/10	250,000	-	161,373	-	161,373	-	-	250,000
** COPS in Schools	99SHWX0589	16.710	09/01/99	02/28/04	1,250,000	-	41,502	-	-	(41,502)	-	1,208,498
** Making Officer Redeployment Effective	2002MWX1773	16.710	12/01/02	05/31/03	*	-	2,842	-	-	(2,842)	-	*
** Making Officer Redeployment Effective	98MWX1773	16.710	12/01/98	05/31/01	*	-	54,781	-	-	(54,781)	-	*
<i>Total Community Oriented Policing Services (COPS)</i>						<u>624,266</u>	<u>3,202,780</u>	<u>802,841</u>	<u>949,885</u>	<u>(658,863)</u>	<u>2,396,873</u>	

THE CITY OF UNION CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Department and Program	State Account Number/ Grant Number	Federal CFDA Number	Grant Period		Grant Award	Program Amount/ Funds Received	Funds Available June 30, 2010	Current Year Appropriations	Current Year Disbursements and Charges	Program Income/ Reprogrammed/ Cancellations/ Transfers	Funds Available June 30, 2011	Cumulative Expenditures
			From	To								
Passed through State of NJ Department of Law and Public Safety:												
Passed through the County of Hudson:												
** Edward Byrne Memorial Justice Assistance Grant Program	100-066-1020-157	16.738	01/01/11	12/31/11	\$ 58,002	\$ 9,720	\$ -	\$ 58,002	\$ 50,244	\$ -	\$ 7,758	\$ 50,244
** Edward Byrne Memorial Justice Assistance Grant Program	100-066-1020-157	16.738	01/01/10	12/31/10	59,939	-	55,239	-	-	870	56,109	3,830
** ARRA - Edward Byrne Memorial Justice Assistance Grant	*	16.803	06/01/09	06/30/10	247,159	17,724	247,159	-	11,666	-	235,493	11,666
<i>Total Edward Byrne Memorial Justice Assistance Grant Program</i>						<u>27,444</u>	<u>302,398</u>	<u>58,002</u>	<u>61,910</u>	<u>870</u>	<u>299,360</u>	
Total U.S. Department of Justice						<u>652,210</u>	<u>3,631,247</u>	<u>868,643</u>	<u>1,019,595</u>	<u>(784,062)</u>	<u>2,696,233</u>	
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	-	139,609	-	68,522	(71,087)	-	*
Total U.S. Department of Labor						<u>-</u>	<u>139,609</u>	<u>-</u>	<u>68,522</u>	<u>(71,087)</u>	<u>-</u>	
U.S. Department of Transportation:												
Passed through State of NJ Department of Transportation:												
Highway Planning and Construction -												
** Local Municipal Aid	78-6320-480-AKN(AKS)	20.205	07/01/98	06/30/03	*	210,958	58,425	-	-	(58,425)	-	*
Metropolitan Planning Organization -												
** Signal Improvement Project	78-6300-480-FAT	20.205	07/01/09	06/30/10	1,000,000	56,872	1,000,000	-	743,312	-	256,688	743,312
** Central Avenue	78-6300-480-***	20.205	07/01/08	06/30/09	220,000	-	21,726	-	21,450	-	276	219,724
** 12th Street	78-6300-480-***	20.205	07/01/06	06/30/07	125,000	-	2,034	-	-	-	2,034	122,966
** Various Streets	78-6300-480-***	20.205	07/01/09	06/30/10	391,701	-	325,996	-	301,233	-	24,763	366,938
** Various Streets	78-6300-480-***	20.205	07/01/08	06/30/09	303,888	-	8,151	-	-	-	8,151	295,737
<i>Total Highway Planning and Construction</i>						<u>267,830</u>	<u>1,416,332</u>	<u>-</u>	<u>1,065,995</u>	<u>(58,425)</u>	<u>291,912</u>	
Passed through State of NJ Department of Law and Public Safety:												
Highway Safety Cluster												
** Over the Limit Under Arrest	66-1160-100-057	20.601	12/06/10	01/02/11	5,000	2,800	-	5,000	2,800	-	2,200	2,800
** Click-it or Ticket	66-1160-100-113	20.602	05/23/11	06/05/11	4,000	4,000	-	4,000	3,600	-	400	3,600
** Pedestrian Safety Study	66-1160-100-146	20.609	07/01/10	06/30/11	14,847	14,847	-	-	-	-	-	-
<i>Total Highway Safety Cluster</i>						<u>21,647</u>	<u>-</u>	<u>9,000</u>	<u>6,400</u>	<u>-</u>	<u>2,600</u>	
Total U.S. Department of Transportation						<u>289,477</u>	<u>1,416,332</u>	<u>9,000</u>	<u>1,072,395</u>	<u>(58,425)</u>	<u>294,512</u>	
U.S. Department of Energy:												
** ARRA - Energy Efficiency & Conservation Block Grant	DE-FOA-0000013	81.128	07/01/09	06/30/10	521,600	-	513,318	-	17,943	-	495,375	26,225
Total U.S. Department of Energy						<u>-</u>	<u>513,318</u>	<u>-</u>	<u>17,943</u>	<u>-</u>	<u>495,375</u>	
U.S. Department of Health and Human Services:												
** Strengthening Union City Families	1U79SM060322-01	93.243	09/30/10	09/29/11	1,379,660	75,000	-	1,379,660	1,355,435	-	24,225	1,355,435
Passed through State of NJ Department of Health:												
Domestic Violence Grant	*	93.591	07/01/02	06/30/03	*	-	2,887	-	-	(2,887)	-	*
Passed through State of NJ Department of Community Affairs:												
Community Resources Recreation - Reserve	*	*	*	*	2,818	-	2,818	-	-	(2,818)	-	-
Total U.S. Department of Health and Human Services						<u>75,000</u>	<u>5,705</u>	<u>1,379,660</u>	<u>1,355,435</u>	<u>(5,705)</u>	<u>24,225</u>	
U.S. Department of Homeland Security:												
Passed through NJ Department of Law and Public Safety:												
** Public Assistance - Severe Winter Storm	66-1200-100-A63	97.036	12/26/10	12/26/10	161,235	161,235	-	161,235	161,235	-	-	161,235
Total U.S. Department of Homeland Security						<u>161,235</u>	<u>-</u>	<u>161,235</u>	<u>161,235</u>	<u>-</u>	<u>-</u>	
TOTAL FEDERAL AWARDS						<u>\$ 3,518,445</u>	<u>\$ 6,856,204</u>	<u>\$ 4,071,120</u>	<u>\$ 5,817,596</u>	<u>\$ (1,134,705)</u>	<u>\$ 3,975,023</u>	

* - 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, 2011

State Account Number/ Grant Number	Grant Period		Grant Award	Program Amount/ Funds Received	Funds Available June 30, 2010	Current Year Appropriations	Current Year Disbursements and Charges	City Match	Program Income/ Reprogramming/ Cancellation/ Transfers	Funds Available June 30, 2011	Cumulative Expenditures	
	From	To										
State Department and Program												
NI Department of Environmental Protection:												
** Clean Communities (Municipality Road Mileage)	07/01/10	06/30/11	\$ 68,206	\$ 68,206	\$ -	\$ -	\$ 20,840	\$ -	\$ -	\$ 46,796	\$ 20,840	
** Clean Communities (Municipality Road Mileage)	07/01/09	06/30/10	67,636	67,636	-	-	20,840	-	-	38,043	14,971	
** Clean Communities (Municipality Road Mileage)	07/01/08	06/30/09	53,014	53,014	-	-	-	-	-	-	-	
** Clean Communities (Municipality Road Mileage)	07/01/07	06/30/08	45,483	45,483	-	-	-	-	(45,483)	-	-	
** Clean Communities (Municipality Road Mileage)	07/01/06	06/30/07	39,785	39,785	-	-	-	-	(39,785)	-	-	
** Clean Communities (Municipality Road Mileage)	07/01/05	06/30/06	27,982	27,982	-	-	-	-	(27,982)	-	-	
** Clean Communities (Municipality Road Mileage)	07/01/04	06/30/05	97,940	97,940	-	-	67,892	-	-	-	97,940	
** Clean Communities (Municipality Road Mileage)	07/01/03	06/30/04	99,159	99,159	-	-	23,938	-	-	-	99,159	
<i>Total Clean Communities (Municipality Road Mileage)</i>			<i>68,206</i>	<i>68,206</i>	<i>310,759</i>	<i>-</i>	<i>112,670</i>	<i>-</i>	<i>(113,250)</i>	<i>84,839</i>	<i>-</i>	
Statewide Livable Communities Aid -												
Municipal owned Historic Buildings	07/01/04	06/30/05	50,000	50,000	-	-	-	-	-	50,000	-	
Local Library Program	07/01/04	06/30/05	70,000	70,000	-	-	-	-	(26,910)	50,000	43,090	
<i>Total Statewide Livable Communities Aid</i>			<i>120,000</i>	<i>120,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(26,910)</i>	<i>100,000</i>	<i>43,090</i>	
Recycling Tonnage												
Recycling Tonnage	07/01/10	06/30/11	84,679	84,679	-	-	-	-	-	-	-	
Recycling Tonnage	07/01/09	06/30/10	27,909	27,909	-	27,909	-	-	-	27,909	-	
Recycling Tonnage	07/01/06	06/30/07	8,547	8,547	-	-	-	-	(8,547)	-	-	
<i>Total Recycling Tonnage</i>			<i>111,135</i>	<i>111,135</i>	<i>-</i>	<i>27,909</i>	<i>-</i>	<i>-</i>	<i>(8,547)</i>	<i>27,909</i>	<i>-</i>	
Municipal Stormwater Regulation Program												
Municipal Stormwater Regulation Program	03/01/04	02/28/05	20,619	20,619	-	-	-	-	(20,619)	-	-	
Green Acres Trust:												
** Doric Park (Fireman's Memorial Park) Grant	07/01/09	06/30/10	600,000	600,000	-	600,000	600,000	-	-	-	600,000	
** 47th Street Park Grant	07/01/10	06/30/11	1,000,000	1,000,000	-	1,000,000	1,000,000	-	-	-	1,000,000	
** 47th Street Park Loan	07/01/10	06/30/11	800,000	800,000	-	800,000	800,000	-	-	-	800,000	
** 17th Street Park Grant	07/01/10	06/30/11	70,000	70,000	-	70,000	70,000	-	-	-	70,000	
** 17th Street Park Loan	07/01/10	06/30/11	70,000	70,000	-	70,000	70,000	-	-	-	70,000	
<i>Total Green Acres Trust</i>			<i>2,140,000</i>	<i>2,140,000</i>	<i>-</i>	<i>2,140,000</i>	<i>2,140,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2,140,000</i>	
Total NI Department of Environmental Protection												
			2,092,885	41,6835	2,567,909	2,567,909	2,652,670	-	(169,326)	162,748	-	
NI Department of Treasury:												
** NI Division of Motor Vehicles:												
** Drunk Driving Enforcement Fund	07/01/10	06/30/11	17,144	17,144	-	-	-	-	-	-	-	
** Drunk Driving Enforcement Fund	07/01/09	06/30/10	19,961	19,961	-	19,961	13,200	-	-	6,761	13,200	
** Drunk Driving Enforcement Fund	07/01/08	06/30/09	19,466	19,466	-	-	554	-	-	9,824	9,642	
** Drunk Driving Enforcement Fund	07/01/05	06/30/06	20,582	20,582	-	-	-	-	(20)	-	20,582	
<i>Total Drunk Driving Enforcement Fund</i>			<i>17,144</i>	<i>10,398</i>	<i>19,961</i>	<i>13,754</i>	<i>13,754</i>	<i>-</i>	<i>(20)</i>	<i>16,585</i>	<i>-</i>	
Passed through the County of Hudson:												
** Municipal Alliance to Prevent Alcoholism and Drug Abuse	01/01/11	12/31/11	68,772	29,753	-	68,772	39,821	-	-	28,951	39,821	
** Municipal Alliance to Prevent Alcoholism and Drug Abuse	01/01/11	12/31/11	22,193	22,193	-	-	19,594	22,193	-	2,599	19,594	
** Municipal Alliance to Prevent Alcoholism and Drug Abuse	01/01/10	12/31/10	68,772	30,512	42,465	-	26,860	-	(15,605)	-	53,167	
** Municipal Alliance to Prevent Alcoholism and Drug Abuse	01/01/09	12/31/09	68,772	3,310	3,310	-	-	-	(3,310)	-	65,462	
** Municipal Alliance to Prevent Alcoholism and Drug Abuse	01/01/08	12/31/08	84,645	11,531	11,531	-	-	-	(11,531)	-	73,114	
** Municipal Alliance to Prevent Alcoholism and Drug Abuse	01/01/05	12/31/05	68,772	2,248	2,248	-	515	-	(1,733)	-	67,039	
** Municipal Alliance to Prevent Alcoholism and Drug Abuse	01/01/04	12/31/04	68,221	1,303	1,303	-	-	-	(1,303)	-	66,918	
** Municipal Alliance to Prevent Alcoholism and Drug Abuse	01/01/03	12/31/03	60,906	916	916	-	-	-	(916)	-	59,990	
<i>Total Municipal Alliance to Prevent Alcoholism and Drug Abuse</i>			<i>82,458</i>	<i>61,773</i>	<i>68,772</i>	<i>68,772</i>	<i>86,790</i>	<i>22,193</i>	<i>(34,398)</i>	<i>31,530</i>	<i>-</i>	
Total NI Department of Treasury												
			99,602	72,171	88,733	100,544	100,544	22,193	(34,418)	48,135	-	

THE CITY OF UNION CITY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Account Number/ Grant Number	State Department and Program	Grant Period		Grant Award	Program Amount/ Funds Received	Funds Available June 30, 2010	Current Year Appropriations	Current Year Disbursements and Charges	City Match	Program Income/ Reprogrammed/ Cancellation/ Transfers	Funds Available June 30, 2011	Cumulative Expenditures
		From	To									
	State Department and Program											
	NI Department of Law and Public Safety:											
	Statewide Domestic Preparedness											
	Statewide Domestic Preparedness											
	Total Statewide Domestic Preparedness											
**	Body Armor Replacement Fund	07/01/10	06/30/11	17,404	12,958	-	17,404	17,160	-	-	244	17,160
**	Body Armor Replacement Fund	07/01/09	06/30/10	9,284	-	497	-	-	-	-	497	8,787
**	Body Armor Replacement Fund	07/01/07	06/30/08	18,780	-	212	-	-	(212)	-	-	18,568
**	Body Armor Replacement Fund	07/01/03	06/30/04	19,466	-	78	-	-	(78)	-	-	19,388
**	Body Armor Replacement Fund	07/01/02	06/30/03	36,635	-	281	-	-	(281)	-	-	36,354
	Total Body Armor Replacement Fund				12,958	1,068	17,404	17,160	-	(571)	741	
	Crime Victim Compensation	07/01/10	06/30/11	422	422	-	-	-	-	-	-	-
**	Safe and Secure Neighborhoods Preservation	07/01/07	06/30/08	36,491	-	36,491	-	36,491	-	-	-	36,491
	Emergency Management Assistance Reserve	06/26/04	06/27/05	11,000	-	11,000	-	-	-	(11,000)	-	-
	NI Division of Highway Traffic Safety:											
**	Pedestrian School Safety	07/01/10	06/30/11	17,000	4,750	-	17,000	17,000	-	-	-	17,000
**	Pedestrian School Safety	07/01/09	06/30/10	18,000	-	107	-	104	-	(5)	-	17,997
**	Pedestrian School Safety	07/01/07	06/30/08	67,590	-	39,796	-	39,796	-	-	-	67,590
**	Pedestrian School Safety	07/01/06	06/30/07	112,500	-	14	-	14	-	-	-	112,500
**	Pedestrian Safety Education and Enforcement	07/01/05	06/30/06	24,000	-	299	-	299	-	-	-	24,000
	Total Pedestrian School Safety			4,750	40,216	17,000	17,000	37,213	-	(5)	-	
	Total NJ Department of Law and Public Safety			18,130	103,793	34,404	110,864	110,864	-	(6,038)	741	
	NI Department of Health and Human Services:											
	Pandemic Influenza Preparedness	07/01/06	06/30/07	6,038	-	6,038	-	-	-	-	-	-
	Passed through Town of North Bergen:											
**	Public Health Priority Funding	07/01/10	06/30/11	62,046	54,171	-	62,046	62,046	-	-	-	62,046
**	Public Health Priority Funding	07/01/04	06/30/05	62,046	-	62,046	-	11,136	-	(50,640)	270	11,136
**	Public Health Priority Funding	07/01/03	06/30/04	58,150	-	2,340	-	-	-	(2,340)	-	55,810
	Total Public Health Priority Funding			54,171	64,386	62,046	62,046	73,182	-	(52,980)	270	
	Total NJ Department of Health and Human Services			54,171	70,424	62,046	73,182	73,182	-	(59,018)	270	
	NI Administrative Office of the Courts:											
	Alcohol Education and Rehabilitation	07/01/10	06/30/11	3,020	3,020	-	-	-	-	-	-	-
	Alcohol Education and Rehabilitation	07/01/09	06/30/10	3,167	-	-	-	-	-	-	-	-
	Alcohol Education and Rehabilitation	07/01/07	06/30/08	11,039	-	380	3,167	-	-	(380)	3,167	10,659
	Alcohol Education and Rehabilitation	07/01/06	06/30/07	4,540	-	655	-	-	-	(655)	-	3,885
	Alcohol Education and Rehabilitation	07/01/01	06/30/02	3,650	-	3,650	-	-	-	(3,650)	-	-
	Alcohol Education and Rehabilitation	07/01/99	06/30/00	7,256	-	7,256	-	-	-	(7,256)	-	-
	Alcohol Education and Rehabilitation	07/01/98	06/30/99	*	-	638	-	-	-	(638)	-	*
	Alcohol Education and Rehabilitation	07/01/97	06/30/98	*	-	1,381	-	-	-	(1,381)	-	*
	Alcohol Education and Rehabilitation	07/01/96	06/30/97	*	-	5,886	-	-	-	(5,886)	-	*
	Alcohol Education and Rehabilitation	07/01/95	06/30/96	*	-	11,699	-	-	-	(11,699)	-	*
	Alcohol Education and Rehabilitation	*	*	*	-	4,108	-	-	-	(4,108)	-	*
	Total Alcohol Education and Rehabilitation			3,020	35,673	31,67	31,67	31,67	-	(35,673)	3,167	
	Total NJ Administrative Office of the Courts			3,020	35,673	31,67	31,67	31,67	-	(35,673)	3,167	

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance

SCHEDULE 2

THE CITY OF UNION CITY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Account Number/ Grant Number	State Department and Program	Grant Period		Grant Award	Program Amount/ Funds Received	Funds Available June 30, 2010	Current Year Appropriations	Current Year Disbursements and Charges	City Match	Program Income/ Reprogramming/ Cancellation/ Transfers	Funds Available June 30, 2011	Cumulative Expenditures
		From	To									
NJ Department of Commerce & Economic Development:												
Urban Enterprise Zone:												
20-2830-763-041	Four-Faced Clocks	07/01/06	06/30/07	\$ 18,770	\$ -	\$ 18,770	\$ -	\$ -	\$ -	\$ (18,770)	\$ -	\$ -
20-2830-763-041	Four-Faced Clocks	07/01/05	06/30/06	52,000	14,350	-	-	-	-	(14,350)	-	37,650
20-2830-763-041	Purchase of Gumbusters	07/01/08	06/30/09	49,216	32,299	7,907	-	-	-	-	7,907	41,309
20-2830-763-041	Purchase of two four wheel drive trucks	07/01/07	06/30/08	89,926	1,370	-	-	-	-	(1,370)	-	88,556
20-2830-763-041	Purchase of waste receptacles	07/01/09	06/30/10	39,000	45	-	-	-	-	(45)	-	38,955
20-2830-763-041	Purchase of waste receptacles	07/01/07	06/30/08	50,000	800	-	-	-	-	(800)	-	49,200
20-2830-763-041	Painting of Decorative Lamps & Parking Meters	07/01/07	06/30/08	29,000	2,500	-	-	-	-	(2,500)	-	26,500
20-2830-763-041	Police Bicycles	07/01/07	06/30/08	3,960	-	-	-	-	-	-	-	3,960
20-2830-763-041	Summit Avenue Security	07/01/02	06/30/03	22,339	5,594	-	-	-	-	(5,594)	-	16,745
20-2830-763-041	Summit Avenue Security	07/01/02	06/30/03	128,000	46,129	-	-	-	-	(46,129)	-	81,871
	<i>Total Miscellaneous Purchasing</i>			<u>71,254</u>	<u>97,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(89,538)</u>	<u>7,907</u>	<u>-</u>
20-2830-763-041	Commercial District Improvements I	07/01/07	06/30/08	63,700	10,640	-	-	-	-	(10,640)	-	53,060
20-2830-763-041	Commercial District Improvements II	07/01/07	06/30/08	28,000	59	-	-	-	-	(59)	-	27,941
	<i>Total Commercial District Improvements</i>			<u>-</u>	<u>10,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,699)</u>	<u>-</u>	<u>-</u>
20-2830-763-041	Hiring of Police	07/01/09	06/30/10	133,000	133,000	-	-	-	-	-	-	133,000
20-2830-763-041	Facade Improvements	07/01/07	06/30/08	235,000	164,595	-	-	-	-	(164,595)	-	70,405
20-2830-763-041	Facade Improvements	07/01/05	06/30/06	45,955	45,955	-	19,500	-	-	-	-	19,500
20-2830-763-041	Facade Improvements	07/01/02	06/30/03	200,000	22,353	-	-	-	-	(22,353)	-	177,647
	<i>Total Facade Improvements</i>			<u>128,039</u>	<u>232,903</u>	<u>-</u>	<u>19,500</u>	<u>-</u>	<u>-</u>	<u>(23,401)</u>	<u>-</u>	<u>-</u>
20-2830-763-041	Master Plan	07/01/04	06/30/05	150,000	15,522	-	-	-	-	(15,522)	-	134,478
20-2830-763-045	Administration	07/01/10	06/30/11	148,201	-	148,201	131,403	24,000	36,000	-	16,798	131,403
20-2830-763-045	Administration	07/01/10	06/30/11	36,000	-	-	24,000	-	-	-	12,000	24,000
20-2830-763-045	Administration	07/01/09	06/30/10	85,000	3,184	-	3,155	-	-	(29)	-	84,971
20-2830-763-045	Administration	07/01/09	06/30/10	36,000	7,865	-	-	-	-	(7,865)	-	28,135
20-2830-763-045	Administration	07/01/08	06/30/09	140,596	27,171	-	-	-	-	(27,171)	-	113,225
20-2830-763-045	Administration	07/01/08	06/30/09	87,065	45,066	-	-	-	-	(45,066)	-	41,999
20-2830-763-045	Administration	07/01/07	06/30/08	229,575	43,252	-	-	-	-	(43,252)	-	186,323
20-2830-763-045	Administration	07/01/06	06/30/07	100,076	18,355	-	-	-	-	(18,355)	-	81,721
20-2830-763-045	Administration	07/01/04	06/30/05	80,700	10,132	-	-	-	-	(10,132)	-	68,568
20-2830-763-045	Administration	07/01/04	06/30/05	80,700	10,696	-	-	-	-	(10,696)	-	70,004
20-2830-763-045	Administration	07/01/03	06/30/04	102,982	49,549	-	-	-	-	(49,549)	-	53,433
	<i>Total Administration</i>			<u>245,935</u>	<u>215,270</u>	<u>148,201</u>	<u>158,558</u>	<u>262,143</u>	<u>36,000</u>	<u>(212,115)</u>	<u>28,798</u>	<u>235,560</u>
20-2830-763-041	Litter Clean Up Program	07/01/10	06/30/11	235,560	-	235,560	235,560	26,583	-	-	-	235,560
20-2830-763-041	Litter Clean Up Program	07/01/09	06/30/10	349,903	30,903	-	-	-	-	(4,320)	-	345,583
20-2830-763-041	Litter Clean Up Program	07/01/07	06/30/08	336,960	53,167	41,127	-	-	-	(41,127)	-	295,833
20-2830-763-041	Litter Clean Up Program	07/01/05	06/30/06	272,720	720	-	-	-	-	(720)	-	272,000
20-2830-763-041	Litter Clean Up Program	07/01/03	06/30/04	272,710	21,831	-	-	-	-	(21,831)	-	250,879
	<i>Total Litter Clean Up Program</i>			<u>212,667</u>	<u>94,581</u>	<u>235,560</u>	<u>262,143</u>	<u>262,143</u>	<u>-</u>	<u>(67,980)</u>	<u>-</u>	<u>235,560</u>
20-2830-763-041	Business Recruit Marketing Plan	07/01/10	06/30/11	276,044	-	276,044	55,680	63,609	-	-	220,364	55,680
20-2830-763-041	Business Recruit Marketing Plan	07/01/08	06/30/09	367,644	37,085	95,232	63,609	-	-	(1,984)	29,639	336,021
20-2830-763-041	Business Recruit Marketing Plan	07/01/07	06/30/08	327,120	1,516	-	-	-	-	(1,516)	-	325,604
20-2830-763-041	Business Recruit Marketing Plan	07/01/06	06/30/07	326,041	1,590	-	-	-	-	(1,590)	-	324,451
20-2830-763-041	Business Recruit Marketing Plan	07/01/05	06/30/06	299,941	62,245	-	-	-	-	(62,245)	-	237,696
	<i>Total Business Recruit Marketing Plan</i>			<u>319,547</u>	<u>160,583</u>	<u>276,044</u>	<u>119,289</u>	<u>119,289</u>	<u>-</u>	<u>(67,235)</u>	<u>250,003</u>	<u>237,696</u>
Total NJ Department of Commerce & Economic Development												
				\$ 1,110,442	\$ 827,023	\$ 659,805	\$ 559,490	\$ 58,193	\$ 501,769	\$ (1,001,657)	\$ 286,708	\$ 501,769
TOTAL STATE AWARDS												
** - Denotes Major Program												
* - Information not available												

THE CITY OF UNION CITY

**NOTES TO SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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, 2011

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, 2011, 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, 2011

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	\$ 1,133,362	\$ 1,257,623	\$ 350,000	\$ 2,740,985
City Match	-	58,193	-	58,193
Deferred Charges	161,235	-	-	161,235
Grants Unappropriated:				
Current Year	15,347	173,471	-	188,818
Prior Year	-	(51,037)	-	(51,037)
General Capital Fund	-	1,940,000	-	1,940,000
CDA Trust Fund	2,208,501	-	-	2,208,501
	<u>\$ 3,518,445</u>	<u>\$ 3,378,250</u>	<u>\$ 350,000</u>	<u>\$ 7,246,695</u>
Expenditures:				
Current Fund	\$ 3,639,990	\$ 956,004	\$ 296,151	\$ 4,892,145
Deferred Charges:				
Current Year	161,235	-	-	161,235
Prior Year	-	600,000	-	600,000
Prior Year Payables Cancelled	870	746	-	1,616
General Capital Fund	-	1,940,000	-	1,940,000
CDA Trust Fund	2,015,501	-	-	2,015,501
	<u>\$ 5,817,596</u>	<u>\$ 3,496,750</u>	<u>\$ 296,151</u>	<u>\$ 9,610,497</u>

CITY OF UNION CITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section 1 - Summary of Auditors' Results

Financial Statement Section

A) Type of Auditors Report Issued:	Unqualified - O.C.B.O.A. 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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Federal Awards Section

D) Internal Control over major programs:		
1) Material weakness(es) identified?	<input checked="" type="checkbox"/> Yes	<input 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/> 10.559	Summer Food Program
<hr/> 10.664	Green Communities
<hr/> 14.218	Community Development Block Grant
<hr/> 14.253	ARRA - Community Development Block Grant - Recovery
<hr/> 14.262	ARRA - H Re-Housing Program
<hr/> 16.607	Bulletproof Vest Partnership Program
<hr/> 16.710	Community Oriented Policing Services (COPS)
<hr/> 16.738	Edward Byrne Memorial Justice Assistance Grant Program
<hr/> 16.803	ARRA - Edward Byrne Memorial Justice Assistance Grant
<hr/> 17.259	Summer Youth Program
<hr/> 20.205	Highway Planning and Construction - Local Municipal Aid
<hr/> 20.601	Over the Limit Under Arrest
<hr/> 20.602	Click-it or Ticket
<hr/> 20.609	Pedestrian Safety Study
<hr/> 81.128	ARRA - Energy Efficiency & Conservation Block Grant
<hr/> 93.243	Strengthening Union City Families
<hr/> 97.036	Public Assistance - Severe Winter Storm

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, 2011

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:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
42-4900-765-004	Clean Communities (Municipality Road Mileage)
42-4800-727-060	Green Acres Trust:
42-4800-727-003	Doric Park (Firemen's Memorial Park) Grant
42-4800-727-011	47th Street Park Grant
42-4800-727-003	47th Street Park Loan
42-4800-727-004	17th Street Park Grant
6400-100-078-6400-000-YYY	17th Street Park Loan
100-082-C001-004	Drunk Driving Enforcement Fund
66-1020-718-001	Municipal Alliance to Prevent Alcoholism and Drug Abuse
66-1020-100-232	Body Armor Replacement Fund
66-1160-100-131	Safe and Secure Neighborhoods Preservation
4220-100-046-4535-109-J002-6020	Pedestrian School Safety
20-2830-763-041	Public Health Priority Funding
20-2830-763-045	Urban Enterprise Zone:
20-2830-763-041	Facade Improvements
20-2830-763-041	Administration
20-2830-763-041	Litter Clean Up Program
20-2830-763-041	Business Recruit Marketing Plan

THE CITY OF UNION CITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section 2 – Financial Statement Findings

(This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.)

FINDING FS11-01

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

Condition: The City is not reconciling bank account balances to the general ledger in a timely manner. This is a prior year finding not corrected as of June 30, 2009.

Context: The payroll bank account was not completely reconciled to the general ledger at the date of the audit.

Effect: There may be 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 payroll bank account balance to the general ledger.

Questioned Costs: None.

Recommendation: The City must reconcile all bank account balances to the general ledger in a timely manner.

Views of Responsible
Officials and Planned

Corrective Actions: The City has hired a Chief Municipal Financial Officer, effective March 5, 2012, and delegated responsibility to additional financial staff and consultant to reconcile all bank account balances to the general ledger in a timely manner.

THE CITY OF UNION CITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FINDING FS11-02

Criteria: A City should have a purchasing agent or centralized purchasing authority to ensure compliance with state procurement regulations.

Condition: Internal control procedures are not adequate to ensure compliance with state procurement regulations. This is a prior year finding not corrected as of June 30, 2010.

Context: Although the City may have been in compliance, there was no centralized documentation of their determination of compliance with state procurement regulations for those purchases that they determined did not require additional procedures of bids, quotes, or requests for qualifications or proposals.

Effect: There may have been instances where the City initiated purchases without properly determining their compliance with state procurement regulations.

Cause: The City does not have a purchasing agent or centralized purchasing authority.

Questioned Costs: None.

Recommendation: The City should have a purchasing agent or a centralized purchasing authority that follows adequate internal procedures to ensure and document compliance with state procurement regulations.

Views of Responsible
Officials and Planned

Corrective Actions: The City has hired a purchasing agent, effective June 1, 2011, and will implement the adequate internal procedures to document compliance with state procurement regulations.

THE CITY OF UNION CITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FINDING FS11-03

Criteria: In accordance with N.J.S. 40A:4-57 no officer, board, body or commission shall, during any fiscal year, expend any money, incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such purpose.

Condition: The City expended \$215,844 in street improvements and \$390,202 for park improvements for which no appropriation was provided; \$2,002,742 in capital projects where improvements were authorized in the succeeding year; \$368,711 in Trust Fund reserves were in excess of the amounts reserved; and \$392,079 in excess of budget appropriations. This is a prior year finding not corrected as of June 30, 2009.

Context: \$3,369,578 (3.22%) in expenditures either did not have or were in excess of appropriations or reserves out of \$104,521,741 in Current Fund expenditures.

Effect: The city is not in compliance with N.J.S. 40A:4-57.

Cause: The City was charging expenditures to grants for which funds were not available or were to be appropriated in the succeeding year; expenditures charged to capital projects prior to improvement authorization; expenditures in excess of trust reserves; and expenditures in excess of a budget appropriation. Those questioned charges are allocated to Current Fund deferred charges to be appropriated in the succeeding year's budget.

Questioned Costs: None

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.

Views of Responsible
Officials and Planned

Corrective Actions: The City has hired a Chief Municipal Financial Officer, effective March 5, 2012, and will implement adequate internal procedures monitor expenditures charged to grants, improvement authorizations, trust fund reserves, and budget.

THE CITY OF UNION CITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FINDING FS11-04

Criteria: Cash receipts activity from accounting subsystems should be reconciled to the general ledger.

Condition: The City cash receipts activity from the tax collector's records could not be reconciled entirely to the general ledger.

Context: \$516,250 (.57%) of \$90,303,403 tax collector receipts in the general ledger could not be reconciled to the tax collector's records.

Effect: There may be misappropriations of revenues.

Cause: The general ledger records are posted in a monthly summary format and sufficient audit trail does not exist to reconcile differences to the tax collector's records.

Questioned Costs: None

Recommendation: The City should post sufficient tax collector receipts detail to the general ledger and reconcile such detail to the tax collector's records on a monthly basis.

Views of Responsible Officials and Planned

Corrective Actions: The City has hired a Chief Municipal Financial Officer, effective March 5, 2012. The City is In the process of purchasing and installing municipal accounting software that will integrate the sub accounting systems with the general ledger.

THE CITY OF UNION CITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FINDING FS11-05

- Criteria: In accordance with N.J.A.C. 5:30-15.3 the annual audit required of municipalities shall report, each year, on the value of compensated absences owed to employees and the amount accumulated for payment in the Notes to the Financial Statements.
- Condition: The City is not including full-time PERS employees' terminal leave days in the calculation of the compensated absences liability. This is a prior year finding not corrected as of June 30, 2010.
- Context: For full-time PERS employees, 7.5 terminal leave days are accrued for every year of service, payable upon retirement. The City currently has approximately 350 full-time PERS employees. Although the value of sick time accumulated \$2,332,373 is not directly correlated to terminal leave; it can be used as an indicator of the possible additional liability.
- Effect: The City is not calculating the compensated absences liability in compliance with N.J.A.C. 5:30-15.3.
- Cause: The City is not calculating compensated absences pursuant to GASB Statement Number 16 as prescribed by N.J.A.C. 5:30-15.3 because not all liabilities for vacation and other compensated absences, excluding sick leave, are being accrued when the benefits are earned by the employee. Full-time PERS employee terminal leave is attributable to past service and it is probable that the City will compensate the employees through paid time off or some other means, such as cash payments at termination or retirement.
- Questioned Costs: None.
- Recommendation: The City is must include full-time PERS employees' terminal leave days in the calculation of the compensated absences liability.
- Views of Responsible Officials and Planned Corrective Actions: The City plans to contract their outside personnel service provider to prepare individual compensated absences liability records for all full-time PERS employees.

THE CITY OF UNION CITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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.)

All Federal and State Grants

FINDING SA11-06

Criteria: The City is responsible for charging grant expenditures to respective grant accounts and the auditor is responsible for determining major programs based on such expenditures.

Condition: The City is not properly charging grant expenditures to respective grant accounts. This is a prior year finding not corrected as of June 30, 2009.

Context: Of \$5,407,187 in expenditures originally charged to grants \$390,202 (7.78%) were reclassified as expenditures without appropriations as a result the annual audit. \$2,792,147 in unallocated grant appropriations resulting from unallocated grant expenditures in prior years were cancelled in conjunction with \$2,644,302 in cancelled grant appropriations for total net cancellations of \$147,845.

Effect: Although, the net cancellations were \$147,845, unallocated grant expenditures from prior years were not properly allocated to their respective grants and could not be subjected to audit.

Cause: The City does not have a control system to overall monitor grant activity and assure records for grants are being properly maintained on an individual basis.

Questioned Costs: None

Recommendation: The City must implement a control system to overall monitor grant activity and assure records for grants are being properly maintained on an individual basis.

Views of Responsible
Officials and Planned

Corrective Actions: The City has hired a Chief Municipal Financial Officer, effective March 5, 2012, and will implement adequate internal procedures to monitor grant activity.

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, 2011

(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 FS10-01

Condition: The City is not reconciling bank account balances to the general ledger in a timely manner.

Recommendation: The City must reconcile all bank account balances to the general ledger in a timely manner.

Status: Recommendation has not been adopted as reported in finding *FS11-01*.

FINDING FS10-02

Condition: Internal control procedures are not adequate to ensure compliance with federal and state procurement regulations.

Recommendation: The City should have a purchasing agent or a centralized purchasing authority that follows adequate internal procedures to ensure and document compliance with federal and state procurement regulations.

Status: Recommendation has not been adopted as reported in finding *FS11-02*.

FINDING FS10-03

Condition: The City does not properly maintain a fixed assets accounting and reporting system.

Recommendation: The City must properly maintain a fixed assets accounting and reporting system.

Status: Recommendation has been adopted in August 2011, no similar findings were noted.

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, 2011

FINDING FS10-04

Condition: The City expended \$187,947 in street improvements for which no appropriation was provided; \$152,960 for a Port Authority Project and \$1,555,958 for a Green Trust Project that were to be funded in the succeeding year; \$669,020 in Trust Fund reserves were in excess of the amounts reserved; and \$65,104 in excess of a budget appropriation.

Recommendation: The City must monitor expenditures charged to grants as to not expend money for which no appropriation 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 not been adopted as reported in finding *FS11-03*.

FINDING FS10-05

Condition: 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.

Status: Recommendation has not been adopted but has been deemed as not material to basic financial statements and reported in the Comments and Recommendations section of this report as comment 3.

FINDING FS10-06

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

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

Status: Recommendation has not been adopted as reported in finding *FS11-05*.

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, 2011

Federal Awards and State Financial Assistance Findings and Questioned Costs

All Federal and State Grants

FINDING SA10-07

Condition: The City is not properly charging grant expenditures to respective grant accounts.

Recommendation: The City must implement a control system to overall monitor grant activity and assure records for grants are being properly maintained on an individual basis.

Status: Recommendation has not been adopted as reported in finding SA11-06.

State – Urban Enterprise Zone (“UEZ”) – Business Recruitment Grant

FINDING SA10-08

Condition: The City is not filing for State Expenditure Vouchers in a timely basis.

Recommendation: The City should file State Expenditure Vouchers in a timely basis in order to secure UEZ grant reimbursements.

Status: Recommendation was not adopted, however the New Jersey UEZ grant program was dissolved during the State fiscal year 2011.

GENERAL COMMENTS

THE CITY OF UNION CITY

GENERAL COMMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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 \$26,000, 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 of payments for categories of materials and supplies or related work or labor. Disbursements were reviewed for any unusual items.

Our examination of expenditures revealed that individual payments or contracts were in excess of \$26,000 “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, 2011

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 \$3,900 or more, within the terms of N.J.S.A. 40A:11-6.1.

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.

THE CITY OF UNION CITY

GENERAL COMMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

TAXES AND TAX TITLE LIENS

The taxes outstanding at June 30, 2011, included taxes from the fiscal years ended June 30, 2011 and 2010. The following comparison is made of the number of tax title liens receivable at June 30, 2011:

<u>Period Ended</u>	<u>Number of Liens</u>
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
June 30, 2003	3

THE CITY OF UNION CITY

COMMENTS AND RECOMMENDATIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

COMMENT 1: The City has advanced to, or borrowed, monies from various funds. This is a prior year finding not corrected as of June 30, 2007.

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

COMMENT 2: The City is not annually performing the necessary calculations to determine whether an arbitrage rebate liability has been incurred. This is a prior year finding not corrected as of June 30, 2008.

Recommendation: A calculation should be performed annually to determine whether an arbitrage rebate liability has been incurred.

COMMENT 3: The City is not paying over to the School District the appropriation for local school purposes according to statutory deadlines. This is a prior year finding not corrected as of June 30, 2010.

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

COMMENT 4: The City does not have formal procedures to ensure that the payroll department and health benefits coordinator are effectively communicating employee statuses on a timely basis.

Recommendation: The City should implement formal procedures to ensure that the payroll department and health benefits coordinator are effectively communicating employee statuses on a timely basis.

COMMENT 5: The City has not had an actuarial valuation performed to update the disclosure of other post employment benefits obligation (OPEB), last valued on December 31, 2008, as required every three years.

Recommendation: The City should have an actuarial valuation performed to update the disclosure of other post employment benefits obligation (OPEB).

COMMENT 6: The City is not depositing retained construction contract funds in a separate interest bearing bank account.

Recommendation: The City should deposit retained construction contract funds in a separate interest bearing bank account.

**CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY**

Resolution Approving and Accepting State Fiscal Year 2011 Corrective Action Plan

WHEREAS, the State Fiscal Year 2011 Annual Audit of the City of Union City, conducted by Donohue, Gironde & Doria, contained certain recommendations requiring action; and

WHEREAS, these recommendations have been reviewed by the City's Chief Financial Officer; and:

WHEREAS, the Chief Financial Officer, in accordance with the requirements promulgated by the New Jersey Division of Local Government Services, has developed a plan to address the recommendations listed by the auditor.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the City of Union City hereby approve and accept the attached Corrective Action Plan for the State Fiscal Year 2011 Annual Audit; and

BE IT FURTHER RESOLVED, that a certified copy of this resolution, along with the Corrective Action Plan, be forwarded to the Director of Local Government Services.

I, William Senande, Municipal Clerk of the City of Union City, in the County of Hudson, New Jersey, DO HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution adopted by the Board of Commissioners of the City of Union City, County of Hudson, New Jersey at a meeting held on June 20, 2012 IN WITNESS WHEREOF, I, the Municipal Clerk, have hereunto set my hand and affixed the corporate seal of the City, this 20th day of June, 2012



William Senande, Municipal Clerk

Corrective Action Plan in response to the SFY 2011 Annual Audit Report

Name of Municipality: City of Union City
County: Hudson
Type of Audit: June 30, 2011 Annual Audit

Finding FS11-01

Finding/Condition: The City is not reconciling bank accounts balances to the general ledger in a timely manner.

Recommendation: The City must reconcile all bank account balances to the general ledger in a timely manner.

Corrective Action: The City has hired a professional consultant who is responsible for the reconciliation of all City bank accounts to the general ledger in a timely manner.

Implementation Date: July, 2011

Finding FS11-02

Finding/Condition: Internal control procedures are not adequate to ensure compliance with state procurement regulations.

Recommendation: The City should have a purchasing agent or a centralized purchasing authority that follows adequate internal procedures to ensure and document compliance with state procurement regulations.

Corrective Action: The City has hired a purchasing agent, effective June 1, 2011 who is responsible for the implementation of adequate internal procedures and the documentation of compliance with state procurement regulations.

Implementation Date: July, 2011

Finding FS11-03

Finding/Condition: The City expended \$215,844 in street improvements and \$390,202 for park improvements for which no appropriation was provided; \$2,002,742 in capital projects where improvements were authorized in the succeeding year; \$368,711 in Trust Fund reserves were in excess of the amounts reserved; and \$392,079 in excess of budget appropriations.

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. The City must also budget appropriately as to have sufficient budget appropriations for the entire year.

Corrective Action: The Governing Body will not award contracts unless a certification of available funds is on file with the City Clerk. The City has also hired a Chief Financial Officer to oversee and monitor amounts being charged to Grants, Improvement Authorizations and Trust Fund Reserves and the Budget.

Implementation Date: March, 2012

Finding FS11-04

Finding/Condition: The City cash receipts activity from the tax collector's records could not be entirely reconciled to the general ledger.

Recommendation: The City should post sufficient tax collector receipts detail to the general ledger and reconcile such detail to the tax collector's records on a monthly basis.

Corrective Action: The City has awarded a contract to upgrade its' municipal accounting software to one that will integrate the tax posting function with the general ledger posting function. The integrated system will alleviate the need to reconcile tax collection receipts from one software package to postings in the general ledger in another software package.

Implementation Date: January, 2013

Finding FS11-05

Finding/Condition: The City is not including fulltime PERS employees' terminal leave days in the calculation of the compensated absences liability.

Recommendation: The City must include fulltime PERS employees, terminal leave days in the calculation of the compensated absences liability records for all fulltime PERS employees.

Corrective Action: The City will revise the calculation of the compensated absences liability to include terminal leave earned by employees in order to ensure a more accurate picture of the existing liability.

Implementation Date: Ongoing

Finding FS11-06

Finding/Condition: The City is not properly charging grant expenditures to respective grant accounts.

Recommendation: The City must implement a control system to overall monitor grant activity and assure records for grants are being properly maintained on an individual basis.

Corrective Action: The City has awarded a contract to upgrade its' municipal accounting software. The new software will provide greater functionality and monitoring of grant postings. Additionally, the City has hired a Chief Financial Officer who will provide greater over site of financial postings.

Implementation Date: Software -January 1, 2013, CFO – March, 2012

Comment 1

Finding/Condition: 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.

Corrective Action: Interfund advances will be avoided whenever possible and settled prior to the year end whenever sufficient funds are available to do so.

Implementation Date: Ongoing

Comment 2

Finding/Condition: The City is not annually performing the necessary calculations to determine whether an arbitrage rebate liability has been incurred.

Recommendation: A calculation should be performed annually to determine whether an arbitrage rebate liability has been incurred.

Corrective Action: The City will seek requests for proposals from qualified professionals to perform the calculation to determine whether any arbitrage rebate liability has been incurred.

Implementation Date: Ongoing

Comment 3

Finding/Condition: 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.

Corrective Action: The City will pay over to the School District the appropriation for local school purposes according to statutory deadlines provided it has sufficient cash flow to do so and enough cash flow to maintain the City current fiscal operations.

Implementation Date: Ongoing

Comment 4

Finding/Condition: The City does not have formal procedures to ensure that the payroll department and health benefits coordinator are effectively communicating employee statuses on a timely basis.

Recommendation: The City should implement formal procedures to ensure the payroll department and the health benefits coordinator are effectively communicating employee statuses on a timely basis.

Corrective Action: The City will implement procedures to ensure that proper communication occurs between the payroll department and the health benefits coordinator to ensure the proper status of each employee is currently maintained.

Implementation Date: Ongoing

Comment 5

Finding/Condition: The City has not had an actuarial valuation performed to update the disclosure of other post employment benefits obligations (OPEB), last valued on December 31, 2008, as required every three years.

Recommendation: The City should have an actuarial valuation performed to update the disclosure of other post employment benefits obligation (OPEB).

Corrective Action: The City will seek requests for proposals from qualified professionals to perform the calculation to determine the City's OPEB obligation for financial statement disclosure.

Implementation Date: Ongoing

Comment 6

Finding/Condition: The City is not depositing retained construction contract funds in a separate interest bearing bank account.

Recommendation: The City should deposit retained construction contract funds in a separate interest bearing bank account.

Corrective Action: The City will deposit retained construction contract funds in a separate interest bearing bank account whenever practicable.

Implementation Date: Ongoing