

**CITY OF UNION CITY  
NEW JERSEY  
AUDIT OF FINANCIAL STATEMENTS  
AND  
FEDERAL AND STATE GRANT PROGRAMS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013  
WITH  
REPORTS OF INDEPENDENT AUDITOR'S  
AND  
LETTERS OF COMMENTS AND RECOMMENDATIONS**



**CITY OF UNION CITY**

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## **INTRODUCTORY SECTION**



# DONOHUE, GIRONDA & DORIA

*Certified Public Accountants*

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## **INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the accompanying financial statements – regulatory basis of the City of Union City, New Jersey (the “City”), which comprise the comparative balance sheet – regulatory basis, of each fund and account group as of June 30, 2014 and 2013, and the related comparative statement of operations and changes in fund balance – regulatory basis, of each fund, and the statement of revenues – regulatory basis and statement of appropriations – regulatory basis, of the Current Fund, for the years then ended, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### ***Auditor’s Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note A, the financial statements are prepared by the City on the basis of the financial reporting provisions of the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of June 30, 2014 and 2013, or the changes in its financial position for the years then ended.

***Opinion on Regulatory Basis Accounting***

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the comparative financial position – regulatory basis, of each fund and account group of the City as of June 30, 2014 and 2013, and each fund's respective operations and changes in fund balance – regulatory basis, and the Current Fund's respective revenues – regulatory basis and appropriations – regulatory basis, for the years then ended, on the basis of the financial reporting provisions of the Division as described in Note A.

## ***Other Matters***

### *Required Supplementary Information*

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

### *Other Information*

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

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

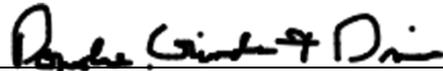
The schedule of expenditures of other financial assistance has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Emphasis of Matter*

As described in Note 11, the City is the recipient of State Aid that is material to the City as appropriated in the City's fiscal year 2015 budget. Minimum conditions on receipt of this aid are set forth in a Memorandum of Understanding with the Director of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

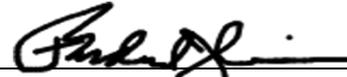
**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2015 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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DONOHUE, GIRONDA & DORIA  
*Certified Public Accountants*



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FREDERICK J. TOMKINS  
Registered Municipal Accountant #327

Bayonne, New Jersey  
April 8, 2015

## **FINANCIAL SECTION**



**CURRENT FUND**



**EXHIBIT A**

**THE CITY OF UNION CITY  
CURRENT FUND  
JUNE 30, 2014 AND 2013**

**COMPARATIVE BALANCE SHEETS**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	A-4	\$ 10,034,962	\$ 18,813,607
Change Fund	Unchanged	830	830
		<u>10,035,792</u>	<u>18,814,437</u>
Other Assets:			
Revenue Accounts Receivable	A-10	6,777,364	80,000
Grants Receivable	A-25	9,104,876	9,248,330
		<u>15,882,240</u>	<u>9,328,330</u>
Deferred Charges	A-23	3,571,384	4,613,253
		<u>3,571,384</u>	<u>4,613,253</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	187,172	110,490
Property Acquired for Taxes at Assessed Valuation	A-9	171,900	171,900
Tax Title Liens Receivable	A-13	81,018	56,989
Other Receivables	A-14	18,361	21,723
Interfunds Receivable:			
Due from General Capital Fund	A-11	2,352,471	-
Due from Other Trust Fund	A-11	332,267	119,065
Due from Dog License Trust	A-11	172	8,463
Due from CDA Trust	A-11	-	86,971
	A	<u>3,143,361</u>	<u>575,601</u>
Total Assets		<u>\$ 32,632,777</u>	<u>\$ 33,331,621</u>

See Accompanying Notes to the Financial Statements.

## EXHIBIT A

**THE CITY OF UNION CITY  
CURRENT FUND  
JUNE 30, 2014 AND 2013**

**COMPARATIVE BALANCE SHEETS**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Appropriation Reserves	A-3, A-15	\$ 1,846,123	\$ 2,326,329
Tax Overpayments	A-8	36,155	22,022
Prepaid Taxes	A-18	93,263	115,806
Accounts Payable	A-21	543,504	121,890
Reserve for Encumbrances	A-22	3,996,417	5,238,796
Reserve for Unappropriated Grants	A-26	15,803	81,093
Reserve for Appropriated Grants	A-27	2,163,470	1,599,278
Reserve for Neighborhood Housing	A-28	1,824	1,824
Other Reserves	A-17	227,180	748,501
Local School District Taxes Payable	A-19	12,334,910	13,876,773
Intergovernmental Payables:			
Due to State of NJ - Sr. Citizens' & Veterans'	A-12	33,346	28,970
Other	A-16	2,428,867	1,765,475
Note Payable	A-24	2,560,000	3,200,000
Interfunds Payable:			
Due to Capital Fund	A-11	-	1,281,613
Due to Other Trust Fund	A-11	-	-
Due to CDA Trust Fund	A-11	123,533	-
Due to Public Defender Trust Fund	A-11	-	1,363
		<u>26,404,395</u>	<u>30,409,733</u>
Reserve for Receivables	Above	<u>3,143,361</u>	<u>575,601</u>
Total Liabilities		29,547,756	30,985,334
Fund Balance	A-1	<u>3,085,021</u>	<u>2,346,287</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 32,632,777</u>	<u>\$ 33,331,621</u>

See Accompanying Notes to the Financial Statements.

## EXHIBIT A-1

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014 AND 2013**

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

	Ref.	2014	2013
<b><u>REVENUE AND OTHER INCOME REALIZED</u></b>			
Miscellaneous Revenue Anticipated	A-2	\$ 45,268,974	\$ 47,022,783
Receipts from Delinquent Taxes	A-2	74,121	108,729
Receipts from Current Taxes	A-2	99,643,523	96,428,494
Non-Budget Revenues	A-2	396,762	349,122
Unexpended Balances of Appropriations Cancelled	A-3	421,624	902,713
Other Credits to Income:			
Dog License Fund - Statutory Excess	A-11	2,755	1,910
CDA Trust Fund - Grant Appropriation Cancelled	A-11	-	7,310
Unexpended Balance of Appropriation Reserves	A-15	706,448	284,120
Reimbursement of Prior Years' Library Expenditures	A-17	-	725,823
Accounts Payable Cancelled	A-21	-	813,716
Grants Receivable Adjustments	A-25	479,552	-
Grants Appropriated Reprogrammed	A-27	13,800	359,975
Interfunds Returned	A-11	123,533	-
Total Income		<u>147,131,092</u>	<u>147,004,695</u>
<b><u>EXPENDITURES</u></b>			
Budget Appropriations	A-3	111,626,821	111,512,374
Local School District Taxes	A-2, A-19	15,418,637	15,418,637
County Taxes	A-2, A-20	16,413,178	18,109,605
Interest on Late County Tax Payments	A-4	-	22,906
Expenditures without Appropriations	A-4	14,000	18,782
Overexpenditure of Appropriation Reserves	A-4	208,214	-
Overexpenditures of Grants	A-4	17,477	-
Interfund Overexpenditures	A-4	-	19,336
Refunds of Prior Year Taxes	A-7	171,875	526,705
Tax Judgements on Prior Year Taxes	A-8	16,349	627,761
Interfund Advances Originating in Current Year	A-11	2,659,657	345,895
Other Receivable Cancelled	A-10	85,841	-
Grants Receivable Cancelled	A-25	-	246,956
Total Expenditures		<u>146,632,049</u>	<u>146,848,957</u>
Excess in Revenue		<u>\$ 499,043</u>	<u>\$ 155,738</u>
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year:			
Expenditures without Appropriations	A-23	14,000	18,782
Overexpenditures of Appropriation Reserves	A-23	208,214	-
Overexpenditures of Grants	A-23	17,477	-
Interfund Overexpenditures	A-23	-	19,336
		<u>239,691</u>	<u>38,118</u>

See Accompanying Notes to the Financial Statements.

**EXHIBIT A-1**

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014 AND 2013**

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

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Statutory Excess to Fund Balance		\$ 738,734	\$ 193,856
Fund Balance, Beginning of Year	A	<u>2,346,287</u>	<u>2,152,431</u>
Fund Balance, End of Year	A	<u><u>\$ 3,085,021</u></u>	<u><u>\$ 2,346,287</u></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, 2014**

**STATEMENT OF REVENUES**

	Ref.	Budget	Realized	Excess or (Deficit)
<b>Miscellaneous Revenues:</b>				
<b>Local Revenues:</b>				
Licenses:				
Alcoholic Beverage	A-10	\$ 210,000	\$ 216,648	\$ 6,648
Other	A-10	113,000	141,076	28,076
Fees and Permits	A-10	270,000	169,417	(100,583)
Fines and Costs:				
Municipal Court	A-10	2,456,159	2,632,917	176,758
Interest and Costs on Taxes	A-10	510,000	440,695	(69,305)
Interest on Investments and Deposits	A-10	36,000	34,683	(1,317)
Wedding Fees	A-10	28,000	32,025	4,025
Cable Franchise Fees	A-10	180,000	230,467	50,467
Payment in Lieu of Taxes				
Union Plaza Apartments	A-10	251,153	251,151	(2)
Union City Renaissance Urban Renewal	A-10	7,967	10,248	2,281
Palisade Urban Renewal Assoc.	A-10	22,638	40,786	18,148
Holy Rosary	A-10	37,160	20,288	(16,872)
Horizon Heights	A-10	7,893	14,973	7,080
Total Local Revenues		<u>4,129,970</u>	<u>4,235,374</u>	<u>105,404</u>
<b>State Aid Without Offsetting Appropriations</b>				
Consolidated Municipal Property Tax Relief Aid	A-10	4,300,699	4,300,699	-
Energy Receipts Taxes	A-10	9,449,463	9,449,463	-
Additional State School Aid	A-10	1,427,475	1,427,475	-
Transitional Aid	A-10	18,000,000	18,000,000	-
Total State Aid Without Offsetting Appropriations		<u>33,177,637</u>	<u>33,177,637</u>	<u>-</u>
<b>Dedicated Uniform Construction Code Fees Offset with Appropriations</b>				
Uniform Construction Code Fees	A-10	1,000,000	1,222,359	222,359
<b>Special Items of Revenue - Interlocal Service Agreements</b>				
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	40,000	-
47th Street Pool	A-10	136,000	136,000	-
Off Duty Police Officers	A-10	80,000	80,000	-
Police Services	A-10	604,569	604,569	-
Snow Removal	A-10	100,000	20,437	(79,563)
School Crossing Guards	A-10	951,971	951,971	-
Total Special Items of Revenue - Interlocal Service Agreements		<u>2,572,540</u>	<u>2,492,977</u>	<u>(79,563)</u>
<b>Special Items of Revenue - Public and Private Revenues</b>				
Summer Food Program		151,771	151,771	-
Drunk Driving Enforcement fund		15,748	15,748	-
Reserve for Grants Unappropriated:				
Clean Communities		78,878	78,878	-
Alcohol Education		2,216	2,216	-
Byrne Justice Assistance Grant		27,424	27,424	-
Municipal Alliance		33,172	33,172	-
Municipal Alliance		57,412	57,412	-
Distracted Driving Crackdown		5,000	5,000	-
Click it or Ticket		4,000	4,000	-
New Jersey Department of Transportation -				
West Street (Section 3)		650,000	650,000	-
West Street (Section 3)		349,090	349,090	-
Summit Avenue Section 3 (Discretionary Aid)		260,000	260,000	-
Hudson County Open Space -				
Ellsworth Park Improvements		500,000	500,000	-
Total Special Items of Revenue - Public and Private Revenues	A-25	<u>2,134,711</u>	<u>2,134,711</u>	<u>-</u>
<b>Special Items of Revenue - Other</b>				
Interfunds:				
Due from CDA Trust Fund	A-10, A-11	98,997	98,997	-
Due from Other Trust Fund	A-10, A-11	119,065	119,065	-
Due from Dog License Trust Fund	A-10, A-11	6,553	6,553	-
Reserve for Payment of Debt - General Capital Fund	A-10, A-11	761,597	761,597	-
North Hudson Community Action Health Center Lease	A-10	106,560	97,680	(8,880)
Emergency Medical Services	A-10	500,000	711,178	211,178

See Accompanying Notes to the Financial Statements.

## EXHIBIT A-2

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**STATEMENT OF REVENUES**

	Ref.	Budget	Realized	Excess or (Deficit)
<b>Special Items of Revenue - Other (Continued)</b>				
Five Year Abatement Program	A-10	50,000	210,846	160,846
Total Special Items of Revenue - Other		<u>1,642,772</u>	<u>2,005,916</u>	<u>363,144</u>
Total Miscellaneous Revenues	A-1	44,657,630	45,268,974	611,344
Receipts From Delinquent Taxes	A-1, A-7	<u>99,208</u>	<u>74,121</u>	<u>(25,087)</u>
Subtotal General Revenues and Fund Balance Anticipated		<u>44,756,838</u>	<u>45,343,095</u>	<u>586,257</u>
<b>Amount to Be Raised by Taxes for Support of Municipal Budget</b>				
Local Tax for Municipal Purposes		\$ 64,876,792	\$ 65,818,517	\$ 941,725
Addition to Local District School Tax		966,765	966,765	-
Minimum Library Tax		<u>1,026,426</u>	<u>1,026,426</u>	<u>-</u>
Total Amount to Be Raised by Taxes for Support of Municipal Budget	Below, A-7	<u>66,869,983</u>	<u>67,811,708</u>	<u>941,725</u>
Non-Budget Revenues	Below, A-1, A-4	-	396,762	396,762
Total General Revenues	A-3	<u>\$ 111,626,821</u>	<u>\$ 113,551,565</u>	<u>\$ 1,924,744</u>
			Below	

**ANALYSIS OF REALIZED REVENUE**

Allocation of Current Taxes				
Revenue from Collections	A-7	\$ 98,178,007		
Add: Reserve for Uncollected Taxes	A-3	<u>1,465,516</u>		
	A-1	99,643,523		
Less:				
Allocated to School Taxes	A-1, A-19	15,418,637		
Allocated to County Taxes	A-1, A-20	<u>16,413,178</u>		
Amount for Support of Municipal Budget	Above		\$ 67,811,708	
Receipts from Delinquent Taxes				
Delinquent Tax Collections	A-1, A-7		74,121	
Miscellaneous Revenues Anticipated				
Public and Private Revenues	A-25	720,711		
Revenues Appropriated 40A:4-87	A-25	<u>1,414,000</u>		
	A-1		45,268,974	

**ANALYSIS OF NON-BUDGET REVENUE**

Miscellaneous Refunds		\$ 25,397		
31st Street Parking Lot		5,490		
Election Fees		1,240		
Restitution		100		
Police Administrative Fees		13,242		
State Aid - Local Enforcement Agency Rebates		93,303		
Motor Vehicle Inspection Fines		2,127		
Copy of Reports		15,419		
Fire Reports		30,920		
Senior Citizens' and Veterans' Deduction Administration Fee		1,508		
Non-budgeted PILOTS		15,490		
Other Miscellaneous Receipts		<u>192,526</u>		
	Above, A-1		<u>396,762</u>	
	Above		<u>\$ 113,551,565</u>	

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**STATEMENT OF EXPENDITURES**

Expenditures	Ref.	SFY 2014	Total for SFY 2014 as Modified by all Transfers	Expended SFY 2014		
				Paid or Charged	Cancelled	Reserved
Operations within "CAPS"						
DEPARTMENT OF PUBLIC AFFAIRS						
Director's Office						
Salaries and Wages		\$ 100,500	\$ 97,500	\$ 96,872	\$ -	\$ 628
Other Expenses		4,000	4,000	3,348	-	652
Municipal Court						
Salaries and Wages		1,320,000	1,274,048	1,269,464	-	4,584
Other Expenses		210,000	210,000	209,885	-	115
Public Defender						
Salaries and Wages		50,000	50,000	49,950	-	50
Senior Citizens						
Salaries and Wages		101,800	101,800	101,293	-	507
Other Expenses		40,000	40,000	29,016	-	10,984
Hispanic/Cultural Affairs						
Other Expenses		93,000	103,225	103,220	-	5
North Hudson Council of Mayors						
Other Expenses		70,000	60,000	51,159	-	8,841
Municipal Land Use Law (NJS 40:55D-1)						
Regional Planning Board						
Salaries and Wages		19,600	18,100	17,500	-	600
Other Expenses		20,000	20,000	19,616	-	384
Continuous Planning Program						
Other Expenses		29,000	29,000	27,755	-	1,245
Veterans Affairs						
Salaries and Wages		8,200	3,200	1,346	-	1,854
Other Expenses		500	500	-	-	500
Celebration of Public Events						
Other Expenses		66,000	66,000	65,913	-	87
Total Department of Public Affairs		<u>2,132,600</u>	<u>2,077,373</u>	<u>2,046,337</u>	<u>-</u>	<u>31,036</u>
Detail:						
Salaries and Wages		1,600,100	1,544,648	1,536,425	-	8,223
Other Expenses		532,500	532,725	509,912	-	22,813
DEPARTMENT OF REVENUE AND FINANCE						
Director's Office						
Salaries and Wages		133,700	133,700	133,700	-	-
Other Expenses		5,000	5,000	4,973	-	27
City Clerk's Office						
Salaries and Wages		529,000	445,000	442,863	-	2,137
Other Expenses		80,000	80,000	68,017	-	11,983
Treasurer's Office						
Salaries and Wages		500,000	445,000	443,602	-	1,398
Other Expenses		550,000	635,000	621,110	-	13,890
Assessment of Taxes						
Salaries and Wages		199,000	195,000	193,610	-	1,390
Other Expenses		80,000	80,000	76,665	-	3,335
Collection of Taxes						
Salaries and Wages		291,000	313,557	313,557	-	-
Other Expenses		44,000	44,000	20,326	-	23,674
Central Purchasing						
Salaries and Wages		174,000	165,000	159,162	-	5,838
Other Expenses		8,000	8,000	7,787	-	213
Rent Control Board						
Salaries and Wages		342,400	330,400	329,902	-	498
Other Expenses		54,000	54,000	42,519	-	11,481
Insurance						
General Liability		1,825,000	1,955,000	1,906,537	-	48,463
Workers Compensation		1,425,000	1,425,000	1,420,046	-	4,954
Employee Group Health		17,343,503	17,017,073	16,706,741	-	310,332
Tax Searches						
Salaries and Wages		5,300	5,300	5,000	-	300
Other Expenses		5,100	100	-	-	100
Elections						
Salaries and Wages		10,000	29,065	12,648	-	16,417
Other Expenses		95,000	117,000	116,723	-	277

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**STATEMENT OF EXPENDITURES**

Expenditures	Ref.	SFY 2014	Total for SFY 2014 as Modified by all Transfers	Expended SFY 2014		
				Paid or Charged	Cancelled	Reserved
DEPARTMENT OF REVENUE AND FINANCE						
(Continued)						
Membership NJ League of Municipalities						
Other Expenses		\$ 4,000	\$ 4,000	\$ 3,886	\$ -	\$ 114
Annual Audit						
Other Expenses		70,000	70,000	-	-	70,000
Tax Sale Costs						
Other Expenses		15,000	15,000	15,000	-	-
Postage-All Departments						
Other Expenses		200,000	203,900	199,862	-	4,038
Data Processing						
Other Expenses		50,000	50,000	49,263	-	737
Day Care Center						
Other Expenses		260,000	260,000	260,000	-	-
CDA Operations						
Salaries and Wages		250,000	378,761	378,760	-	1
Total Department of Revenue and Finance		<u>24,548,003</u>	<u>24,463,856</u>	<u>23,932,259</u>	<u>-</u>	<u>531,597</u>
Detail:						
Salaries and Wages		2,434,400	2,440,783	2,412,804	-	27,979
Other Expenses		<u>22,113,603</u>	<u>22,023,073</u>	<u>21,519,455</u>	<u>-</u>	<u>503,618</u>
DEPARTMENT OF PUBLIC SAFETY						
Director's Office						
Salaries and Wages		136,000	126,000	123,644	-	2,356
Other Expenses		25,000	35,000	33,793	-	1,207
Weddings						
Salaries and Wages		28,000	35,000	34,650	-	350
Legal Department						
Salaries and Wages		11,000	11,000	10,000	-	1,000
Other Expenses		1,200,000	1,207,000	1,186,442	-	20,558
Police Department						
Salaries and Wages		17,540,320	17,284,630	17,284,629	-	1
Overtime		912,722	780,765	780,765	-	-
Other Expenses		500,000	471,426	471,426	-	-
Traffic Signs and Safety						
Other Expenses		121,000	121,000	120,670	-	330
Emergency Management Services						
Salaries and Wages		31,500	26,683	26,682	-	1
Other Expenses		5,000	5,000	4,985	-	15
Emergency Medical Services						
Salaries and Wages		1,095,500	1,176,298	1,176,297	-	1
Other Expenses		60,000	88,900	78,442	-	10,458
Life Hazard Use Fee-Uniform Fire Safety						
Salaries and Wages		162,000	155,000	153,583	-	1,417
Other Expenses		12,000	12,000	9,101	-	2,899
Contribution to Union City Redevelopment Agency		75,000	75,000	73,188	-	1,812
Board of Health						
Salaries and Wages		282,500	289,900	289,090	-	810
Other Expenses		130,000	110,000	105,744	-	4,256
Divisions of Inspections						
Other Expenses		12,000	4,000	28	-	3,972
Welfare						
Relocation Assistance		50,000	50,000	47,276	-	2,724
School Crossing Guards						
Salaries and Wages		941,046	964,720	956,267	-	8,453
Other Expenses		10,925	12,942	12,915	-	27
Total Department of Public Safety		<u>23,341,513</u>	<u>23,042,264</u>	<u>22,979,617</u>	<u>-</u>	<u>62,647</u>
Detail:						
Salaries and Wages		21,140,588	20,849,996	20,835,607	-	14,389
Other Expenses		<u>2,200,925</u>	<u>2,192,268</u>	<u>2,144,010</u>	<u>-</u>	<u>48,258</u>

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**STATEMENT OF EXPENDITURES**

Expenditures	Ref.	SFY 2014	Total for SFY 2014 as Modified by all Transfers	Expended SFY 2014		
				Paid or Charged	Cancelled	Reserved
<b>DEPARTMENT OF PUBLIC WORKS</b>						
Director's Office						
Salaries and Wages		\$ 123,000	\$ 107,000	\$ 105,699	\$ -	\$ 1,301
Other Expenses		3,000	3,000	2,979	-	21
Street Cleaning						
Salaries and Wages		2,621,600	2,787,230	2,787,230	-	-
Other Expenses		175,000	255,000	254,705	-	295
Streets Repairs and Maintenance						
Other Expenses		95,000	95,000	91,418	-	3,582
Snow Removal						
Salaries and Wages		146,000	146,000	134,493	-	11,507
Other Expenses		287,470	287,470	271,022	-	16,448
Board of Adjustment						
Salaries and Wages		20,000	20,866	20,866	-	-
Other Expenses		88,000	88,000	48,549	-	39,451
Solid Waste Disposal						
Salaries and Wages		1,269,100	1,341,038	1,341,038	-	-
Other Expenses		3,698,900	3,698,900	3,461,347	-	237,553
Recycling Program						
Other Expenses		45,000	45,000	13,999	-	31,001
Public Assistance						
Other Expenses		75,000	75,000	72,153	-	2,847
Engineering Services						
Other Expenses		300,000	300,000	282,070	-	17,930
Interlocal Municipal Service Agreements						
Central Maintenance Facility Lease		100,000	100,000	20,437	79,563	-
Total Department of Public Works		<u>9,047,070</u>	<u>9,349,504</u>	<u>8,908,005</u>	<u>79,563</u>	<u>361,936</u>
Detail:						
Salaries and Wages		4,179,700	4,402,134	4,389,326	-	12,808
Other Expenses		<u>4,867,370</u>	<u>4,947,370</u>	<u>4,518,679</u>	<u>79,563</u>	<u>349,128</u>
<b>DEPARTMENT OF PARKS AND PUBLIC PROPERTY</b>						
Director's Office						
Salaries and Wages		150,500	150,500	150,476	-	24
Other Expenses		4,000	4,000	2,936	-	1,064
Parks and Playgrounds						
Salaries and Wages		310,290	280,290	271,090	-	9,200
Other Expenses		242,000	247,053	245,633	-	1,420
Public Buildings and Grounds						
Salaries and Wages		880,000	928,633	928,633	-	-
Other Expenses		465,000	465,000	464,905	-	95
Recreation						
Salaries and Wages		445,000	440,000	340,240	-	99,760
Other Expenses		300,000	320,000	319,677	-	323
Interlocal Municipal Service Agreements						
47th Street Pool		136,000	136,000	95,991	-	40,009
Recreation Center Lease		300,000	300,000	300,000	-	-
Total Department of Parks and Public Property		<u>3,232,790</u>	<u>3,271,476</u>	<u>3,119,581</u>	<u>-</u>	<u>151,895</u>
Detail:						
Salaries and Wages		1,785,790	1,799,423	1,690,439	-	108,984
Other Expenses		<u>1,447,000</u>	<u>1,472,053</u>	<u>1,429,142</u>	<u>-</u>	<u>42,911</u>
<b>UNIFORM CONSTRUCTION CODE</b>						
State Uniform Construction Code Officials:						
Salaries and Wages		807,500	707,500	676,050	-	31,450
Other Expenses		45,000	145,000	138,511	-	6,489
Sub-Code Officials:						
Plumbing Inspector						
Salaries and Wages		15,000	15,000	-	-	15,000
Other Expenses		1,500	1,500	-	-	1,500
Electrical Inspector						
Salaries and Wages		38,000	38,000	33,173	-	4,827
Other Expenses		1,500	1,500	1,500	-	-

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**STATEMENT OF EXPENDITURES**

Expenditures	Ref.	SFY 2014	Total for SFY 2014 as Modified by all Transfers	Expended SFY 2014		
				Paid or Charged	Cancelled	Reserved
<b>UNIFORM CONSTRUCTION CODE</b>						
(Continued)						
Elevator Inspector						
Other Expenses		\$ 55,000	\$ 55,000	\$ 43,264	\$ -	\$ 11,736
Fire Inspector						
Salaries and Wages		35,000	35,000	29,585	-	5,415
Other Expenses		1,500	1,500	1,500	-	-
Total Uniform Construction Code		1,000,000	1,000,000	923,583	-	76,417
Detail:						
Salaries and Wages		895,500	795,500	738,808	-	56,692
Other Expenses		104,500	204,500	184,775	-	19,725
<b>UNCLASSIFIED</b>						
Retirement Benefits		200,000	200,000	171,449	-	28,551
Gasoline		425,000	425,000	393,191	-	31,809
Telephone		220,000	220,000	219,462	-	538
Electricity		950,000	726,000	698,654	-	27,346
Water		60,000	96,000	76,645	-	19,355
Natural Gas		300,000	292,000	241,367	-	50,633
Street Lighting		1,000,000	870,000	867,109	-	2,891
Sewer		65,000	65,000	58,310	-	6,690
Fire Hydrants		289,200	269,200	258,390	-	10,810
Printing-All Departments		270,000	405,000	386,653	-	18,347
Photocopying		45,000	45,000	40,307	-	4,693
Fleet Maintenance & Repairs		550,000	550,000	542,046	-	7,954
Total Unclassified		4,374,200	4,163,200	3,953,583	-	209,617
Detail:						
Salaries and Wages		-	-	-	-	-
Other Expenses		4,374,200	4,163,200	3,953,583	-	209,617
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>						
		67,676,176	67,367,673	65,862,965	79,563	1,425,145
Detail:						
Salaries and Wages		32,036,078	31,832,484	31,603,409	-	229,075
Other Expenses		35,640,098	35,535,189	34,259,556	79,563	1,196,070
<b>DEFERRED CHARGES AND STATUTORY</b>						
<b>EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>						
Prior Year Bills		878,440	878,440	878,439	1	-
Overexpenditures		357,480	357,480	357,480	-	-
Grant receivable write-off		252,000	252,000	252,000	-	-
Deficit in Operations		362,105	362,105	32,080	330,025	-
Statutory Expenditures - Contributions to:						
Social Security System (O.A.S.I.)		1,325,000	1,484,898	1,484,898	-	-
Police and Fire Retirement System		4,460,504	4,592,686	4,592,686	-	-
Public Employees Retirement System		1,249,089	1,224,108	1,224,107	-	1
Consolidated Police and Firemen's Pension Fund		84,579	84,579	84,578	-	1
Unemployment Insurance		130,000	130,000	85,117	-	44,883
Defined Contribution Retirement Plan		5,000	46,404	46,403	-	1
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"		9,104,197	9,412,700	9,037,788	330,026	44,886
Total General Appropriations for Municipal Purposes Within "CAPS"		76,780,373	76,780,373	74,900,753	409,589	1,470,031
<b>OTHER OPERATIONS EXCLUDED FROM "CAPS"</b>						
Employee Group Health		197,676	197,676	197,676	-	-
Declared State of Emergency Costs for Snow Removal		134,375	134,375	134,375	-	-
Maintenance of Free Public Library		1,026,426	1,026,426	948,128	-	78,298
Contribution to North Hudson Fire & Rescue Joint Meeting		17,800,000	17,800,000	17,531,530	-	268,470
Total Other Operations Excluded from "CAPS"		19,158,477	19,158,477	18,811,709	-	346,768

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**STATEMENT OF EXPENDITURES**

Expenditures	Ref.	SFY 2014	Total for SFY 2014 as Modified by all Transfers	Expended SFY 2014		
				Paid or Charged	Cancelled	Reserved
<b>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</b>						
Union City Board of Education						
Solid Waste Removal		\$ 360,000	\$ 360,000	\$ 360,000	\$ -	\$ -
Gasoline		40,000	40,000	40,000	-	-
Off Duty Police Officers		80,000	80,000	62,280	-	17,720
Police Services		604,569	604,569	604,569	-	-
Total Interlocal Municipal Service Agreements		<u>1,084,569</u>	<u>1,084,569</u>	<u>1,066,849</u>	<u>-</u>	<u>17,720</u>
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>						
Summer Food Program		151,771	151,771	151,771	-	-
Reserve for Grants Unappropriated:						
Clean Communities		78,878	78,878	78,878	-	-
Recycling Tonnage Grant			-	-	-	-
Drunk Driving Enforcement fund		15,748	15,748	15,748	-	-
Alcohol Education		2,216	2,216	2,216	-	-
Byrne Justice Assistance Grant		27,424	27,424	27,424	-	-
Municipal Alliance		41,466	41,466	41,466	-	-
Municipal Alliance		57,412	57,412	57,412	-	-
Click it or Ticket		4,000	4,000	4,000	-	-
Distracted Driving Crackdown		5,000	5,000	5,000	-	-
New Jersey Department of Transportation -						
West Street Improvements (Section 3)		349,090	349,090	349,090	-	-
Resurfacing West Street (Section 3)		650,000	650,000	650,000	-	-
Summit Avenue Section 3 (Discretionary Aid)		260,000	260,000	260,000	-	-
Hudson County Open Space-						
Ellsworth Park Improvements		500,000	500,000	500,000	-	-
Total Public and Private Programs Offset by Revenue		<u>2,143,005</u>	<u>2,143,005</u>	<u>2,143,005</u>	<u>-</u>	<u>-</u>
Total Operations Excluded from "CAPS"		<u>22,386,051</u>	<u>22,386,051</u>	<u>22,021,563</u>	<u>-</u>	<u>364,488</u>
<b>Detail</b>						
Salaries and Wages		15,748	15,748	15,748	-	-
Other Expenses		22,370,303	22,370,303	22,005,815	-	364,488
<b>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>						
Capital Improvement Fund		300,000	300,000	300,000	-	-
41st Street Sewer and Street Repair		110,000	110,000	98,396	-	11,604
Total Capital Improvements Excluded from "CAPS"		<u>410,000</u>	<u>410,000</u>	<u>398,396</u>	<u>-</u>	<u>11,604</u>
<b>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</b>						
Payment of Bond Principal		2,638,107	2,638,107	2,638,107	-	-
Payment of Bond Anticipation Notes & Capital Notes		807,000	807,000	807,000	-	-
Interest on Bonds		2,800,000	2,800,000	2,788,287	11,713	-
Interest on Notes		270,020	270,020	270,020	-	-
Hudson County Improvement Authority:						
Fire Dept Assets - Principal		438,853	438,853	438,853	-	-
Fire Dept Assets - Interest		443,290	443,290	442,968	322	-
Green Trust Loan Program:						
Swimming Pool Improvements		49,747	49,747	49,747	-	-
17th Street Park Improvements		4,353	4,353	4,353	-	-
44th Street Playground		9,741	9,741	9,741	-	-
Ellsworth and 23rd Street		78,674	78,674	78,674	-	-
38th Street Park		10,856	10,856	10,856	-	-
Total Municipal Debt Service Excluded from "CAPS"		<u>7,550,641</u>	<u>7,550,641</u>	<u>7,538,606</u>	<u>12,035</u>	<u>-</u>
<b>DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM "CAPS"</b>						
Special Emergency Authorizations - 5 years (N.J.S. 40A:4-55)		640,000	640,000	640,000	-	-
Total Deferred Charges-Municipal-Excluded from "CAPS"		<u>640,000</u>	<u>640,000</u>	<u>640,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		<u>30,986,692</u>	<u>30,986,692</u>	<u>30,598,565</u>	<u>12,035</u>	<u>376,092</u>

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**STATEMENT OF EXPENDITURES**

Expenditures	Ref.	SFY 2014	Total for SFY 2014 as Modified by all Transfers	Expended SFY 2014		
				Paid or Charged	Cancelled	Reserved
<b>LOCAL DISTRICT SCHOOL PURPOSES EXCLUDED FROM "CAPS"</b>						
Type 1 District School Debt Service						
Payment of Bond Principal		\$ 2,320,000	\$ 2,320,000	\$ 2,320,000	\$ -	\$ -
Interest on Bonds		74,240	74,240	74,240	-	-
Total Local District School Purposes Excluded from "CAPS"		<u>2,394,240</u>	<u>2,394,240</u>	<u>2,394,240</u>	<u>-</u>	<u>-</u>
Total General Appropriations Excluded from "CAPS"		<u>33,380,932</u>	<u>33,380,932</u>	<u>32,992,805</u>	<u>12,035</u>	<u>376,092</u>
Subtotal General Appropriations		110,161,305	110,161,305	107,893,558	421,624	1,846,123
Reserve for Uncollected Taxes		<u>1,465,516</u>	<u>1,465,516</u>	<u>1,465,516</u>	<u>-</u>	<u>-</u>
<b>TOTAL GENERAL APPROPRIATIONS</b>		<u>\$ 111,626,821</u>	<u>\$ 111,626,821</u>	<u>\$ 109,359,074</u>	<u>\$ 421,624</u>	<u>\$ 1,846,123</u>
	Ref.	A-2	A-1	Below	A-1	A
Reserve for Uncollected Taxes	A-2			\$ 1,465,516		
Cash Disbursements	A-4			100,912,885		
Capital Improvement Fund	A-11			300,000		
Reserve for Prior Year Bills	A-11, A-17			21,196		
Grants Appropriated	A-27			2,134,711		
Grants Appropriated - City Match	A-27			8,294		
Transfer to Reserve for Encumbrances	A-22			3,234,912		
Deferred Charges	A-23			<u>1,281,560</u>		
	Above			<u>\$ 109,359,074</u>		

## **TRUST FUNDS**



**EXHIBIT B**

**THE CITY OF UNION CITY  
TRUST FUNDS  
JUNE 30, 2014 AND 2013**

**COMPARATIVE BALANCE SHEETS**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>			
Dog License Fund			
Cash and Cash Equivalents	B-1	\$ 12,652	\$ 20,215
Total Dog License Fund		<u>12,652</u>	<u>20,215</u>
Other Trust Fund			
Cash and Cash Equivalents	B-5	6,663,334	7,826,143
Due from Property Owners	B-6	51,029	51,029
Due from General Capital Fund	B-7	18,090	18,090
Total Other Trust Fund		<u>6,732,453</u>	<u>7,895,262</u>
Community Development Agency Fund			
Cash and Cash Equivalents	B-11	519	5,760
Due from HUD CDA Grant	B-12	47,237	81,211
Due from Current Fund	B-15	123,533	-
Total Community Development Agency Fund		<u>171,289</u>	<u>86,971</u>
Public Defender Trust Fund			
Cash and Cash Equivalents	B-16	20,270	10,910
Due from Current fund	B-18	-	1,363
Total Public Defender Trust Fund		<u>20,270</u>	<u>12,273</u>
Total Assets		<u>\$ 6,936,664</u>	<u>\$ 8,014,721</u>

See Accompanying Notes to the Financial Statements.

**EXHIBIT B**

**THE CITY OF UNION CITY  
TRUST FUNDS  
JUNE 30, 2014 AND 2013**

**COMPARATIVE BALANCE SHEETS**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Dog License Fund			
Due to State of New Jersey	B-2	\$ 4,019	\$ 3,509
Reserve for Dog License Expenditures	B-3	8,461	8,243
Due to Current Fund	B-4	172	8,463
Total Dog License Fund		<u>12,652</u>	<u>20,215</u>
Other Trust Fund			
Reserve for Other Trust Activities	B-8	5,638,210	6,720,570
Due to Current fund	B-9	332,228	119,065
Reserve for Encumbrances Payable	B-10	762,015	1,055,627
Total Other Trust Fund		<u>6,732,453</u>	<u>7,895,262</u>
Community Development Agency Fund			
Reserve for Community Development Block Grant	B-14	171,289	-
Due to Current Fund	B-15	-	86,971
Total Community Development Agency Fund		<u>171,289</u>	<u>86,971</u>
Public Defender Trust Fund			
Reserve for Public Defender Trust Expenditures	B-17	14,470	8,983
Accounts Payable	B-19	5,800	3,290
Total Public Defender Trust Fund		<u>20,270</u>	<u>12,273</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 6,936,664</u>	<u>\$ 8,014,721</u>

See Accompanying Notes to the Financial Statements.

**GENERAL CAPITAL FUND**



**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
JUNE 30, 2014 AND 2013**

**COMPARATIVE BALANCE SHEETS**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	C-2, C-3	\$ 84	\$ 84
Due from State of New Jersey - Green Acres Trust Loan	C-16	-	590,143
Due from State of New Jersey - Green Acres Trust Grant	C-17	780,000	1,370,143
Due from County of Hudson	C-18	25,000	790,000
Due from Current Fund	C-14	-	1,281,613
Deferred Charges to Future Taxation:			
Funded	C-5	56,667,280	56,995,180
Unfunded	C-4	28,681,824	29,488,824
Total Assets and Deferred Charges		<u>\$ 86,154,188</u>	<u>\$ 90,515,987</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Capital Improvement Fund	C-6	\$ 311,763	\$ 11,763
Improvement Authorizations:			
Funded	C-7	322,877	1,657,587
Unfunded	C-7	2,086,471	7,367,259
General Serial Bonds	C-8	44,151,892	46,789,999
School Serial Bonds	C-9	-	2,320,000
Capital Lease Payable - HCIA	C-10	10,879,619	6,709,059
Green Acres Loan	C-11	1,635,769	1,176,122
Bond Anticipation Notes	C-12	20,828,000	21,635,000
Encumbrances Payable	C-13	3,513,496	2,813,867
Due to Current Fund	C-14	2,388,970	-
Due to Other Trust Fund	C-20	18,090	18,090
Fund Balance	C-1	17,241	17,241
Total Liabilities, Reserves and Fund Balance		<u>\$ 86,154,188</u>	<u>\$ 90,515,987</u>
Bonds and Notes Authorized But Not Issued	C-15	<u>\$ 7,853,824</u>	<u>\$ 7,853,824</u>

See Accompanying Notes to the Financial Statements.

THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance, June 30, 2013	C	\$ 17,241
Balance, June 30, 2014	C	\$ 17,241

See Accompanying Notes to the Financial Statements.

## **FIXED ASSETS**



**THE CITY OF UNION CITY  
FIXED ASSET GROUP OF ACCOUNTS  
JUNE 30, 2014 AND 2013**

**COMPARATIVE BALANCE SHEETS**

		<u>2014</u>	<i>As Restated</i> <u>2013</u>
	<u>Ref.</u>		
<b><u>FIXED ASSETS</u></b>			
Land		\$ 11,228,900	\$ 11,228,900
Buildings and Improvements		49,374,852	47,682,641
Furniture and Fixtures		69,871	69,871
Machinery, Equipment and Other		<u>7,734,596</u>	<u>7,527,051</u>
	D-1	<u>\$ 68,408,219</u>	<u>\$ 66,508,463</u>
<b><u>RESERVE</u></b>			
Reserve for Fixed Assets	D-2	<u>\$ 68,408,219</u>	<u>\$ 66,508,463</u>

See Accompanying Notes to the Financial Statements.

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## **NOTES TO THE FINANCIAL STATEMENTS**



**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

**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, 2014 AND 2013**

**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, 2014 AND 2013**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. BASIS OF ACCOUNTING**

***Budgets and Budgetary Accounting*** - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the State Division of Local Government Services, in accordance with N.J.S.A. 40A:4 et seq. Budgets are adopted on the same basis of accounting utilized for the preparation of the City's financial statements.

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

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

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

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

***Expenditures*** - unexpended or uncommitted appropriations, at June 30, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures in the current fund, to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

***Encumbrances*** - contractual orders at June 30th are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures or liabilities under GAAP.

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. BASIS OF ACCOUNTING (Continued)**

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

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

*Property Acquired for Taxes* - is recorded in the current fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at market value on the date of acquisition.

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

*Interfunds* - advances from the current fund are reported as interfund receivable with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. Under GAAP, interfund receivables are not recorded through operations.

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

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. BASIS OF ACCOUNTING (Continued)**

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

*Inventories of Supplies* - the cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

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

*Subsequent Events* - Management has reviewed and evaluated all events and transactions that occurred between June 30, 2014 through April 8, 2015, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items, other than those already included in Note 11, contingent liabilities, have come to the attention of the City that would require disclosure.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**A. DEPOSITS**

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

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

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

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

**B. DEPOSITS (Continued)**

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

Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2014 and 2013, none of the City’s bank balances of \$18,322,032 and \$27,141,263, respectively, was exposed to custodial credit risk.

As of June 30, 2014 and 2013, the City’s deposits and investments are summarized as follows:

	<u>2014</u>	<u>2013</u>
Insured - FDIC	\$ 839,847	\$ 854,007
Insured - GUDPA	16,157,828	24,963,307
NJARM	867,429	867,280
NJ Cash Management Fund	<u>456,928</u>	<u>456,669</u>
Total	<u>\$ 18,322,032</u>	<u>\$ 27,141,263</u>

**C. INVESTMENTS**

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

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

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

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

**C. INVESTMENTS (Continued)**

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

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

As of June 30, 2014 and 2013, the City's investments are recorded in the financial statements and have been recorded at the carrying amount. The difference between the carrying amount and market value is not material to the financial statements.

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk

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

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

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

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

At June 30, 2014 the City's investments were not exposed to custodial credit risk or foreign currency risk.

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

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

**C. INVESTMENTS (Continued)**

GASB Statement No. 40 requires that the City disclose the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The City is exempt from this requirement because all its investments at June 30, 2014 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, 2014 and 2013, the City had a balance of \$456,928 and \$456,669, respectively, in the New Jersey Cash Management Fund.

The NJARM Program is a financial services organization created and run exclusively for New Jersey municipalities, authorities, schools and other local and regional governmental type entities. The Program was designed to help achieve excellence in the governmental unit's investment program. Created as a joint trust investment under the Interlocal Services Act, NJARM provides participants with investment and arbitrage rebate compliance services for both bond proceeds and general operating funds. The program is a means for local governments in the State to invest collectively the proceeds of taxable and tax-exempt borrowings and other funds on hand. As of June 30, 2014 and 2013, the City has a balance of \$867,429 and \$867,280, respectively, in the NJARM Program.

**NOTE 3. TAXES RECEIVABLE, TAX TITLE LIENS**

In accordance with the accounting principles prescribed by the State of New Jersey, taxes receivable and tax title liens are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible.

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

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

During fiscal year ended June 30, 2014 the City collected \$268,190 from delinquent taxes which represented 44.26% of the delinquent balances at June 30, 2013. For the fiscal year ended June 30, 2013, the City collected \$182,550 from delinquent taxes which represented 59.65% of the delinquent balances at June 30, 2012.

**NOTE 4. PROPERTY TAX CALENDAR**

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

**School Taxes**

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

**County Taxes**

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

**Prepaid Taxes**

Taxes collected in advance are recorded as cash liabilities in the financial statements. As of June 30, 2014 and 2013, the City's prepaid taxes were \$93,263 and \$115,806, respectively.

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE 5. SCHOOL DISTRICT**

At June 30, 2014 and 2013, the amount of authorized and unissued school indebtedness was \$0 each year.

**NOTE 6. LONG-TERM DEBT**

**A. SUMMARY OF MUNICIPAL DEBT**

The Local Bond Law, N.J.S.A. 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years of original date financed by the issuance of bonds.

The following is a summary of changes in long-term debt for the year ended June 30, 2014:

	Balance June 30, 2013	Bonds and Notes			Balance June 30, 2014
		Authorized	Issued/ (Unissued)	Paid	
General Bonds and Notes	\$ 68,424,999	\$ -	\$ 20,828,000	\$ 24,273,107	\$ 64,979,892
Bonds Issued by Another Public Body and Guaranteed by Municipalities	1,793,700	-	-	-	1,793,700
Green Acres Loans	1,176,122	-	590,143	130,496	1,635,769
HCIA Capital Leases	6,709,059	-	4,609,412	438,852	10,879,619
Authorized but Not Issued	7,853,824	-	-	-	7,853,824
Total General Debt	85,957,704	-	26,027,555	24,842,455	87,142,804
School Serial Bonds	2,320,000	-	-	2,320,000	-
Total	\$ 88,277,704	\$ -	\$ 26,027,555	\$ 27,162,455	\$ 87,142,804

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, 2014 is as follows:

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE 6. LONG-TERM DEBT (Continued)**

**A. SUMMARY OF MUNICIPAL DEBT (Continued)**

Fiscal Year Ending	General Bonds		HCIA Lease		Green Acres Trust Fund Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2015	\$ 2,582,108	\$ 2,857,842	\$ 453,888	\$ 414,570	\$ 145,565	\$ 26,151	\$ 6,480,124
2016	2,521,251	2,922,956	480,577	383,604	161,064	29,003	6,498,455
2017	2,455,108	2,940,130	518,940	349,766	154,513	25,813	6,444,270
2018	2,088,425	3,299,569	562,303	313,895	78,550	23,101	6,365,843
2019	3,760,000	1,645,907	590,664	275,498	69,218	21,577	6,362,864
2020-2024	21,610,000	5,326,079	3,653,833	689,948	367,537	86,449	31,733,846
2025-2029	3,540,000	2,490,313			405,985	47,996	6,484,295
2030-2034	5,595,000	933,125	-	-	253,337	11,297	6,792,759

**B. SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT**

This summarized statement of debt condition which is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.05%. The Equalized Valuation Basis of the City at June 30, 2014 is \$3,109,786,455.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$76,263,185	\$ 12,575,000	\$ 63,688,185

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

3-1/2% of Equalaized Valuation Basis	\$ 108,842,526
Net Debt	<u>63,688,185</u>
Remaining Borrowing Power	<u><u>\$ 45,154,341</u></u>

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE 6. LONG-TERM DEBT (Continued)**

**D. GENERAL SERIAL BONDS PAYABLE**

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

<u>Fiscal Year Ending</u>	<u>Total Payments</u>	<u>ERI Pension Bonds Principal</u>	<u>2007 Refunding Issue Principal</u>
2015	\$ 2,582,108	\$ 665,000	\$ 1,917,108
2016	2,521,251	725,000	1,796,251
2017	2,455,109	825,000	1,630,109
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>\$ 44,151,893</u>	<u>\$ 12,575,000</u>	<u>\$ 31,576,893</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, 2014 AND 2013**

**NOTE 6. LONG-TERM DEBT (Continued)**

**E. LOANS AND CAPITAL LEASES PAYABLE**

The city receives loans and capital leases in order to fund various capital projects. Loans and Capital Leases Payable consisted of the following:

Fiscal Year Ending	Green Acres Loans Principal	Hudson County Improvement Authority Lease Payments			
		Total Payments	Cost of Facilities	2011 A&B	N. Hudson Reg.
			NHRFR Series 2004 Principal	Fire Dept. Assets Principal	Fire & Rescue Series 2006A&B Principal
2015	\$ 145,565	\$ 744,263	\$ 250,875	\$ 158,888	\$ 334,500
2016	161,064	791,093	267,600	165,578	357,915
2017	154,513	924,893	367,950	173,940	383,003
2018	78,550	995,138	401,400	182,303	411,435
2019	69,218	1,050,330	418,125	190,665	441,540
2020	70,610	1,125,593	451,575	200,700	473,318
2021	72,030	1,184,131	468,300	209,063	506,768
2022	73,479	1,264,410	501,750	219,097	543,563
2023	74,955	1,348,036	535,200	229,133	583,703
2024	76,462	1,451,732	585,375	240,841	625,516
2025	77,997	-	-	-	-
2026	79,566	-	-	-	-
2027	81,165	-	-	-	-
2028	82,797	-	-	-	-
2029	84,461	-	-	-	-
2030	86,158	-	-	-	-
2031	60,840	-	-	-	-
2032	34,743	-	-	-	-
2033	35,441	-	-	-	-
2034	36,155	-	-	-	-
	<u>\$1,635,769</u>	<u>\$10,879,619</u>	<u>\$ 4,248,150</u>	<u>\$1,970,208</u>	<u>\$ 4,661,261</u>

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

**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, 2014 and 2013 which were appropriated and included as anticipated revenue in their own respective funds for the years ending June 30, 2014 and 2013 were \$0 and \$0 respectively. There was no fund balance included as anticipated revenue for the fiscal year 2015 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, 2014 AND 2013**

**NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)**

**A. STATE-MANAGED PENSION PLANS (Continued)**

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

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

**Significant Legislation**

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

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

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age from age 55 to 65 for Tier 5 members.
- The eligible age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent final compensation after 30 or more years of service.
- It increases in active member contribution rates for PERS active members from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; For fiscal year 2012, the member contribution rates will increase in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)**

**A. STATE-MANAGED PENSION PLANS (Continued)**

- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
  
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

***Contribution Requirements – PERS***

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

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

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)**

**A. STATE-MANAGED PENSION PLANS (Continued)**

***Contribution Requirements – PERS (Continued)***

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

**Three-Year Trend Information**

Public Employees Retirement System (PERS)						
City Contribution						
Year Ended June 30,	Pension			Non- Contributory	Early Retirement	Employee
	Amount	Percentage of Covered Payroll	Deferral	Life Insurane	Incentive	Contributions
2014	\$ 1,249,089	13.20%	\$ 62,831	\$ 17,503	\$ 139,545	\$ 646,434
2013	1,145,652	9.95%	61,009	68,186	139,768	638,848
2012	1,288,235	11.70%	60,226	82,076	140,973	611,053

***Contribution Requirements – PFRS***

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

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

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)**

**A. STATE-MANAGED PENSION PLANS (Continued)**

*Contribution Requirements – PFRS (Continued)*

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

**Three-Year Trend Information**

Police and Firemen's Retirement System (PFRS)						
City Contribution						
Year Ended June 30,	Pension			Non- Contributory	Early Retirement	Employee Contributions
	Amount	Percentage of Covered Payroll	Deferral	Life Insurane	Incentive	
2014	\$ 4,592,686	29.03%	\$ 285,489	\$ 152,303	\$ 31,994	\$ 1,644,713
2013	4,159,235	23.00%	278,086	171,772	30,789	1,537,230
2012	3,863,384	20.77%	276,072	141,510	29,118	1,584,591

*Vesting and Benefit Provisions – PERS*

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

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

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

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)**

**A. STATE-MANAGED PENSION PLANS (Continued)**

*Vesting and Benefit Provisions – PERS (Continued)*

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

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and prior to November 2, 2008 (Tier 2 members) and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55. Also, this law provided that the amount of compensation for Tier 2 members used for employer and member contributions and benefits under the PERS cannot exceed the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contributions Act.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008 and on or before May 21, 2010 (Tier 3 members). It also increased the minimum annual compensation required for membership eligibility for new Tier 3 members from \$1,500 to \$7,500 in addition to amending the early retirement reduction formula for Tier 3 members retiring with 25 years of service to 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS hired after May 21, 2010 (Tier 4 and Tier 5 members) from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for these members of PERS to 1/60 from 1/55, and it provided that the retirement allowance for these members be calculated using the average annual compensation for the last five years of service instead of the last three years of service. Tier 4 and Tier 5 members of PERS no longer receive pension service credit from more than one employer. Pension service credit is earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members.

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)**

**A. STATE-MANAGED PENSION PLANS (Continued)**

*Vesting and Benefit Provisions – PERS (Continued)*

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for Tier 4 and Tier 5 members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

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

*Vesting and Benefit Provisions – PFRS*

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

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

Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions providing no survivor death benefits are payable.

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)**

**A. STATE-MANAGED PENSION PLANS (Continued)**

*Vesting and Benefit Provisions – PFRS (Continued)*

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

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

**B. DEFINED CONTRIBUTION RETIREMENT PROGRAM**

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

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

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)**

**B. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)**

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

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

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

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

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

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

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (Continued)**

**B. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)**

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

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

DCRP members are eligible employer-paid long-term disability coverage after one year of participation. Eligibility occurs after six consecutive months of total disability. Members would receive a regular monthly income benefit up to 60% of the base salary on which DCRP contributions were based during the 12 months preceding the onset of the disability, offset by any other periodic benefit the member may be receiving. Benefits will be paid so long the member remains disabled or until the age of 70. Benefits terminate should the member begin receiving retirement annuity payments. As of June 30, 2014, the City has 207 employees who were DCRP Members.

**NOTE 9. COMPENSATED ABSENCES**

Under the existing union contracts and policy of the City, certain employees are allowed to accumulate unused vacation and sick pay over the life of their working careers. In addition, certain employees are also entitled to accrue 7.5 terminal leave days for every year of service. These compensated absences and terminal leave may be taken as time off or paid at a later date and at an agreed upon rate. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented. The City appropriates, annually, the amounts required to be paid in any fiscal year in that year's budget and no liability is accrued at June 30, 2014 and 2013.

**THE CITY OF UNION CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE 9. COMPENSATED ABSENCES**

As of June 30, 2014 and 2013 the total accumulated compensated absence liability was \$6,154,336 and \$6,142,387, respectively. In addition, as of June 30, 2014 and 2013 the terminal leave liability was \$3,410,841.

**NOTE 10. TAX APPEALS**

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

**NOTE 11. TRANSITIONAL AID CONDITIONS**

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

The Transitional Aid to the City from the State is material to the total revenue the City needs for operations.

**NOTE 12. CONTINGENT LIABILITIES**

The City participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. The state and federal grants received and expended in fiscal year June 30, 2014 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, 2014, the City does not believe that any material liabilities will result from such audits.

**THE CITY OF UNION CITY  
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**NOTE 13. RISK MANAGEMENT**

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

**A. PROPERTY AND LIABILITY INSURANCE**

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

**B. SELF-INSURANCE PROGRAM**

The City had established a self-insurance program in accordance with the New Jersey Statute Chapter 40:10. The Chapter enabled the governing body of any local unit to create a fund to provide insurance coverage for its exposure to a wide variety of property and casualty risks. In 1998 the City had established a self-insured health insurance benefits program (vision, dental, prescription and major medical) which the City later dissolved in 2010 for a fully insured plan through Horizon Blue Cross Blue Shield of New Jersey. In 1984 the City had established a self-insured workers' compensation obligation program which the City later dissolved in 2009 for a fully insured plan through the New Jersey Intergovernmental Insurance Fund. The City still has exposure for claims from the prior self-insured worker's compensation obligation program. The latest available information states that at December 31, 2014 and 2013, the City's exposure for claims incurred under its obligation to provide workers' compensation insurance amounted to approximately \$377,555 and \$402,555, respectively (information is not available as of June 30, 2014 and 2013).

**C. CONTINGENT LIABILITIES**

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

**THE CITY OF UNION CITY  
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**NOTE 13. RISK MANAGEMENT (Continued)**

**C. CONTINGENT LIABILITIES (Continued)**

Orchard Holdings- Contract Dispute- Mediation

Orchard is claiming additional per unit costs for the concrete work related to the installation of 11 traffic lights. Orchard claims that during the project, state and federal authorities dictated that the concrete at the affected intersections be ADA compliant to exact measurements. In turn, Orchard claims that it was caused to utilize additional units of concrete and due to the required precision, additional man hours and costs were incurred for the additional concrete work. Therefore, Orchard is claiming that they are due an increase in the per unit cost of the contract that should reflect the actual cost incurred and not the per unit price listed in the contract. On January 6, 2015, the City and Orchard have agreed to resolve this litigation by way of a settlement. The Commissioners of the City executed a settlement agreement wherein the City will pay Orchard \$70,000 in exchange for a full dismissal and release.

**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, 2014, significant amounts of grant expenditures have not been audited by the various grantor agencies but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

**NOTE 14. INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances remained on the balance sheets of the fund financial statement at June 30, 2014. 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 15. DEFERRED COMPENSATION**

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

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**NOTE 16. POST RETIREMENT BENEFITS**

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

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

**Retiree Contributions**

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

As of June 30, 2014 and 2013, the City had 366 and 361 employees, respectively, who were eligible.

The City of Union City is self-insured and accounts for post-retirement health costs on a pay-as-you-go basis. Expenditures during the year ended June 30, 2014 and 2013 were \$6,134,190 and \$5,663,163, respectively.

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

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

**THE CITY OF UNION CITY  
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**NOTE 17. NEW JERSEY INTERGOVERNMENTAL INSURANCE FUND**

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

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

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

**NOTE 18. NORTH HUDSON SEWERAGE AUTHORITY**

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

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

**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

**THE CITY OF UNION CITY  
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**NOTE 18. NORTH HUDSON SEWERAGE AUTHORITY (Continued)**

**Service Charges (Continued)**

comply with the requirements referred to above if each of the municipalities gives its written consent to such lesser service charges.

**Annual Charges**

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

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

The 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  
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**NOTE 18. NORTH HUDSON SEWERAGE AUTHORITY (Continued)**

**Annual Charges (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, 2014 and 2013. The NHSA estimates that no amounts will be due from the City for fiscal year ending June 30, 2015.

**NOTE 19. NORTH HUDSON REGIONAL FIRE AND RESCUE**

**Background of the Agreement**

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

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.

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

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

**Required Contributions by the City**

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

As of June 30, 2014 and 2013, the City contributed \$17,800,000 and \$21,490,194, 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  
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**NOTE 19. 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 20. CLEARING ACCOUNT**

The City maintains a claims account, or a cash clearing account, from which bills are paid for all funds.

**NOTE 21. FIXED ASSETS**

The City had the following investment balance and activity in general fixed assets for and as of the year ended June 30, 2014:

	Balance June 30, 2013 As Restated	Additions	Deletions	Balance June 30, 2014
Land	\$ 11,228,900	\$ -	\$ -	\$ 11,228,900
Buildings and Improvements	47,682,641	1,692,211	-	49,374,852
Furniture and Fixtures	69,871	-	-	69,871
Machinery and Equipment	7,527,051	207,545	-	7,734,596
	<u>\$ 66,508,463</u>	<u>\$1,899,756</u>	<u>\$ -</u>	<u>\$ 68,408,219</u>

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 22. DEFERRED CHARGES**

Certain expenditures are required to be deferred to budgets of succeeding years. As of June 30, 2014, the following deferred charges are shown on the balance sheets of the Current Fund:

	<u>Balance</u> <u>June 30, 2013</u>	<u>Increased by:</u> <u>Adjustments to</u> <u>Income before</u> <u>Fund Balance</u>	<u>Decreased by:</u> <u>Budget</u> <u>Appropriations</u>	<u>Balance</u> <u>June 30, 2014</u>
Expenditures without Appropriations:				
Current Fund				
Other Expenses	\$ 18,782	\$ -	\$ -	\$ 18,782
Salaries and Wages Balance Adjustment	88,038	-	87,484	554
Grant Fund				
Pedestrian Safety Grant	-	14,000	-	14,000
Overexpended Appropriation Reserve:				
Other Expenses	-	208,214	-	208,214
Overexpended Grant Fund:				
Municipal Alliance Grant	-	17,477	-	17,477
Overexpended Trust Fund reserves:				
CDA Trust Fund	111,512	-	111,512	-
Other Trust Fund	95,874	-	95,874	-
Public Defender Trust Fund	41,451	-	41,451	-
State Unemployment Trust Fund	21,159	-	21,159	-
Deficit in Operations	32,080	-	32,080	-
Cancelled Grants Receivable	1,004,357	-	252,000	752,357
Retirement Benefits (5 Years Future Taxation)	<u>3,200,000</u>	<u>-</u>	<u>640,000</u>	<u>2,560,000</u>
	<u>\$ 4,613,253</u>	<u>\$ 239,691</u>	<u>\$ 1,281,560</u>	<u>\$ 3,571,384</u>

**THE CITY OF UNION CITY  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 23. SUBSEQUENT EVENTS**

On October 16, 17, 21 and 22, and November 25, 2014, the State of New Jersey, Department of Agriculture performed an administrative review of the 2014 Summer Food Program. The administrative review process is designed to check program compliance and determine if the City has systems accountability in place for the period of June through August to accurately identify eligible meals for reimbursement and legitimate program expenses. The administrative review is not a formal audit process. Based on the administrative review, the state agency has made comments and listed program deficiencies noted as well as the corresponding corrective actions necessary for program compliance.

Issuance of Notes

On November 25, 2014, the City sold a note through the HCIA pooled note financing program in the amount of \$29,931,000 at an interest rate of 1.00%.

Capital Ordinances

On October 21, 2014, the City adopted a bond ordinance authorizing the completion of various capital improvements and the acquisition of various capital equipment in the amount of \$35,000,000, authorizing the issuance of bonds or notes in the same amount.

On October 21, 2014, the City adopted a capital improvement ordinance to provide funding for the reconstruction and/or repaving of Summit Avenue in the amount of \$300,000.

**NOTE 24. RESTATEMENT OF BEGINNING BALANCE-FIXED ASSETS GROUP OF ACCOUNTS**

During the audit of the Fixed Assets Group of Accounts, it was determined that the prior year ending balances were not correct. In prior years, the appraisal company included, in buildings and improvements, sidewalks in the City which are not considered fixed assets per GASB 34.

**SUPPLEMENTARY INFORMATION – CURRENT FUND**



**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>		
Balance, June 30, 2013	A		\$ 18,813,607
Increased by Receipts:			
Miscellaneous Revenues Not Anticipated	A-2	\$ 396,762	
Petty Cash	A-5	2,000	
Tax Collector	A-6	99,469,317	
Revenue Accounts Receivable	A-10	34,621,625	
Interfunds	A-11	14,279,486	
State of New Jersey - Veterans and Senior Citizens Deductions	A-12	66,424	
Tax Title Liens	A-13	38,315	
Other Liabilities	A-16	684,404	
Other Reserves	A-17	123,893	
Note Payable	A-24	2,560,000	
Grants Receivable	A-25	2,676,623	
Reserve for Grants - Unappropriated	A-26	<u>15,803</u>	
			<u>154,934,652</u>
			173,748,259
Decreased by Disbursements:			
Expenditures without Appropriations	A-1	14,000	
Overexpenditure of Appropriation Reserves	A-1	208,214	
Overexpenditure of Grants	A-1	17,477	
Appropriations	A-3	100,912,885	
Petty Cash	A-5	2,000	
Tax Overpayments	A-8	546,350	
Interfunds	A-11	17,690,799	
Appropriation Reserves	A-15	781,460	
Other Liabilities	A-16	21,012	
Other Reserves	A-17	749,751	
Local School District Taxes Payable	A-19	16,960,500	
County Taxes Payable	A-20	16,413,178	
Accounts Payable	A-21	121,890	
Reserve for Encumbrances	A-22	5,238,796	
Notes Payable	A-24	3,200,000	
Grants Appropriated	A-27	<u>834,985</u>	
			<u>163,713,297</u>
Balance, June 30, 2014	A		<u>\$ 10,034,962</u>

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF PETTY CASH**

	<u>Ref.</u>	
Balance, June 30, 2013		\$ -
Increased by:		
Cash Receipts	A-4	2,000
		<u>2,000</u>
Decreased by:		
Cash Disbursements	A-4	2,000
		<u>2,000</u>
Balance, June 30, 2014		<u><u>\$ -</u></u>

**SCHEDULE OF CASH - TAX COLLECTOR**

	<u>Ref.</u>	
Balance, June 30, 2013		\$ -
Increased by:		
Operating Fund:		
Taxes Receivable	A-7	\$ 98,035,959
Tax Overpayments	A-8	544,134
Revenue Accounts Receivable	A-10	967,836
Prepaid Taxes	A-18	<u>93,263</u>
		<u>99,641,192</u>
		99,641,192
Decreased by:		
Payments to Treasurer	A-4	99,469,317
Tax Refunds	A-7	<u>171,875</u>
		<u>99,641,192</u>
Balance, June 30, 2014		<u><u>\$ -</u></u>

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF TAXES RECEIVABLE**

Year	Balance June 30, 2013	Added and Omitted Taxes	2014 Tax Levy	2012-2013 Collections	2013-2014		Senior Citizens and Veterans Deductions	Transferred to Tax Title Liens	Adjustments/ Cancellations	Balance June 30, 2014
					Collections	(Refunds)				
2012-2013	\$ 110,490	\$ -	\$ -	\$ -	\$ 35,806	\$ (171,875)	\$ -	\$ 62,344	\$ 171,875	\$ 12,340
	<u>110,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,806</u>	<u>(171,875)</u>	<u>-</u>	<u>62,344</u>	<u>171,875</u>	<u>12,340</u>
2013-2014	-	487,480	97,693,484	115,806	98,000,153	-	62,048	-	(171,875)	174,832
	<u>\$ 110,490</u>	<u>\$ 487,480</u>	<u>\$ 97,693,484</u>	<u>\$ 115,806</u>	<u>\$ 98,035,959</u>	<u>\$ (171,875)</u>	<u>\$ 62,048</u>	<u>\$ 62,344</u>	<u>\$ -</u>	<u>\$ 187,172</u>
<u>Ref.</u>	A	Below	Below	A-18	A-6	A-6	A-12	A-13	Reserve	A
		<u>Ref.</u>								
Levy 2013-2014		Above	\$ 97,693,484						Delinquent	Current
Added Taxes		Above	<u>487,480</u>							
Total Municipal Levy		Below	<u>\$ 98,180,964</u>							
<u>Tax Levy</u>										
Local District School Tax		A-19	\$ 15,418,637			Senior Citizens' and				
County Taxes		A-20	16,327,089			Veterans' Deductions			-	62,048
Due to County for Added Taxes		A-20	<u>86,089</u>							
				\$ 31,831,815		Tax Title Liens			<u>38,315</u>	<u>-</u>
Amount to be Raised by Taxes		A-2	66,869,983						<u>\$ (97,754)</u>	<u>\$ 98,178,007</u>
Adjustment to Added Assessments			<u>(520,834)</u>					<u>Ref.</u>	Below	A-2
				<u>66,349,149</u>						
		Above		<u>\$ 98,180,964</u>						
						Refunds of Prior Year Taxes		A-1	\$ (171,875)	
						Receipts from Delinquent Taxes		A-2	<u>74,121</u>	
								Above	<u>\$ (97,754)</u>	

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF TAX OVERPAYMENTS**

	<u>Ref.</u>		
Balance, June 30, 2013	A		\$ 22,022
Increased by:			
Tax Judgements on Prior Year Taxes	A-1	\$ 16,349	
Cash Collections	A-6	<u>544,134</u>	
			<u>560,483</u>
			582,505
Decreased by:			
Cash Disbursements	A-4		<u>546,350</u>
Balance, June 30, 2014	A		<u><u>\$ 36,155</u></u>

**SCHEDULE OF FORECLOSED PROPERTY  
AT ASSESSED VALUATIONS**

	<u>Ref.</u>		
Balance, June 30, 2013	A		<u><u>\$ 171,900</u></u>
Balance, June 30, 2014	A		<u><u>\$ 171,900</u></u>

## EXHIBIT A-10

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Ref.	Balance June 30, 2013	Accrued in 2013-2014	Collections		Interfunds Receivable	Cancelled	Balance June 30, 2014
				Collector	Treasurer			
Licenses:								
Alcoholic Beverage	A-2	\$ -	\$ 216,648	\$ 216,648	\$ -	\$ -	\$ -	\$ -
Other	A-2	-	141,076	141,076	-	-	-	-
Fees and Permits	A-2	-	169,417	169,417	-	-	-	-
Fines and Costs:								
Municipal Court	A-2	-	2,632,917	-	2,632,917	-	-	-
Interest and Costs on Taxes	A-2	-	440,695	440,695	-	-	-	-
Interest on Investments and Deposits	A-2	-	34,683	-	34,683	-	-	-
Wedding Fees	A-2	-	32,025	-	32,025	-	-	-
Cable Franchise Fees	A-2	-	230,467	-	230,467	-	-	-
Payment in Lieu of Taxes								
Union Plaza Apartments	A-2	-	251,151	-	251,151	-	-	-
Union City Renaissance Urban Renewal	A-2	-	10,248	-	10,248	-	-	-
Palisade Urban Renewal Assoc.	A-2	-	40,786	-	40,786	-	-	-
Holy Rosary	A-2	-	20,288	-	20,288	-	-	-
Horizon Heights	A-2	-	14,973	-	14,973	-	-	-
Consolidated Municipal Property Tax Relief Aid	A-2	-	4,300,699	-	4,300,699	-	-	-
Energy Receipts Taxes	A-2	-	9,449,463	-	9,449,463	-	-	-
Additional State School Aid	A-2	-	1,427,475	-	1,427,475	-	-	-
Transitional Aid	A-2	-	18,000,000	-	13,500,000	-	-	4,500,000
Uniform Construction Code Fees	A-2	-	1,222,359	-	1,222,359	-	-	-
Union City Board of Education:								
Lease Recreational Center	A-2	-	300,000	-	-	-	-	300,000
Solid Waste Removal	A-2	-	360,000	-	-	-	-	360,000
Gasoline	A-2	80,000	40,000	-	34,159	-	85,841	-
47th Street Pool	A-2	-	136,000	-	113,333	-	-	22,667
Off Duty Police Officers	A-2	-	80,000	-	62,280	-	-	17,720
Snow Removal	A-2	-	20,437	-	-	-	-	20,437
Police Services	A-2	-	604,569	-	-	-	-	604,569
School Crossing Guards	A-2	-	951,971	-	-	-	-	951,971
Interfunds:								
Due from CDA Trust Fund	A-2, A-11	-	98,997	-	98,997	-	-	-
Due from Other Trust Fund	A-2, A-11	-	119,065	-	119,065	-	-	-
Due from Dog License Trust Fund	A-2, A-11	-	6,553	-	6,553	-	-	-

## EXHIBIT A-10

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

Ref.	Balance	Accrued	Collections		Interfunds	Cancelled	Balance	
	June 30, 2013	in 2013-2014	Collector	Treasurer	Receivable		June 30, 2014	
Reserve for Payment of Debt - General Capital Fund	A-2, A-11	-	761,597	-	-	761,597	-	-
North Hudson Community Action Health Center Lease	A-2	-	97,680	-	97,680	-	-	-
Emergency Medical Services	A-2	-	711,178	-	711,178	-	-	-
Five Year Abatement Program	A-2	-	210,846	-	210,846	-	-	-
		<u>\$ 80,000</u>	<u>\$ 43,134,263</u>	<u>\$ 967,836</u>	<u>\$ 34,621,625</u>	<u>\$ 761,597</u>	<u>\$ 85,841</u>	<u>\$ 6,777,364</u>
<u>Ref.</u>	A	A-2	A-6	A-4	A-11	A-1	A	

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)**

	Ref.	Total	General Capital Fund	Other Trust Fund	Public Defender Trust Fund	Dog Licenses Trust Fund	CDA Trust Fund
Balance, June 30, 2013							
Receivable	A	\$ 214,499	\$ -	\$ 119,065	\$ -	\$ 8,463	\$ 86,971
Payable	A	<u>(1,282,976)</u>	<u>(1,281,613)</u>	<u>-</u>	<u>(1,363)</u>	<u>-</u>	<u>-</u>
		<u>(1,068,477)</u>	<u>(1,281,613)</u>	<u>119,065</u>	<u>(1,363)</u>	<u>8,463</u>	<u>86,971</u>
Increased by:							
Statutory Excess	A-1	2,755	-	-	-	2,755	-
Cash Disbursements	A-4	17,690,799	4,699,084	12,048,567	28,196	1,459	913,493
Revenue Accounts Receivable	A-10	<u>761,597</u>	<u>761,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>18,455,151</u>	<u>5,460,681</u>	<u>12,048,567</u>	<u>28,196</u>	<u>4,214</u>	<u>913,493</u>
Decreased by:							
Anticipated Revenue	A-2, A-10	224,615	-	119,065	-	6,553	98,997
Charges to 2014 Appropriations	A-3	321,196	300,000	-	21,196	-	-
Cash Receipts	A-4	<u>14,279,486</u>	<u>1,526,597</u>	<u>11,716,300</u>	<u>5,637</u>	<u>5,952</u>	<u>1,025,000</u>
		<u>14,825,297</u>	<u>1,826,597</u>	<u>11,835,365</u>	<u>26,833</u>	<u>12,505</u>	<u>1,123,997</u>
Balance, June 30, 2014							
Receivable	A	2,684,910	2,352,471	332,267	-	172	-
Payable	A	<u>(123,533)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(123,533)</u>
		<u>\$ 2,561,377</u>	<u>\$ 2,352,471</u>	<u>\$ 332,267</u>	<u>\$ -</u>	<u>\$ 172</u>	<u>\$ (123,533)</u>
Interfund Returned	A-1	\$ 123,533	\$ -	\$ -	\$ -	-	123,533
Interfund Advanced	A-1	2,659,657	2,352,471	307,014	-	172	-

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

	<u>Ref.</u>		
Balance, June 30, 2013	A		\$ 28,970
Increased by:			
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector (Net)	Below	\$ 12,702	
Cash Receipts	A-4	<u>66,424</u>	
			<u>79,126</u>
			108,096
Decreased by:			
Senior Citizens' and Veterans' Deductions Per Tax Billings (Net)	Below	73,500	
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector (Net)	Below	<u>1,250</u>	
			<u>74,750</u>
Balance, June 30, 2014	A		<u><u>\$ 33,346</u></u>

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

Senior Citizens' and Veterans' Deductions (Net):			
Per Tax Billings	Above	\$ 73,500	
Allowed by Tax Collector	Above	1,250	
Disallowed by Tax Collector	Above	<u>(12,702)</u>	
	A-7		<u><u>\$ 62,048</u></u>

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF TAX TITLE LIENS RECEIVABLE**

	Ref.	
Balance, June 30, 2013	A	\$ 56,989
Increased by:		
Transfer from Taxes Receivable	A-7	62,344
		119,333
Decreased by:		
Cash Receipts	A-4	38,315
		81,018
Balance, June 30, 2014	A	\$ 81,018

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF OTHER RECEIVABLES**

	<u>Balance June 30, 2013</u>	<u>Transfer from FY13 Appropriation Reserves</u>	<u>Balance June 30, 2014</u>
Due from:			
Redevelopment Agency	<u>\$ 21,723</u>	<u>\$ 3,362</u>	<u>\$ 18,361</u>
Total Other Receivables	<u>\$ 21,723</u>	<u>\$ 3,362</u>	<u>\$ 18,361</u>
<u>Ref.</u>	A	A-15	A

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
STATEMENT OF APPROPRIATION RESERVES**

Expenditures	Ref.	Balance June 30, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
Operations within "CAPS"					
DEPARTMENT OF PUBLIC AFFAIRS					
Director's Office					
Salaries and Wages		\$ 167	\$ 167	\$ -	\$ 167
Other Expenses		799	799	618	181
Municipal Court					
Salaries and Wages		11,446	846	-	846
Other Expenses		7,999	16,799	16,350	449
Public Defender					
Other Expenses		9,800	9,800	9,175	625
Senior Citizens					
Salaries and Wages		151	151	-	151
Other Expenses		9,798	5,798	4,865	933
Hispanic/Cultural Affairs					
Other Expenses		351	1,351	1,112	239
North Hudson Council of Mayors					
Other Expenses		51,947	51,947	51,159	788
Municipal Land Use Law (NJS 40:55D-1)					
Regional Planning Board					
Salaries and Wages		700	700	-	700
Other Expenses		-	-	-	-
Continuous Planning Program		2,035	4,835	4,800	35
Veterans Affairs					
Salaries and Wages		300	300	-	300
Other Expenses		200	200	-	200
Celebration of Public Events					
Other Expenses		39	39	(301)	340
Total Department of Public Affairs		<u>95,732</u>	<u>93,732</u>	<u>87,778</u>	<u>5,954</u>
Detail:					
Salaries and Wages		12,764	2,164	-	2,164
Other Expenses		82,968	91,568	87,778	3,790
DEPARTMENT OF REVENUE AND FINANCE					
Director's Office					
Salaries and Wages		1	1	-	1
Other Expenses		118	118	(100)	218
City Clerk's Office					
Salaries and Wages		3,138	3,138	-	3,138
Other Expenses		16,923	16,923	8,621	8,302
Treasurer's Office					
Salaries and Wages		8,340	1,940	-	1,940
Other Expenses		17,280	21,280	19,207	2,073
Assessment of Taxes					
Salaries and Wages		7,110	-	-	-
Other Expenses		5,777	29,177	29,124	53
Collection of Taxes					
Salaries and Wages		4,470	4,470	-	4,470
Other Expenses		8,262	6,312	6,100	212
Central Purchasing					
Salaries and Wages		10,925	10,925	3,000	7,925
Other Expenses		367	367	110	257
Rent Control Board					
Salaries and Wages		5,008	-	-	-
Other Expenses		-	8,800	8,782	18

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
STATEMENT OF APPROPRIATION RESERVES**

Expenditures	Ref.	Balance June 30, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
DEPARTMENT OF REVENUE AND FINANCE					
(Continued)					
Insurance					
General Liability		\$ 25,134	\$ 25,134	\$ 25,045	\$ 89
Workers Compensation		2,382	2,382	1,650	732
Employee Group Health		122,052	34,952	34,941	11
Tax Searches					
Salaries and Wages		200	200	-	200
Elections					
Salaries and Wages		96	96	-	96
Other Expenses		241	2,191	1,950	241
Annual Audit					
Other Expenses		67,700	67,700	67,700	-
Tax Sale Costs					
Other Expenses		15,000	15,000	13,543	1,457
Postage-All Departments					
Other Expenses		4,497	2,752	2,752	-
Data Processing					
Other Expenses		858	858	(400)	1,258
CDA Operations					
Salaries and Wages		1,704	1,704	-	1,704
Total Department of Revenue and Finance		<u>327,583</u>	<u>256,420</u>	<u>222,025</u>	<u>34,395</u>
Detail:					
Salaries and Wages		40,992	22,474	3,000	19,474
Other Expenses		<u>286,591</u>	<u>233,946</u>	<u>219,025</u>	<u>14,921</u>
DEPARTMENT OF PUBLIC SAFETY					
Director's Office					
Salaries and Wages		8,116	8,116	-	8,116
Other Expenses		2,306	2,306	1,162	1,144
Weddings					
Salaries and Wages		750	750	-	750
Legal Department					
Salaries and Wages		1,000	-	-	-
Other Expenses		7,568	27,568	21,594	5,974
Police Department					
Salaries and Wages		59,654	36,717	4,160	32,557
Overtime		21,770	70	(5,666)	5,736
Other Expenses		31,706	31,706	16,362	15,344
Traffic Signs and Safety					
Other Expenses		313	16,613	12,149	4,464
Emergency Management Services					
Salaries and Wages		923	923	-	923
Other Expenses		475	475	64	411
Emergency Medical Services					
Salaries and Wages		892	892	-	892
Other Expenses		6,049	6,049	3,887	2,162
Life Hazard Use Fee-Uniform Fire Safety					
Salaries and Wages		2,311	2,311	-	2,311
Other Expenses		3,694	3,094	-	3,094
Contribution to Union City Redevelopment Agency		3,415	3,415	3,415	-

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
STATEMENT OF APPROPRIATION RESERVES**

Expenditures	Ref.	Balance June 30, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
<b>DEPARTMENT OF PUBLIC SAFETY</b>					
(Continued)					
Board of Health					
Salaries and Wages		\$ 354	\$ 354	\$ -	\$ 354
Other Expenses		213	6,113	5,953	160
Divisions of Inspections					
Other Expenses		600	600	-	600
School Crossing Guards					
Salaries and Wages		4,401	25,336	25,333	3
Other Expenses		1	1	-	1
Total Department of Public Safety		<u>156,511</u>	<u>173,409</u>	<u>88,413</u>	<u>84,996</u>
Detail:					
Salaries and Wages		100,171	75,469	23,827	51,642
Other Expenses		<u>56,340</u>	<u>97,940</u>	<u>64,586</u>	<u>33,354</u>
<b>DEPARTMENT OF PUBLIC WORKS</b>					
Director's Office					
Salaries and Wages		12,061	12,061	-	12,061
Other Expenses		1,297	1,297	492	805
Street Cleaning					
Salaries and Wages		5,842	5,842	-	5,842
Other Expenses		3,369	3,369	2,008	1,361
Streets Repairs and Maintenance					
Other Expenses		5,340	5,340	899	4,441
Board of Adjustment					
Salaries and Wages		500	500	-	500
Other Expenses		11,398	32,598	21,103	11,495
Solid Waste Disposal					
Salaries and Wages		801	801	-	801
Other Expenses		392,582	352,582	352,582	-
Recycling Program					
Other Expenses		25,389	30,689	30,537	152
Public Assistance					
Other Expenses		5,382	6,082	5,882	200
Engineering Services					
Other Expenses		50,026	72,526	72,456	70
Total Department of Public Works		<u>513,987</u>	<u>523,687</u>	<u>485,959</u>	<u>37,728</u>
Detail:					
Salaries and Wages		19,204	19,204	-	19,204
Other Expenses		<u>494,783</u>	<u>504,483</u>	<u>485,959</u>	<u>18,524</u>
<b>DEPARTMENT OF PARKS AND PUBLIC PROPERTY</b>					
Director's Office					
Salaries and Wages		7,921	7,921	-	7,921
Other Expenses		2,688	2,688	1,313	1,375
Parks and Playgrounds					
Salaries and Wages		5,071	4,071	(479)	4,550
Other Expenses		2,023	2,023	1,046	977
Public Buildings and Grounds					
Other Expenses		33,340	42,440	42,169	271
Recreation					
Salaries and Wages		-	-	-	-
Other Expenses		29,840	49,840	39,004	10,836

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
STATEMENT OF APPROPRIATION RESERVES**

Expenditures	Ref.	Balance June 30, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
DEPARTMENT OF PARKS AND PUBLIC PROPERTY (Continued)					
Interlocal Municipal Service Agreements					
Recreation Center Lease		\$ 83,514	\$ 83,514	\$ 2,891	\$ 80,623
Total Department of Parks and Public Property		<u>164,397</u>	<u>192,497</u>	<u>85,944</u>	<u>106,553</u>
Detail:					
Salaries and Wages		12,992	11,992	(479)	12,471
Other Expenses		<u>151,405</u>	<u>180,505</u>	<u>86,423</u>	<u>94,082</u>
UNIFORM CONSTRUCTION CODE					
State Uniform Construction Code Officials:					
Salaries and Wages		15,189	15,189	-	15,189
Other Expenses		7,950	7,950	5,437	2,513
Sub-Code Officials:					
Plumbing Inspector					
Other Expenses		500	500	-	500
Electrical Inspector					
Other Expenses		500	500	-	500
Elevator Inspector					
Other Expenses		2,608	2,608	450	2,158
Fire Inspector					
Salaries and Wages		347	347	-	347
Other Expenses		500	500	-	500
Total Uniform Construction Code		<u>27,594</u>	<u>27,594</u>	<u>5,887</u>	<u>21,707</u>
Detail:					
Salaries and Wages		15,536	15,536	-	15,536
Other Expenses		<u>12,058</u>	<u>12,058</u>	<u>5,887</u>	<u>6,171</u>
UNCLASSIFIED					
Gasoline		34,264	34,264	20,678	13,586
Telephone		24,589	24,589	4,946	19,643
Electricity		164,861	164,861	52,712	112,149
Water		4,541	4,541	4,541	-
Natural Gas		224,840	214,991	20,591	194,400
Street Lighting		143,397	143,397	98,167	45,230
Sewer		237	237	-	237
Fire Hydrants		24,998	24,998	24,018	980
Printing-All Departments		21,843	63,843	62,945	898
Photocopying		13,571	7,571	7,266	305
Fleet Maintenance & Repairs		30,952	30,952	8,694	22,258
Total Unclassified		<u>688,093</u>	<u>714,244</u>	<u>304,558</u>	<u>409,686</u>
Detail:					
Salaries and Wages		-	-	-	-
Other Expenses		<u>688,093</u>	<u>714,244</u>	<u>304,558</u>	<u>409,686</u>
TOTAL OPERATIONS WITHIN "CAPS"		<u>1,973,897</u>	<u>1,981,583</u>	<u>1,280,564</u>	<u>701,019</u>
Detail					
Salaries and Wages		201,659	146,839	26,348	120,491
Other Expenses		<u>1,772,238</u>	<u>1,834,744</u>	<u>1,254,216</u>	<u>580,528</u>

See Accompanying Notes to the Financial Statements.

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
STATEMENT OF APPROPRIATION RESERVES**

Expenditures	Ref.	Balance June 30, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>					
Statutory Expenditures - Contributions to:					
Social Security System (O.A.S.I.)		\$ 14,257	\$ 5,257	\$ -	\$ 5,257
Consolidated Police and Firemen's Pension Fund		1	1	-	1
Unemployment Insurance		-	1,314	1,314	-
Defined Contribution Retirement Plan		7	7	-	7
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"		<u>14,265</u>	<u>6,579</u>	<u>1,314</u>	<u>5,265</u>
Total General Appropriations for Municipal Purposes Within "CAPS"		<u>1,988,162</u>	<u>1,988,162</u>	<u>1,281,878</u>	<u>706,284</u>
<b>OTHER OPERATIONS EXCLUDED FROM "CAPS"</b>					
Maintenance of Free Public Library		85,769	85,769	85,769	-
Contribution to North Hudson Fire & Rescue Joint Meeting		252,398	252,398	252,234	164
Total Other Operations Excluded from "CAPS"		<u>338,167</u>	<u>338,167</u>	<u>338,003</u>	<u>164</u>
Total Operations Excluded from "CAPS"		<u>338,167</u>	<u>338,167</u>	<u>338,003</u>	<u>164</u>
Detail					
Other Expenses		<u>338,167</u>	<u>338,167</u>	<u>338,003</u>	<u>164</u>
<b>TOTAL GENERAL APPROPRIATIONS</b>		<u>\$ 2,326,329</u>	<u>\$ 2,326,329</u>	<u>\$ 1,619,881</u>	<u>\$ 706,448</u>
	Ref.	A		Below	A-1
Cash Disbursements	A-4			\$ 781,460	
Deferred Charges - Overexpenditures	A-23			208,214	
Due from Union City Redevelopment Agency	A-14			3,362	
Maintenance of Free Public Library	A-17			83,341	
Transfer to Accounts Payable	A-21			<u>543,504</u>	
	Above			<u>\$ 1,619,881</u>	

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF OTHER INTERGOVERNMENTAL LIABILITIES**

	<u>Balance</u> <u>June 30, 2013</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2014</u>
Due to:				
North Hudson Sewerage Authority	\$ 1,757,123	\$ 644,328	\$ -	2,401,451
NJ Construction Code Fees	<u>8,352</u>	<u>40,076</u>	<u>21,012</u>	<u>27,416</u>
	<u>\$ 1,765,475</u>	<u>\$ 684,404</u>	<u>\$ 21,012</u>	<u>2,428,867</u>
<u>Ref.</u>	A	A-4	A-4	A

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF OTHER RESERVES**

	Balance June 30, 2013	Increased by	Decreased by	Balance June 30, 2014
Liquor License Retirement and Escrow	\$ 26,430	\$ 14,400	\$ -	\$ 40,830
Library Bills	-	83,341	-	83,341
Outside Lien Holder	2,022	-	-	2,022
COAH Security Deposit	34,689	-	-	34,689
Reserve for Prior Year Bills	-	21,196	-	21,196
Reserve for Parking Authority Surcharge	-	109,493	64,391	45,102
Retirement Benefits	685,360	-	685,360	-
	<u>\$ 748,501</u>	<u>\$ 228,430</u>	<u>\$ 749,751</u>	<u>\$ 227,180</u>

	Ref.	A	Below	Below	A
Charge to 2014 Budget Appropriations	A-3		\$ 21,196	\$ -	
Cash Receipts	A-4		123,893	-	
Cash Disbursements	A-4		-	749,751	
Charges to 2013 Appropriation Reserves	A-15		83,341	-	
	Above		<u>\$ 228,430</u>	<u>\$ 749,751</u>	

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF PREPAID TAXES**

	<u>Ref.</u>	
Balance, June 30, 2013	A	\$ 115,806
Increased by:		
Cash Collections	A-6	<u>93,263</u>
		209,069
Decreased by:		
Applied to 2013 Taxes	A-7	<u>115,806</u>
Balance, June 30, 2014	A	<u><u>\$ 93,263</u></u>

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE**

	<u>Ref.</u>	
Balance, June 30, 2013	A	\$ 13,876,773
Increased by:		
Levy School Year	A-1, A-2, A-7	15,418,637
		<u>29,295,410</u>
Decreased by:		
Cash Disbursements	A-4	<u>16,960,500</u>
Balance, June 30, 2014	A	<u><u>\$ 12,334,910</u></u>

**SCHEDULE OF COUNTY TAXES PAYABLE**

	<u>Ref.</u>	
Balance, June 30, 2013	A	\$ -
Increased by:		
County Taxes	A-7	\$ 16,327,089
Added Taxes	A-7	<u>86,089</u>
	A-1, A-2	<u>16,413,178</u>
		16,413,178
Decreased by:		
Cash Disbursements	A-4	<u>16,413,178</u>
Balance, June 30, 2014	A	<u><u>\$ -</u></u>

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF ACCOUNTS PAYABLE**

	<u>Ref.</u>	
Balance, June 30, 2013	A	\$ 121,890
Increased by:		
Charges to Appropriation Reserves	A-15	<u>543,504</u>
		665,394
Decreased by:		
Cash Disbursements	A-4	<u>121,890</u>
Balance, June 30, 2014	A	<u><u>\$ 543,504</u></u>

**SCHEDULE OF RESERVE FOR ENCUMBRANCES**

	<u>Ref.</u>		
Balance, June 30, 2013	A		\$ 5,238,796
Increased by:			
Charges to 2013 Appropriations	A-3	\$ 3,234,912	
Grants Appropriated	A-27	<u>761,505</u>	
			<u>3,996,417</u>
			9,235,213
Decreased by:			
Cash Disbursements	A-4		<u>5,238,796</u>
Balance, June 30, 2014	A		<u><u>\$ 3,996,417</u></u>

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF DEFERRED CHARGES**

	<u>Balance</u> <u>June 30, 2013</u>	<u>Increased by:</u> <u>Adjustments to</u> <u>Income before</u> <u>Fund Balance</u>	<u>Decreased by:</u> <u>Budget</u> <u>Appropriations</u>	<u>Balance</u> <u>June 30, 2014</u>
Expenditures without Appropriations:				
Current Fund				
Other Expenses	\$ 18,782	\$ -	\$ -	\$ 18,782
Salaries and Wages Balance Adjustment	88,038	-	87,484	554
Grant Fund				
Pedestrian Safety Grant	-	14,000	-	14,000
Overexpended Appropriation Reserve:				
Other Expenses	-	208,214	-	208,214
Overexpended Grant Fund:				
Municipal Alliance Grant	-	17,477	-	17,477
Overexpended Trust Fund reserves:				
CDA Trust Fund	111,512	-	111,512	-
Other Trust Fund	95,874	-	95,874	-
Public Defender Trust Fund	41,451	-	41,451	-
State Unemployment Trust Fund	21,159	-	21,159	-
Deficit in Operations	32,080	-	32,080	-
Cancelled Grants Receivable	1,004,357	-	252,000	752,357
Retirement Benefits (5 Years Future Taxation)	3,200,000	-	640,000	2,560,000
	<u>\$ 4,613,253</u>	<u>\$ 239,691</u>	<u>\$ 1,281,560</u>	<u>\$ 3,571,384</u>

	<u>Ref.</u>	A	Below	A-3	A
Expenditures without Appropriations	A-1		\$ 14,000		
Overexpenditures - Appropriation Reserves	A-1, A-15		208,214		
Overexpenditures - Grant Fund	A-1		<u>17,477</u>		
	Above		<u>\$ 239,691</u>		

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF NOTE PAYABLE**

	<u>Ref.</u>	
Balance, June 30, 2013	A	\$ 3,200,000
Increased by:		
Cash Receipts	A-4	<u>2,560,000</u>
		5,760,000
Decreased by:		
Cash Disbursement	A-4	<u>3,200,000</u>
Balance, June 30, 2014	A	<u><u>\$ 2,560,000</u></u>

**SUPPLEMENTARY INFORMATION – STATE AND FEDERAL GRANT FUND**



**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF GRANTS RECEIVABLE**

	Balance June 30, 2013	SFY 2014 Budget Revenue Realized	Received	Transfer from Unappropriated Reserve	Reprogrammed/ Cancelled	Balance June 30, 2014
<b>STATE GRANTS</b>						
NJ Department of Transportation						
Transportation Trust Fund:						
West Street - Phase III FY13 Discretionary Aid	\$ 39,009	\$ 650,000	\$ 487,500		\$ -	\$ 201,509
West Street - Phase III FY13 Municipal Aid	-	250,000	112,033		-	137,967
West Street - Phase III FY13 Urban Aid	-	99,090	-		-	99,090
Summit Avenue Improvements	-	-	57,593		57,593	-
Summit Avenue Section 3	-	260,000	-		-	260,000
NJ Department of Law and Public Safety:						
NJ Division of Criminal Justice:						
Body Armor Fund	4,828	-	4,828		-	-
Body Armor Fund	4,446	-	13,482		9,036	-
NJ Division of Highway Traffic Safety:						
Pedestrian School Safety	-	-	14,500		14,500	-
NJ Department of Environmental Protection:						
Clean Communities	-	78,878	-	78,878	-	-
Statewide Livable Communities Aid - Municipal Owned Historic Buildings	50,000	-	-		-	50,000
Recycling Tonnage	-	-	87,924		87,924	-
Green Acres Trust Fund Grant - Reservoir Purchase	650,000	-	-		-	650,000
NJ Administrative Office of the Courts:						
Alcohol Education	-	2,216	-	2,216	-	-
NJ Office of Emergency Management:						
Emergency Management Grant	5,000	-	-		-	5,000
<b>STATE GRANTS (Continued)</b>						
NJ Department of Treasury:						
NJ Division of Motor Vehicles:						
Drunk Driving Enforcement Fund	-	15,748	15,748	-	-	-
Passed through County of Hudson:						
Municipal Alliance on Alcoholism and Drug Abuse 10	13,082	-	-		-	13,082
Municipal Alliance on Alcoholism and Drug Abuse 11	39,019	-	-		-	39,019
Municipal Alliance on Alcoholism and Drug Abuse 12	6,002	-	-		-	6,002
Municipal Alliance on Alcoholism and Drug Abuse 13	30,894	-	49,988		19,094	-
Municipal Alliance on Alcoholism and Drug Abuse 14	-	33,172	-		-	33,172
Municipal Alliance on Alcoholism and Drug Abuse 15	-	57,412	-		-	57,412
<b>PORT AUTHORITY OF NEW YORK AND NEW JERSEY GRANTS</b>						
Various Street Improvements	500,000	-	-		-	500,000
Various Street Improvements	2,862,395	-	-		-	2,862,395
<b>COUNTY OF HUDSON GRANTS</b>						
Open Space Trust Fund:						
Ellsworth Park Improvements	-	500,000	-		-	500,000
Michael Leggerio Park (Formerly 38th Street Amphitheater)	325,000	-	325,000		-	-
15th Street Library Glass	35,000	-	-		-	35,000
Doric Park (Firemen's Memorial Park)	400,000	-	-		-	400,000
<b>FEDERAL GRANTS</b>						
US Department of Agriculture:						
Passed through State of NJ Department of Agriculture:						
Summer Food Program	15,250	151,771	40,433		-	126,588
U.S. Department of Health and Human Services:						
Strengthening Union City Families	682,318	-	306,500		-	375,818
<b>FEDERAL GRANTS (Continued)</b>						
U.S. Department of Labor:						
Summer Youth Program	197,175	-	-	-	-	197,175
U.S. Department of Justice:						
Bulletproof Vest Partnership Program	2,641	-	-		-	2,641
Bulletproof Vest Partnership Program	7,800	-	6,338		-	1,462
Community Oriented Policing Services (COPS) -						
Secure Our Schools	31,966	-	-		-	31,966
Secure Our Schools	58,025	-	-		-	58,025
Law Technology Project	197,325	-	38,400		-	158,925
ARRA - Hiring Recovery Program	787,310	-	1,072,103		291,405	6,612
Passed through State of NJ Department of Law and Public Safety:						
Passed through County of Hudson:						
Byrne Justice Assistance Program	-	27,424	-		-	27,424
Byrne Justice Assistance Program	30,851	-	-		-	30,851
U.S. Department of Transportation:						
State Aid Highway Project -						

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF GRANTS RECEIVABLE**

	Balance June 30, 2013	SFY 2014 Budget Revenue Realized	Received	Transfer from Unappropriated Reserve	Reprogrammed/ Cancelled	Balance June 30, 2014
Resurface Street -						
Central Avenue	\$ 35,593	\$ -	\$ -		\$ -	\$ 35,593
Central Avenue	30,579	-	-		-	30,579
Transportation Trust Fund	652,403	-	-		-	652,403
Passed through State of NJ Department of Law and Public Safety:						
Click It or Ticket	-	4,000	-		-	4,000
Distracted Driving Crackdown	-	5,000	-		-	5,000
Passed through State of NJ Department of Transportation:						
Discretionary Program	64,000	-	-		-	64,000
Purchase of Senior Citizen Van	125,000	-	-		-	125,000
Purchase of Ambulance	75,000	-	-		-	75,000
FEDERAL GRANTS (Continued)						
U.S. Department of Transportation: (Continued)						
Passed through State of NJ Department of Transportation: (Continued)						
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	243,434	-	-		-	243,434
Signal Improvement Project	87,013	-	-		-	87,013
Mountain Road	280,800	-	-		-	280,800
Mountain Road	308,653	-	-		-	308,653
U.S. Department of Energy:						
ARRA - Energy Efficiency & Conservation Block Grant	137,023	-	44,253	-	-	92,770
Total Grants	<u>\$ 9,248,330</u>	<u>\$ 2,134,711</u>	<u>\$ 2,676,623</u>	<u>\$ 81,094</u>	<u>\$ 479,552</u>	<u>\$ 9,104,876</u>
Ref.	A	Below	A-4	A-26	A-1	A
Budget Appropriations	A-2	\$ 720,711				
Revenues added by N.J.S. 40A:4-87	A-2	1,414,000				
	Above	<u>\$ 2,134,711</u>				

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED**

	<b>Balance June 30, 2013</b>	<b>Transferred to Budget</b>	<b>Cash Receipts</b>	<b>Balance June 30, 2014</b>
STATE GRANTS:				
NJ Administrative Office of the Courts:				
Alcohol Education	\$ 2,216	\$ 2,216	\$ 3,368	\$ 3,368
NJ Department of Environmental Protection:				
Clean Communities	78,877	78,877	-	-
Total State Grants	81,093	81,093	3,368	3,368
HUDSON COUNTY GRANT:				
Open Space Trust Fund:				
Washington Park Improvements	-	-	12,435	12,435
	\$ 81,093	\$ 81,093	\$ 15,803	\$ 15,803
Ref.	A	A-25	A-4	A

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED**

	Year	Balance June 30, 2013	City Match	Transferred from 2014		Deferred Charge/ Reprogrammed/ Cancelled	June 30, 2014
				Budget Appropriations	Expended		
<b>STATE GRANTS</b>							
NJ Department of Transportation							
Transportation Trust Fund:							
West Street - Phase II	2011 - 2012	\$ 61,172	\$ -	\$ -	\$ 13,792	\$ -	\$ 47,380
West Street - Phase III FY13 Municipal Aid	2013 - 2015	-	-	250,000	250,000	-	-
West Street - Phase III FY13 Urban Aid	2013 - 2015	-	-	99,090	99,000	-	90
West Street - Phase III FY13 Discretionary Aid	2013 - 2015	-	-	650,000	485,824	-	164,176
Summit Avenue Section 3 FY14 Municipal Aid	2014 - 2015	-	-	260,000	-	-	260,000
NJ Department of Law and Public Safety:							
NJ Division of Criminal Justice:							
Body Armor Fund	2009 - 2010	497	-	-	-	-	497
Body Armor Fund	2011 - 2012	17	-	-	-	-	17
Body Armor Fund	2012 - 2013	14,073	-	-	13,485	-	588
NJ Division of Highway Traffic Safety:							
Pedestrian School Safety	2013 - 2014	-	-	-	14,000	(14,000)	-
NJ Department of Environmental Protection:							
Clean Communities Challenge Grant	2013 - 2014	-	-	78,878	192	-	78,686
Statewide Livable Communities:							
Historic Buildings	2004 - 2005	50,000	-	-	-	-	50,000
Recycling Tonnage	2011 - 2012	66,289	-	-	-	-	66,289
NJ Administrative Office of the Courts:							
Alcoholic Education	2010 - 2011	1,142	-	-	-	-	1,142
Alcoholic Education	2012 - 2013	5,395	-	-	1,225	-	4,170
Alcoholic Education	2013 - 2014	-	-	2,216	-	-	2,216
NJ Department of Treasury:							
NJ Division of Motor Vehicles:							
Drunk Driving Enforcement Fund	2011 - 2012	5,963	-	-	-	-	5,963
Drunk Driving Enforcement Fund	2011 - 2012	7,427	-	-	7,427	-	-
Drunk Driving Enforcement Fund	2013 - 2014	-	-	15,748	7,753	-	7,995
Municipal Alliance to Prevent Alcoholism and Drug Abuse	2011	4,242	-	-	4,242	-	-
Municipal Alliance to Prevent Alcoholism and Drug Abuse	2013	22,891	-	-	22,720	-	171
Municipal Alliance to Prevent Alcoholism and Drug Abuse	2014	-	8,294	33,172	58,646	(17,477)	297
Municipal Alliance to Prevent Alcoholism and Drug Abuse	2015	-	-	57,412	-	-	57,412
Total State Grants		<u>239,108</u>	<u>8,294</u>	<u>1,446,516</u>	<u>978,306</u>	<u>(31,477)</u>	<u>747,089</u>
<b>COUNTY OF HUDSON GRANTS</b>							
Open Space Trust Fund							
Ellsworth Park Improvements	2014 - 2016	-	-	500,000	-	-	500,000
15th St Library	2008	35,000	-	-	-	-	35,000
Total County Grants		<u>35,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>535,000</u>
<b>FEDERAL GRANTS</b>							
U.S. Department of Agriculture:							
Passed through NJ Department of Agriculture:							
Summer Food Program	2013 - 2014	-	-	151,771	138,189	-	13,582
U.S. Department of Health and Human Services:							
Strengthening Union City Families	2010 - 2011	153,007	-	-	16,703	-	136,304
Strengthening Union City Families	2011 - 2012	157,044	-	-	27,458	-	129,586
U.S. Department of Justice:							
Passed through State of NJ Department of Law and Public Safety:							
Community Oriented Policing Services (COPS):							
Secure Our Schools	2010 - 2011	152,841	-	-	-	-	152,841
Law Technology Project	2010 - 2011	151,223	-	-	250	-	150,973
ARRA - Hiring Recovery Program	2009 - 2010	609,993	-	-	402,112	-	207,881
Passed through State of NJ Department of Law and Public Safety:							
Passed through County of Hudson:							
Byrne Justice Assistance Grant	2014	-	-	27,424	21,171	-	6,253
Byrne Justice Assistance Grant	2013	6,456	-	-	1,793	-	4,663
U.S. Department of Transportation:							
Passed through NJ Department of Transportation:							
Highway Planning and Construction -							
Metropolitan Planning Organization -							
Mountain Road	2011 - 2012	20,897	-	-	1,508	13,800	5,589
Passed through State of NJ Department of Law and Public Safety:							
Click-it or Ticket	2013 - 2014	-	-	4,000	4,000	-	-
Distracted Driving Crackdown	2014	-	-	5,000	5,000	-	-

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED**

	Year	Balance June 30, 2013	Transferred from 2014		Deferred Charge/ Reprogrammed/ Cancelled	June 30, 2014
			City Match	Budget Appropriations		
U.S. Department of Energy: ARRA - Energy Efficiency & Conservation Block Grant	2009 - 2010	\$ 73,709	\$ -	\$ -	\$ -	\$ 73,709
Total Federal Grants		<u>1,325,170</u>	<u>-</u>	<u>188,195</u>	<u>13,800</u>	<u>881,381</u>
Total		<u>\$ 1,599,278</u>	<u>\$ 8,294</u>	<u>\$ 2,134,711</u>	<u>\$ (17,677)</u>	<u>\$ 2,163,470</u>
	Ref.	A	A-3	A-3	Below	A
Cash Disbursements	A-4			\$ 834,985		
Reserve for Encumbrances	A-22			<u>761,505</u>		
	Above			<u>\$ 1,596,490</u>		
Deferred Charge-Expenditure without Appropriation	A-23				\$ (14,000)	
Deferred Charge - Overexpenditure	A-23				<u>(17,477)</u>	
Reprogrammed/Cancelled	A-1				<u>13,800</u>	
	Above				<u>\$ (17,677)</u>	

**THE CITY OF UNION CITY  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR NEIGHBORHOOD HOUSING**

	<u>Ref.</u>	
Balance, June 30, 2013	A	<u>\$ 1,824</u>
Balance, June 30, 2014	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, 2014**

**SCHEDULE OF CASH AND CASH EQUIVALENTS - DOG LICENSE FUND**

	<u>Ref.</u>		
Balance, June 30, 2013	B		\$ 20,215
Increased by:			
Sale of Dog Licenses - State	B-2	\$ 1,448	
Sale of Dog Licenses - City	B-3	3,495	
Due to Current Fund	B-4	<u>1,030</u>	
			<u>5,973</u>
			26,188
Decreased by:			
Due to Current Fund	B-4		<u>13,536</u>
Balance, June 30, 2014	B		<u>\$ 12,652</u>

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

	<u>Ref.</u>		
Balance, June 30, 2013	B		\$ 3,509
Increased by:			
State Fees Collected:			
Cash Receipts	B-1		<u>1,448</u>
			4,957
Decreased by:			
Transmitted to State - by Current Fund	B-4		<u>938</u>
Balance, June 30, 2014	B		<u>\$ 4,019</u>

**THE CITY OF UNION CITY  
TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR DOG LICENSE FUND EXPENDITURES**

	<u>Ref.</u>		
Balance, June 30, 2013	B	\$	8,243
Increased by:			
Cash Receipts	B-1		3,495
			<u>11,738</u>
Decreased by:			
Expenditures Paid by Current Fund	B-4	\$	522
Statutory Excess	B-4		2,755
			<u>3,277</u>
Balance, June 30, 2014	B		<u><u>\$ 8,461</u></u>

**LICENSE FEES COLLECTED**

2012	\$	4,586
2013		<u>3,875</u>
		<u><u>\$ 8,461</u></u>

**THE CITY OF UNION CITY  
TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF DUE TO CURRENT FUND - DOG LICENSE FUND**

	<u>Ref.</u>		
Balance, June 30, 2013	B	\$	8,463
Increased by:			
Transmitted to State	B-2	\$	938
Reserve for Expenditures	B-3		522
Statutory Excess	B-3		2,755
Due to Current	B-1		<u>1,030</u>
			<u>5,245</u>
			13,708
Decreased by:			
Cash Disbursements	B-1		<u>13,536</u>
Balance, June 30, 2014	B	\$	<u><u>172</u></u>

**THE CITY OF UNION CITY  
TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF CASH AND CASH EQUIVALENTS - OTHER TRUST FUND**

	<u>Ref.</u>		
Balance, June 30, 2013	B		\$ 7,826,143
Increased by Cash Receipts:			
Reserve for Other Trust Fund Activity	B-8	\$ 6,780,178	
Due to Current Fund	B-9	<u>11,021,220</u>	
			<u>17,801,398</u>
			25,627,541
Decreased by Cash Disbursements:			
Reserve for Other Trust Fund Activity	B-9	11,835,365	
Due to Current Fund	B-8	<u>7,128,842</u>	
			<u>18,964,207</u>
Balance, June 30, 2014	B		<u><u>\$ 6,663,334</u></u>

**SCHEDULE OF DUE FROM PROPERTY OWNERS - OTHER TRUST FUND**

	<u>Ref.</u>		
Balance, June 30, 2013	B		<u><u>\$ 51,029</u></u>
Balance, June 30, 2014	B		<u><u>\$ 51,029</u></u>

**THE CITY OF UNION CITY  
TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF DUE FROM GENERAL CAPITAL FUND - OTHER TRUST FUND**

	<u>Ref.</u>	
Balance, June 30, 2013	B	<u>\$ 18,090</u>
Balance, June 30, 2014	B	<u>\$ 18,090</u>

**THE CITY OF UNION CITY  
TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR OTHER TRUST FUND ACTIVITY**

	Balance June 30, 2013	Increase	Decrease	Balance June 30, 2014
Accumulated Absences Trust	\$ 37,495	\$ -	\$ -	\$ 37,495
Bankruptcy for Tax Collector	257	-	-	257
Battered Wives	5,262	11,081	6,853	9,490
COAH	3,175	143,178	-	146,353
Court Bails	9,135	4,820	-	13,955
Cultural Center Donations	-	500	500	-
DARE Donations	1,845	-	-	1,845
DEA	36,212	99,494	26,512	109,194
Developer's Escrow	9,070	46,892	-	55,962
Disposal of Forfeited Property-HCLET	59,218	19,197	13,440	64,975
Fire Victims Fund	1	8,476	256	8,221
Hardship Fees - Rent Control	424	200	-	624
Insurance Proceeds	121,298	91,533	193,038	19,793
Outside Lien Holders - New	578,615	61,856	-	640,471
Outside Lien Holders - Old	127	-	-	127
Parking Authority Surcharge	100,004	88,102	180,723	7,383
P.O.A.A	151	67,493	50,220	17,424
Police Details	-	600,692	822,419	(221,727)
Premium of Tax Lien Sale	4,460,364	3,466,900	3,415,454	4,511,810
Prisoners' Property	13,077	-	-	13,077
Recycling Funds	46,656	4,484	-	51,140
Relocation Program	-	900	-	900
Reserve for EMS	15,715	822,585	838,300	-
Self Insurance Trust	676,493	195,550	872,043	-
Snow Removal Trust	4,725	-	4,355	370
Soccer Program	14,975	39,034	45,038	8,971
State Health Benefits	437,034	909,523	1,264,469	82,088
State Unemployment Insurance	44,271	11,422	32,018	23,675
Swimming Pool	1,925	5,000	3,792	3,133
Tenants Accounting Escrow	200	-	-	200
Tree Donation	500	-	-	500
Trust Company for Journal	750	-	-	750
Disposal of Forfeited Property	-	15,684	-	15,684
Guaranty Milling Paving	-	12,000	12,000	-
Peer Review	-	12,490	-	12,490
Workers' Compensation	41,596	41,092	81,108	1,580
	<u>\$ 6,720,570</u>	<u>\$ 6,780,178</u>	<u>\$ 7,862,538</u>	<u>\$ 5,638,210</u>

	Ref.	B	B-5	Below	B
Cash Disbursements	B-5			\$ 7,128,842	
Prior Year Encumbrance Cancelled	B-10			(28,319)	
Encumbrances Payable	B-10			<u>762,015</u>	
	Above			<u>\$ 7,862,538</u>	

**THE CITY OF UNION CITY  
TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

	<u>Ref.</u>		
Balance, June 30, 2013	B		\$ 119,065
Increased by:			
Cash Receipts	B-5	\$ 11,021,220	
Encumbrances Paid	B-10	<u>1,027,308</u>	
			<u>12,048,528</u>
			12,167,593
Decreased by:			
Due to Current Fund	B-5		<u>11,835,365</u>
Balance, June 30, 2014	B		<u><u>\$ 332,228</u></u>

## EXHIBIT B-10

**SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE - OTHER TRUST FUND**

	<u>Ref.</u>		
Balance, June 30, 2013	B		\$ 1,055,627
Increased by:			
Reserve for Other Trust Fund Activity	B-8		<u>762,015</u>
			1,817,642
Decreased by:			
Encumbrances Cancelled	B-8	\$ 28,319	
Reserve for Other Trust Fund Activity	B-9	<u>1,027,308</u>	<u>1,055,627</u>
Balance, June 30, 2014	B		<u><u>\$ 762,015</u></u>

**THE CITY OF UNION CITY  
TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF CASH AND CASH EQUIVALENTS - CDA FUND**

	<u>Ref.</u>		
Balance, June 30, 2013	B		\$ 5,760
Increased by Cash Receipts:			
Due from HUD CDBG Grant	B-12	\$ 1,091,559	
Reserve for Program Income	B-13	<u>27,197</u>	
			<u>1,118,756</u>
			1,124,516
Decreased by Cash Disbursements:			
Due from Current Fund	B-15		<u>1,123,997</u>
Balance, June 30, 2014	B		<u><u>\$ 519</u></u>

**SCHEDULE OF DUE FROM HUD CDBG GRANT - CDA FUND**

	<u>Ref.</u>		
Balance, June 30, 2013	B		\$ 81,211
Increased by:			
New Grant Authorization	B-14		<u>1,057,585</u>
			1,138,796
Decreased by:			
Cash Receipts	B-11		<u>1,091,559</u>
Balance, June 30, 2014	B		<u><u>\$ 47,237</u></u>

**THE CITY OF UNION CITY  
TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR PROGRAM INCOME - CDA FUND**

	<u>Ref.</u>	
Balance, June 30, 2013		\$ -
Increased by:		
Cash Receipts	B-11	<u>27,197</u>
		27,197
Decreased by:		
Reserve for Expenditures	B-14	<u>27,197</u>
Balance, June 30, 2014		<u><u>\$ -</u></u>

**THE CITY OF UNION CITY  
TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

	<u>Ref.</u>		
Balance, June 30, 2013	B		\$ -
Increased by:			
New Grant Authorization	B-12	\$ 1,057,585	
Reserve for Program Income	B-13	<u>27,197</u>	
			<u>1,084,782</u>
			1,084,782
Decreased by:			
Expenditures Paid by Current Fund	B-15		<u>913,493</u>
Balance, June 30, 2014	B		<u><u>\$ 171,289</u></u>

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

	<u>Ref.</u>		
Balance, June 30, 2013 (Due to)	B		\$ 86,971
Increased by:			
Reserve for Expenditures - Paid by Current Fund	B-14		<u>913,493</u>
			1,000,464
Decreased by:			
Cash Disbursements	B-11		<u>1,123,997</u>
Balance, June 30, 2014 (Due from)	B		<u><u>\$ (123,533)</u></u>

**THE CITY OF UNION CITY  
TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

	<u>Ref.</u>	
Balance, June 30, 2013	B	\$ 10,910
Increased by Cash Receipts:		
Reserve for Expenditures	B-17	<u>14,997</u>
		25,907
Decreased by Cash Disbursements:		
Due to Current Fund	B-18	<u>5,637</u>
Balance, June 30, 2014	B	<u><u>\$ 20,270</u></u>

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

	<u>Ref.</u>		
Balance, June 30, 2013	B		\$ 8,983
Increased by:			
Received in Current Fund	B-16		<u>14,997</u>
			23,980
Decreased by:			
Paid by Current Fund	B-18	\$ 7,000	
Accounts Payable	B-19	<u>2,510</u>	
			<u>9,510</u>
Balance, June 30, 2014	B		<u><u>\$ 14,470</u></u>

**THE CITY OF UNION CITY  
TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

	<u>Ref.</u>	
Balance, June 30, 2013	B	\$ 1,363
Increased by:		
Received in Current Fund	B-16	<u>5,637</u>
		7,000
Decreased by:		
Reserve for Expenditures - Paid by Current Fund	B-17	<u>7,000</u>
Balance, June 30, 2014	B	<u><u>\$ -</u></u>

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

	<u>Ref.</u>	
Balance, June 30, 2013	B	\$ 3,290
Increased by:		
Reserve for Expenditures	B-17	<u>2,510</u>
Balance, June 30, 2014	B	<u><u>\$ 5,800</u></u>

**SUPPLEMENTARY INFORMATION – GENERAL CAPITAL FUND**



THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SCHEDULE OF CASH AND CASH EQUIVALENTS

	<u>Ref.</u>	
Balance, June 30, 2013	C	\$ <u>84</u>
Balance, June 30, 2014	C	\$ <u>84</u>

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**ANALYSIS OF CASH AND CASH EQUIVALENTS**

Improvement Authorizations	Ref.	Balance	Cash	Cash	Transfers		Balance
		June 30, 2013	Receipts	Disbursements	To	From	June 30, 2014
Fund Balance	C-1	\$ 17,241	\$ -	\$ -	\$ -	\$ -	\$ 17,241
Capital Improvement Fund	C-6	11,763	-	-	300,000	-	311,763
Encumbrances Payable	C-13	2,813,867	-	-	3,513,496	2,813,867	3,513,496
Due from Current Fund	C-14	(1,281,613)	-	-	6,677,466	3,006,883	2,388,970
Due from State of New Jersey:							
Green Acres	C-16	(590,143)	-	-	590,143	-	-
Green Trust	C-17	(1,370,143)	-	-	590,143	-	(780,000)
Due from County of Hudson	C-18	(790,000)	-	-	765,000	-	(25,000)
Reserve for General Serial Bonds	C-19	-	-	-	761,597	761,597	-
Due to Other Trust Fund	C-20	18,090	-	-	-	-	18,090
Improvement Authorizations:							
Improvement to Ellsworth Park		(4,824)	-	-	-	-	(4,824)
Redevelopment Funding		-	-	-	-	-	-
Traffic Lights		83,912	-	-	-	20,417	63,495
Various Capital Improvements		-	-	-	-	-	-
17th Street Park		11,074	-	-	-	4,651	6,423
Reconstruction of 15th St. Library into a Museum and Cultural Center		-	-	-	-	-	-
Traffic Light Improvements		-	-	-	-	-	-
Construction of Doric Water Park		-	-	-	-	-	-
Reconstruction of Roof at Jose Marti Park		5,690	-	-	-	880	4,810
Street Improvements - Broadway and Park Avenue		37,506	-	-	-	-	37,506
Indian Park Pond - 33rd Street		-	-	-	-	-	-
Reconstruct New York Ave		2,407	-	-	-	550	1,857
Ellsworth Park Improvement		284,749	-	-	-	250,412	34,337
Reconstruct 34th Street		-	-	-	-	-	-
44th and 45th St Park Improvements		-	-	-	-	-	-
Leggerio Park Improvements		118,497	-	-	-	4,871	113,626
Traffic Signals and Sidewalks		56,464	-	-	-	-	56,464
Improvement Authorizations (Continued):							

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**ANALYSIS OF CASH AND CASH EQUIVALENTS**

Improvement Authorizations	Ref.	Balance	Cash	Cash	Transfers		Balance
		June 30, 2013	Receipts	Disbursements	To	From	June 30, 2014
Pave Bergenline Avenue		\$ -	\$ -	\$ -	\$ 992,000	\$ 992,000	\$ -
Various Police Equipment		1,007,128	-	-	-	-	1,007,128
Improvements to City Parks		41,924	-	-	-	30,491	11,433
Reconstruct 15th Street		-	-	-	-	-	-
Installation of Computer Equipment		4,997	-	-	-	707	4,290
Summit Avenue		55,967	-	-	-	843	55,124
Purchase of 2 Ambulances		-	-	-	-	-	-
Supplemental Funding - Amphitheater		-	-	-	-	-	-
New York Avenue Reconstruction		-	-	-	-	-	-
Washington Park		1,293,726	-	-	-	5,917,210	(4,623,484)
Reconstruction Various Streets		(252,056)	-	-	-	343,482	(595,538)
Leggeiro Music Park Improvements		354,578	-	-	-	40,983	313,595
Various Capital Improvements		(1,930,717)	-	-	-	1	(1,930,718)
		<u>\$ 84</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,189,845</u>	<u>\$ 14,189,845</u>	<u>\$ 84</u>
	Ref.	C			contra	contra	C

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Purpose	Balance June 30, 2013	Bond Anticipation Notes	Balance June 30, 2014
Ellsworth Park Improvements	\$ 4,824	\$ -	\$ 4,824
17th Street Park	330,000	-	330,000
Traffic Light Improvements	687,700	28,297	659,403
24th Street Park Improvements	423,360	17,640	405,720
Construction of New Parking Deck	1,514,026	60,159	1,453,867
Construction of Doric Water Park	5,476,506	224,595	5,251,911
Construction of 39th Street Skate Park	257,852	12,032	245,820
Reconstruction of Roof at Jose Marti Park	80,436	4,011	76,425
Street Improvements - Broadway and Park Ave.	2,478,120	100,266	2,377,854
Reconstruct New York Ave	2,579,250	-	2,579,250
Ellsworth Park Improvement	2,579,250	-	2,579,250
Reconstruct 34th Street	237,500	-	237,500
44th and 45th St Park Improvements	109,250	-	109,250
DPW Roof Reconstruction	313,500	-	313,500
Leggerio Park Improvements	655,500	-	655,500
Traffic Signals and Sidewalks	247,000	-	247,000
Pave Bergenline Avenue	80,750	-	80,750
Various Police Equipment	1,045,000	-	1,045,000
Reconstruct Ambulance Building Roof	133,000	-	133,000
Improvements to City Parks	270,750	-	270,750
Reconstruct 15th Street	318,250	-	318,250
Reconstruct 16th Street	156,000	-	156,000
Installation of Computer Equipment	95,000	-	95,000
Tax Refunding Ordinance	440,000	110,000	330,000
Summit Avenue	500,000	250,000	250,000
Supplemental Funding - Amphitheater	627,000	-	627,000
Washington Park	4,959,000	-	4,959,000
Reconstruction Various Streets	950,000	-	950,000
Various Capital Improvements	1,940,000	-	1,940,000
	<u>\$ 29,488,824</u>	<u>\$ 807,000</u>	<u>\$ 28,681,824</u>
Ref.	C	C-12	C

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

	<u>Ref.</u>		
Balance, June 30, 2013	C		\$ 56,995,180
Increased by:			
HCIA Leases	C-10	\$ 4,609,412	
Green Acres Loan Correction	C-11	590,143	5,199,555
			62,194,735
Decreased by:			
General Serial Bonds Payment	C-8	2,638,107	
School Serial Bonds Payment	C-9	2,320,000	
HCIA Lease Payment	C-10	438,852	
Green Acres Loan Payment	C-11	130,496	
			5,527,455
Balance, June 30, 2014	C		\$ 56,667,280

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance, June 30, 2013	C	\$ 11,763
Increased by:		
2014 Budget Appropriation	C-14	<u>300,000</u>
Balance, June 30, 2014	C	<u><u>\$ 311,763</u></u>

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Improvement Description	Original Amount	Balance, June 30, 2013		Paid or Charged	(Cancelled)/ Reappropriated	Balance, June 30, 2014	
		Funded	Unfunded			Funded	Unfunded
Traffic Lights	\$ 2,000,000	\$ -	\$ 83,912	\$ 20,417	\$ -	\$ -	\$ 63,495
17th Street Park	610,000	-	11,074	4,651	-	-	6,423
Reconstruction of Roof at Jose Marti Park	90,000	-	5,690	880	-	-	4,810
Street Improvements - Broadway and Park Avenue	2,782,000	-	37,506	-	-	-	37,506
Reconstruct New York Ave	2,715,000	-	2,407	550	-	-	1,857
Ellsworth Park Improvement	2,715,000	-	284,749	250,412	-	-	34,337
Leggerio Park Improvements	690,000	-	118,497	4,871	-	-	113,626
Traffic Signals and Sidewalks	260,000	-	56,464	-	-	-	56,464
Various Police Equipment	1,100,000	-	1,007,128	-	-	-	1,007,128
Improvements to City Parks	285,000	-	41,924	30,491	-	-	11,433
Installation of Computer Equipment	100,000	-	4,997	707	-	-	4,290
Summit Avenue	750,000	-	55,967	843	-	-	55,124
Pave Bergenline Avenue	992,000	-	-	992,000	992,000	-	-
Washington Park	5,508,000	1,293,726	4,959,000	4,925,210	(992,000)	-	335,516
Reconstruction Various Streets	1,000,000	-	697,944	343,482	-	-	354,462
Leggeiro Music Park Improvements	1,470,286	354,578	-	40,983	-	313,595	-
Various Capital Improvements	1,940,000	9,283	-	1	-	9,282	-
		<u>\$ 1,657,587</u>	<u>\$ 7,367,259</u>	<u>\$ 6,615,498</u>	<u>\$ -</u>	<u>\$ 322,877</u>	<u>\$ 2,086,471</u>
	Ref.	C	C	Below		C	C
Paid by Current Fund	C-14			\$ 5,915,869			
Encumbrances Payable	C-13			3,513,496			
Encumbrances Payable - Prior Year Reversals	C-13			(2,813,867)			
	Above			<u>\$ 6,615,498</u>			

## EXHIBIT C-8

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Original Amount	Maturities of Bonds Outstanding June 30, 2014		Interest Rate %	Balance June 30, 2013	Decrease	Balance June 30, 2014
			Date	Amount				
ERI Pension Bonds	12/15/02	\$ 15,735,000	1/1/2015	\$ 665,000	5.375	\$ 13,160,000	\$ 585,000	\$ 12,575,000
			1/1/2016	725,000	5.375			
			1/1/2017	825,000	5.375			
			1/1/2018	15,000	6.250			
			1/1/2019	30,000	6.250			
			1/1/2020	100,000	6.250			
			1/1/2021	165,000	6.250			
			1/1/2022	225,000	6.250			
			1/1/2023	315,000	6.250			
			1/1/2024	375,000	6.250			
			1/1/2025	475,000	6.250			
			1/1/2026	575,000	6.250			
			1/1/2027	690,000	6.250			
			1/1/2028	825,000	6.250			
			1/1/2029	975,000	6.250			
			1/1/2030	1,125,000	6.250			
			1/1/2031	1,300,000	6.250			
1/1/2032	1,475,000	6.250						
1/1/2033	1,695,000	6.250						
2007A Refunding	02/07/07	24,305,000	11/1/2017	145,000	4.000	24,305,000	-	24,305,000
			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			

## EXHIBIT C-8

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Original Amount	Maturities of Bonds Outstanding June 30, 2014		Interest Rate %	Balance June 30, 2013	Decrease	Balance June 30, 2014
			Date	Amount				
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	\$ 2,053,107	\$ 7,271,892
						\$ 46,789,999	\$ 2,638,107	\$ 44,151,892
					<u>Ref.</u>	C	C-5	C

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF SCHOOL SERIAL BONDS**

Purpose	Date of Issue	Original Issue Amount	Maturities of Bonds Outstanding June 30, 2014		Interest Rate %	Balance June 30, 2013	Decrease	Balance June 30, 2014
			Date	Amount				
School Improvements	3/19/1992	\$ 26,975,000				\$ 2,320,000	\$ 2,320,000	\$ -
					<u>Ref.</u>	<u>\$ 2,320,000</u>	<u>\$ 2,320,000</u>	<u>\$ -</u>
						C	C-5	C

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF CAPITAL LEASE PAYABLE - HCIA**

	<u>Ref.</u>	
Balance, June 30, 2013	C	\$ 6,709,059
Increased by:		
HCIA Leases	C-5	4,609,412
		<u>11,318,471</u>
Decreased by:		
Loan Payment	C-5	438,852
Balance, June 30, 2014	C	<u><u>\$ 10,879,619</u></u>

Analysis of Capital Lease Payments

Fiscal Year	Cost of Facilities NHRFR	Regional Fire and Rescue		Fire Dept Equipment NHRFR		Total
	Series 2004	2006 Series A	2006 Series B	2011 Series A	2011 Series B	
2015	\$ 250,875	\$ 83,625	\$ 75,263	\$ 107,040	\$ 227,460	\$ 744,263
2016	267,600	86,970	78,608	113,730	244,185	791,093
2017	367,950	91,987	81,953	120,420	262,583	924,893
2018	401,400	95,333	86,970	127,110	284,325	995,138
2019	418,125	98,677	91,988	133,800	307,740	1,050,330
2020	451,575	103,695	97,005	142,163	331,155	1,125,593
2021	468,300	107,040	102,023	148,853	357,915	1,184,131
2022	501,750	112,057	107,040	157,215	386,348	1,264,410
2023	535,200	117,075	112,058	167,250	416,453	1,348,036
2024	585,375	122,093	118,748	175,613	449,903	1,451,732
	<u>\$ 4,248,150</u>	<u>\$ 1,018,552</u>	<u>\$ 951,656</u>	<u>\$ 1,393,194</u>	<u>\$ 3,268,067</u>	<u>\$ 10,879,619</u>

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF GREEN ACRES LOANS PAYABLE**

	<u>Ref.</u>	
Balance, June 30, 2013	C	\$ 1,176,122
Increased by:		
2014 Green Acres Loan Received	C-5	590,143
		1,766,265
Decreased by:		
Loan Payment	C-5	130,496
Balance, June 30, 2014	C	\$ 1,635,769

Analysis of Repayment of Loan and Interest

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2015	\$ 26,151	\$ 145,565
2016	29,003	161,064
2017	25,813	154,513
2018	23,102	78,550
2019	21,577	69,218
2020	20,186	70,610
2021	18,767	72,030
2022	17,320	73,479
2023	15,842	74,955
2024	14,335	76,462
2025	12,798	77,997
2026	11,231	79,566
2027	9,632	81,165
2028	7,999	82,797
2029	6,336	84,461
2030	4,638	86,158
2031	2,906	60,840
2032	1,954	34,743
2033	1,256	35,441
2034	543	36,154
	\$ 271,389	\$ 1,635,769

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Original Issue Amount	Date of		Interest Rate %	Balance June 30, 2013	Increase	Decrease	Balance June 30, 2014
		Issue	Maturity					
Traffic Light Improvements	\$ 772,000	12/19/12	12/20/13	1.125	\$ 687,700	\$ -	\$ 687,700	\$ -
24th Street Park Improvements	475,000	12/19/12	12/20/13	1.125	423,360	-	423,360	-
Construction of New Parking Deck	1,700,000	12/19/12	12/20/13	1.125	1,514,026	-	1,514,026	-
Construction of Doric Water Park	6,150,000	12/19/12	12/20/13	1.125	5,476,506	-	5,476,506	-
Reconstruction of 39th Street Skate Park	290,000	12/19/12	12/20/13	1.125	257,852	-	257,852	-
Reconstruction of roof at Jose Marti Park	90,000	12/19/12	12/20/13	1.125	80,436	-	80,436	-
Street Improvements - Broadway and Park Avenue	2,782,000	12/19/12	12/20/13	1.125	2,478,120	-	2,478,120	-
Supplemental Funding Amphitheater	627,000	06/05/12	06/05/13	1.125	627,000	-	627,000	-
17th Street Park	330,000	05/22/13	05/23/14	1.00	330,000	-	330,000	-
Summit Avenue	750,000	05/22/13	05/23/14	1.00	500,000	-	500,000	-
Reconstruct New York Ave	2,579,250	05/22/13	05/23/14	1.00	2,579,250	-	2,579,250	-
Ellsworth Park Improvement	2,579,250	05/22/13	05/23/14	1.00	2,579,250	-	2,579,250	-
Reconstruct 34th Street	237,500	05/22/13	05/23/14	1.00	237,500	-	237,500	-
44th and 45th St Park Improvements	109,250	05/22/13	05/23/14	1.00	109,250	-	109,250	-
DPW Roof Reconstruction	313,500	05/22/13	05/23/14	1.00	313,500	-	313,500	-
Leggerio Park Improvements	655,500	05/22/13	05/23/14	1.00	655,500	-	655,500	-
Traffic Signals, Sidewalks	247,000	05/22/13	05/23/14	1.00	247,000	-	247,000	-
Pave Bergenline Avenue	80,750	05/22/13	05/23/14	1.00	80,750	-	80,750	-
Various Equipment Police	1,045,000	05/22/13	05/23/14	1.00	1,045,000	-	1,045,000	-
Reconstruct Roof Amb Building	133,000	05/22/13	05/23/14	1.00	133,000	-	133,000	-
Improvements to City Parks	270,750	05/22/13	05/23/14	1.00	270,750	-	270,750	-
Reconstruct 15th Street	318,250	05/22/13	05/23/14	1.00	318,250	-	318,250	-
Reconstruct 16th Street	156,750	05/22/13	05/23/14	1.00	156,000	-	156,000	-

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Original Issue Amount	Date of		Interest Rate %	Balance June 30, 2013	Increase	Decrease	Balance June 30, 2014
		Issue	Maturity					
Installation of Computer Equipment	95,000	05/22/13	05/23/14	1.00	\$ 95,000	\$ -	\$ 95,000	\$ -
Tax Refunding Ordinance	550,000	05/22/13	05/23/14	1.00	440,000	-	440,000	-
Traffic Light Improvements	772,000	12/10/13	12/10/14	1.00	-	659,403	-	659,403
24th Street Park Improvements	475,000	12/10/13	12/10/14	1.00	-	405,720	-	405,720
Construction of New Parking Deck	1,700,000	12/10/13	12/10/14	1.00	-	1,453,867	-	1,453,867
Construction of Doric Water Park	6,150,000	12/10/13	12/10/14	1.00	-	5,251,911	-	5,251,911
Reconstruction of 39th Street Skate Park	290,000	12/10/13	12/10/14	1.00	-	245,820	-	245,820
Reconstruction of roof at Jose Marti Park	90,000	12/10/13	12/10/14	1.00	-	76,425	-	76,425
Street Improvements - Broadway and Park Avenue	2,782,000	12/10/13	12/10/14	1.00	-	2,377,854	-	2,377,854
Supplemental Funding Amphitheater	627,000	12/10/13	12/10/14	1.00	-	627,000	-	627,000
17th Street Park	330,000	05/13/14	05/13/15	1.00	-	330,000	-	330,000
Summit Avenue	750,000	05/13/14	05/13/15	1.00	-	250,000	-	250,000
Reconstruct New York Ave	2,579,250	05/13/14	05/13/15	1.00	-	2,579,250	-	2,579,250
Ellsworth Park Improvement	2,579,250	05/13/14	05/13/15	1.00	-	2,579,250	-	2,579,250
Reconstruct 34th Street	237,500	05/13/14	05/13/15	1.00	-	237,500	-	237,500
44th and 45th St Park Improvements	109,250	05/13/14	05/13/15	1.00	-	109,250	-	109,250
DPW Roof Reconstruction	313,500	05/13/14	05/13/15	1.00	-	313,500	-	313,500
Leggerio Park Improvements	655,500	05/13/14	05/13/15	1.00	-	655,500	-	655,500
Traffic Signals, Sidewalks	247,000	05/13/14	05/13/15	1.00	-	247,000	-	247,000
Pave Bergenline Avenue	80,750	05/13/14	05/13/15	1.00	-	80,750	-	80,750
Various Equipment Police	1,045,000	05/13/14	05/13/15	1.00	-	1,045,000	-	1,045,000
Reconstruct Roof Amb Building	133,000	05/13/14	05/13/15	1.00	-	133,000	-	133,000

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Original Issue Amount	Date of		Interest Rate %	Balance June 30, 2013	Increase	Decrease	Balance June 30, 2014
		Issue	Maturity					
Improvements to City Parks	270,750	05/13/14	05/13/15	1.00	\$ -	\$ 270,750	\$ -	\$ 270,750
Reconstruct 15th Street	318,250	05/13/14	05/13/15	1.00	-	318,250	-	318,250
Reconstruct 16th Street	156,750	05/13/14	05/13/15	1.00	-	156,000	-	156,000
Installation of Computer Equipment	95,000	05/13/14	05/13/15	1.00	-	95,000	-	95,000
Tax Refunding Ordinance	550,000	05/13/14	05/13/15	1.00	-	330,000	-	330,000
					<u>\$ 21,635,000</u>	<u>\$ 20,828,000</u>	<u>\$ 21,635,000</u>	<u>\$ 20,828,000</u>
				<u>Ref.</u>	C	Below	Below	C
Deferred Charges to Future Taxation - Unfunded				Contra C-4		\$ 20,828,000	\$ 20,828,000	
						-	807,000	
				Above		<u>\$ 20,828,000</u>	<u>\$ 21,635,000</u>	

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF ENCUMBRANCES PAYABLE**

	<u>Ref.</u>	
Balance, June 30, 2013	C	\$ 2,813,867
Increased by:		
Charges to Improvement Authorizations	C-7	<u>3,513,496</u>
		6,327,363
Decreased by:		
Reverse Prior Year Balance	C-7	<u>2,813,867</u>
Balance, June 30, 2014	C	<u><u>\$ 3,513,496</u></u>

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF DUE FROM/(TO) CURRENT FUND**

	<u>Ref.</u>		
Balance, June 30, 2013 (Due From)	C		\$ 1,281,613
Increased by:			
Return of Escrow Funds	C-19	\$ 761,597	
Due from Hudson County	C-18	765,000	
Due from Green Acres Trust Loan	C-16	590,143	
Due from Green Acres Trust Grant	C-17	590,143	
Capital Improvement Fund	C-6	<u>300,000</u>	
			<u>3,006,883</u>
			4,288,496
Decreased by:			
Charges to Improvement Authorizations	C-7	5,915,869	
Reserve for General Serial Bonds	C-19	<u>761,597</u>	
			<u>6,677,466</u>
Balance, June 30, 2014 (Due To)	C		<u><u>\$ (2,388,970)</u></u>

THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Improvement Description</u>	<u>Balance June 30, 2013</u>	<u>Balance June 30, 2014</u>
Improvement to Ellsworth Park	\$ 4,824	\$ 4,824
Washington Park	4,959,000	4,959,000
Reconstruction Various Streets	950,000	950,000
Various Capital Improvements	<u>1,940,000</u>	<u>1,940,000</u>
	<u>\$ 7,853,824</u>	<u>\$ 7,853,824</u>
<u>Ref.</u>	C	C

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

	<u>Ref.</u>	
Balance, June 30, 2013	C	\$ 590,143
Decreased By:		
Cash Receipt - Due from Current	C-14	<u>590,143</u>
Balance, June 30, 2014	C	<u><u>\$ -</u></u>

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

	<u>Ref.</u>	
Balance, June 30, 2013	C	\$ 1,370,143
Decreased By:		
Cash Receipt - Due from Current	C-14	<u>590,143</u>
Balance, June 30, 2014	C	<u><u>\$ 780,000</u></u>

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF DUE FROM COUNTY OF HUDSON**

	Balance June 30, 2013	Due from Current	Balance June 30, 2014
Open Space Grant:			
Washington Park	\$ 500,000	\$ 500,000	\$ -
Leggeiro Park Improvements	265,000	265,000	-
 Community Development Block Grant - Leggeiro Park Improvements	25,000		25,000
	\$ 790,000	\$ 765,000	\$ 25,000
<u>Ref.</u>	C	C-14	C

**THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR GENERAL SERIAL BONDS**

	<u>Balance June 30, 2013</u>	<u>Anticipated Revenue Realized in Current Fund</u>	<u>Bond Proceeds Due from Current Fund</u>	<u>Balance June 30, 2014</u>
2007 Refunding Serial Bonds - Swimming Pool Improvement (47th St.)	\$ -	\$ 761,597	\$ 761,597	\$ -
	<u>\$ -</u>	<u>\$ 761,597</u>	<u>\$ 761,597</u>	<u>\$ -</u>
<u>Ref.</u>	C	C-14	C-14	C

THE CITY OF UNION CITY  
GENERAL CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SCHEDULE OF DUE TO OTHER TRUST FUND

	<u>Ref.</u>	
Balance, June 30, 2013	C	\$ 18,090
Balance, June 30, 2014	C	<u>\$ 18,090</u>

**SUPPLEMENTARY INFORMATION – FIXED ASSETS**



**THE CITY OF UNION CITY  
FIXED ASSET GROUP OF ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF FIXED ASSETS - ACQUISITIONS AND DISPOSALS**

	Balance June 30, 2013 <u>As Restated</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, 2014 <u></u>
Land	\$ 11,228,900	\$ -	\$ -	\$ 11,228,900
Buildings and Improvements	47,682,641	1,692,211	-	49,374,852
Furniture and Fixtures	69,871	-	-	69,871
Machinery and Equipment	<u>7,527,051</u>	<u>207,545</u>	<u>-</u>	<u>7,734,596</u>
	<u>\$ 66,508,463</u>	<u>\$ 1,899,756</u>	<u>\$ -</u>	<u>\$ 68,408,219</u>
<u>Ref.</u>	D	D-2	D-2	D

**THE CITY OF UNION CITY  
FIXED ASSET GROUP OF ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR FIXED ASSETS**

	<u>Ref.</u>	
Balance, June 30, 2013 As Restated	D	\$ 66,508,463
Increased by:		
Additions	D-1	<u>1,899,756</u>
		68,408,219
Decreased by:		
Deletions	D-1	<u>-</u>
Balance, June 30, 2014	D	<u><u>\$ 68,408,219</u></u>

## **ACCOMPANYING INFORMATION**



**THE CITY OF UNION CITY**  
**SCHEDULE OF OPERATIONS AND CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	June 30, 2014		June 30, 2013	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue and Other Income Realized:				
Miscellaneous Revenue Anticipated	\$ 45,268,974	30.77%	\$ 47,022,783	31.99%
Receipts from Delinquent Taxes	74,121	0.05%	108,729	0.07%
Receipts from Current Taxes	99,643,523	67.72%	96,428,494	65.59%
Other Credits to Income	2,144,474	1.46%	3,444,689	2.34%
Total Income	<u>147,131,092</u>	<u>100.00%</u>	<u>147,004,695</u>	<u>99.99%</u>
Expenditures:				
Budget Appropriations	111,626,821	76.13%	111,512,374	75.94%
School and County Taxes	31,831,815	21.71%	33,528,242	22.83%
Other	3,173,413	2.16%	1,808,341	1.23%
Total Expenditures	<u>146,632,049</u>	<u>100.00%</u>	<u>146,848,957</u>	<u>100.00%</u>
Excess in Revenue	499,043		155,738	
(Deficit) in Revenue				
Adjustments to Income before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year				
Expenditures without Appropriations	14,000		18,782	
Overexpenditure of Appropriation Reserves	208,214		-	
Overexpenditure of Grants	17,477		-	
Interfund Overexpenditures	-		19,336	
	<u>239,691</u>		<u>38,118</u>	
Statutory Excess to Fund Balance	738,734		<u>\$ 193,856</u>	
Deficit in Operations to be Raised in Budget of Succeeding Year				
Fund Balance, Beginning of Year	<u>2,346,287</u>		<u>2,152,431</u>	
Fu Fund Balance, End of Year	<u>\$ 3,085,021</u>		<u>\$ 2,346,287</u>	

**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>
2014	6.624	4.503	1.082	1.039
2013	6.545	4.320	1.124	1.101
2012	6.401	4.137	1.167	1.097
2011	6.189	3.997	1.090	1.102
2010	5.930	3.786	1.039	1.105

**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>
2014	\$ 98,180,964	\$ 98,178,007	99.997%
2013	97,092,453	95,328,494	98.183%
2012	95,065,168	93,847,126	98.719%
2011	90,217,685	88,452,521	98.043%
2010	86,938,593	86,065,314	98.996%

**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>
2014	\$ 81,018	\$ 187,172	\$ 268,190	0.27%
2013	56,989	110,490	167,479	0.17%
2012	64,515	96,647	161,162	0.17%
2011	633,478	53,582	687,060	0.76%
2010	40,520	80,913	121,433	0.14%

**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>
2014	\$ 171,900
2013	171,900
2012	171,900
2011	171,900
2010	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, 2014	\$ 3,085,021	\$ -
June 30, 2013	2,346,287	-
June 30, 2012	2,152,431	-
June 30, 2011	2,152,431	1,065,000
June 30, 2010	3,217,431	117,000

THE CITY OF UNION CITY

ROSTER OF OFFICIALS

JUNE 30, 2014

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

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

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**SINGLE AUDIT SECTION**



# DONOHUE, GIRONDA & DORIA

*Certified Public Accountants*

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

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

We have audited , in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”), the accompanying financial statements – regulatory basis of the City of Union City, New Jersey (the “City”), which comprise the comparative balance sheet – regulatory basis, of each fund and account group as of June 30, 2014 and 2013, and the related comparative statement of operations and changes in fund balance – regulatory basis, of each fund, and the statement of revenues – regulatory basis – and statement of appropriations – regulatory basis, of the Current Fund, for the years then ended, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated April 8, 2015.

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

## **Internal Control over Financial Reporting**

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

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, Findings *FS14-01* and *FS14-02*, to be material weaknesses.

*A significant deficiency* is a deficiency, or 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.

### **Compliance and Other Matters**

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

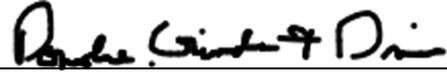
We noted additional instances of deficiencies and noncompliance which are required to be reported under audit requirements prescribed by the Division, and which are described in the accompanying comments and recommendations section of this report.

### **The City's Response to Findings**

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

**Purpose of this Report**

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



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DONOHUE, GIRONDA & DORIA  
*Certified Public Accountants*



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FREDERICK J. TOMKINS  
Registered Municipal Accountant #327

Bayonne, New Jersey  
April 8, 2015

# DONOHUE, GIRONDA & DORIA

Certified Public Accountants

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

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

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

We have audited the City of Union City, New Jersey's (the City's) compliance with the types of compliance requirements described in the *U.S. OMB Circular A-133 Compliance Supplement* and the *N.J. OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the City's major federal and state programs for the year ended June 30, 2014. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

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

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and N.J. OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, U.S. OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes

examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and NJ OMB Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as Findings SA14-01 through SA14-05. Our opinion on each major federal and state program is not modified with respect to these matters.

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

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

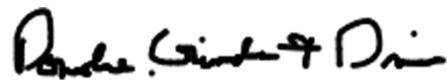
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a

deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items SA14-01 through SA14-05, that we consider to be material weaknesses.

The City's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



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DONOHUE, GIRONDA & DORIA  
*Certified Public Accountants*



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FREDERICK J. TOMKINS  
Registered Municipal Accountant #327

Bayonne, New Jersey  
April 8, 2015

THE CITY OF UNION CITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal Department and Program	State Account Number/ Grant Number	Federal CFDA Number	Grant Period		Program Amount/ Funds Received	Funds Available June 30, 2013	Current Year Appropriations	Current Year Disbursements and Charges	Program Income/ Reprogrammings/ Cancellations/ Transfers	Funds Available June 30, 2014	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	07/01/13	06/30/14	\$ 40,433	\$ -	\$ 151,770	\$ 138,189	\$ -	\$ 13,581	\$ 138,189
Total U.S. Department of Agriculture					40,433	-	151,770	138,189	-	13,581	-
U.S. Department of Housing and Urban Development: Passed through the County of Hudson: Community Development Block Grant: Leggerio Park Improvements	* B-13-MC-34-0119	14.218	07/01/13	06/30/14	-	25,000	-	-	-	25,000	-
** Community Development Block Grant	B-12-MC-34-0119	14.218	07/01/13	06/30/14	1,010,349	-	1,057,585	913,493	27,197	171,289	886,296
** Community Development Block Grant		14.218	07/01/12	06/30/13	81,210	-	-	-	-	-	1,269,275
Total U.S. Department of Housing and Urban Development					1,091,559	25,000	1,057,585	913,493	27,197	196,289	-
U.S. Department of Justice: Bulletproof Vest Partnership Program	2012BUBX12060891	16.607	06/01/11	06/30/12	6,338	-	-	-	-	-	21,170
Community Oriented Policing Services (COPS) - Secure Our Schools	2010CKWX0724	16.710	06/01/10	06/30/11	-	152,841	-	-	-	152,841	-
Law Technology Project	2010CKWX0054	16.710	06/01/10	06/30/11	38,400	151,223	-	250	-	150,973	149,027
** ARRA - Hiring Recovery Program	2009KWX0629	16.710	06/01/09	11/30/10	1,072,103	609,993	-	402,112	-	207,881	2,001,383
Total Community Oriented Policing Services (COPS)					1,110,503	914,057	-	402,362	-	511,695	-
Passed through State of NJ Department of Law and Public Safety: Passed through the County of Hudson: Edward Byrne Memorial Justice Assistance Grant Program Edward Byrne Memorial Justice Assistance Grant Program Total Edward Byrne Memorial Justice Assistance Grant Program	100-066-1020-157 100-066-1020-157	16.738 16.738	01/01/14 01/01/13	12/31/14 12/31/13	- -	6,456 6,456	27,424 27,424	21,171 22,964	- -	6,253 10,916	21,171 26,188
Total U.S. Department of Justice					1,116,841	920,513	27,424	425,326	-	522,611	-
U.S. Department of Transportation: Passed through State of NJ Department of Transportation: Highway Planning and Construction - Local Municipal Aid - West Street - Phase II Metropolitan Planning Organization - Mountain Road Total Highway Planning and Construction	78-630-480-AK 78-6300-480-***	20.205 20.205	07/01/11 07/01/11	06/30/12 06/30/12	- -	61,172 20,897	- -	- 1,508	(61,172) (13,800)	- 5,589	220,150 261,411
Passed through State of NJ Division of Highway Traffic Safety: Click-it or Ticket 2014 Distracted Driving Crackdown Total Pass through State of NJ Division of Highway Traffic Safety	66-1160-100-113 PT-14-03-02-DD-52	20.602 20.616	05/19/14 04/01/14	06/01/14 04/21/14	- -	- -	4,000 5,000	4,000 5,000	- -	- -	4,000 5,000
Total U.S. Department of Transportation					-	82,069	9,000	10,508	(74,972)	5,589	-
U.S. Department of Energy: ARRA - Energy Efficiency & Conservation Block Grant	DE-FOA-0000013	81.128	07/01/09	06/30/10	44,253	73,709	-	-	-	73,709	447,891
Total U.S. Department of Energy					44,253	73,709	-	-	-	73,709	-
U.S. Department of Health and Human Services: Substance Abuse and Mental Health Administration: Strengthening Union City Families Strengthening Union City Families	1U79SM060322-01 1U79SM060322-01	93.243 93.243	09/30/11 09/30/10	09/29/12 09/29/11	306,499 306,499	157,044 153,007	- -	27,458 16,703	- -	129,586 1,36,304	1,233,695 1,243,356
Total U.S. Department of Health and Human Services					306,499	310,051	-	44,161	-	265,890	-
TOTAL FEDERAL AWARDS					\$ 2,599,585	\$ 1,411,342	\$ 1,245,779	\$ 1,531,677	\$ (47,775)	\$ 1,077,669	

\* - Information not available  
 \*\* - Denotes Major Program

THE CITY OF UNION CITY  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Department and Program	State Account Number/ Grant Number	Grant Period		Grant Award	Program Amount/ Funds Received	Funds Available June 30, 2013	Current Year Appropriations	Current Year Disbursements and Charges	Program Income/ Reprogramming/ Cancellation/ Transfers/City Match	Funds Available June 30, 2014	Cumulative Expenditures
		From	To								
NJ Department of Environmental Protection: Clean Communities (Municipality Road Mileage) Total Clean Communities (Municipality Road Mileage)	42-4900-765-004	07/01/13	06/30/14	\$ 78,877	\$ -	\$ -	\$ 78,877	\$ 192	\$ -	\$ 78,885	\$ -
Statewide Livable Communities Aid - Municipal owned Historic Buildings	4875-542-042-4875-001	07/01/04	06/30/05	50,000	-	50,000	-	-	-	50,000	-
Recycling Tonnage Total Recycling Tonnage	42-4900-752-001	07/01/11	06/30/12	85,221	66,289	66,289	-	-	-	66,289	-
Capital Fund Grant: Green Acres Trust: Washington Park Improvements Total Green Acres Grant	0910-10-003	04/02/13	04/01/15	780,000	-	-	-	780,000	780,000	-	779,973
Total NJ Department of Environmental Protection				87,924	116,289	78,877	780,192	780,000	780,000	194,974	-
NJ Department of Treasury: NJ Division of Motor Vehicles: Drunk Driving Enforcement Fund Drunk Driving Enforcement Fund Drunk Driving Enforcement Fund Total Drunk Driving Enforcement Fund	6400-100-078-6400-000-YYY 6400-100-078-6400-000-YYY 6400-100-078-6400-000-YYY	07/01/13	06/30/14	15,748	-	15,748	-	7,753	-	7,995	7,753
Passed through the County of Hudson: Municipal Alliance to Prevent Alcoholism and Drug Abuse Municipal Alliance to Prevent Alcoholism and Drug Abuse Total Municipal Alliance to Prevent Alcoholism and Drug Abuse	100-082-C001-004 100-082-C001-004 100-082-C001-004 100-082-C001-004 100-082-C001-004	07/01/12	06/30/13	13,684	7,427	7,427	-	7,427	-	5,963	13,684
Total NJ Department of Treasury				6,600	13,390	15,748	106,332	100,788	25,771	57,880	68,772
NJ Department of Law and Public Safety: Body Armor Replacement Fund Body Armor Replacement Fund Body Armor Replacement Fund Total Body Armor Replacement Fund	66-1020-718-001 66-1020-718-001 66-1020-718-001	07/01/12	06/30/13	14,073	17	17	-	13,485	-	588	13,485
NJ Division of Highway Traffic Safety: Pedestrian School Safety Pedestrian School Safety Total Pedestrian School Safety	PSF-14-01-18 66-1160-100-131	07/01/12	06/30/13	16,000	-	-	-	14,000	14,000	-	16,000
NJ Office of Emergency Management: Emergency Management Grant		07/01/12	06/30/13	5,000	-	-	-	-	-	-	5,000
Total NJ Department of Law and Public Safety				32,810	14,587	27,485	14,000	14,000	1,102	1,102	5,000
NJ Department of Transportation: West Street - Phase II West Street - Section 3-FY 13 Discretionary Aid West Street - Section 3-FY 13 Municipal Aid West Street - Section 3-FY 13 Urban Aid Summit Avenue Section 3-FY 14 Municipal Aid Summit Avenue Section 3-FY 14 Urban Aid	78-630-480-AK 13-480-078-6320-ALD-6010 13-480-078-6320-ALL-6010 13-480-078-6320-ALJ-6010 14-480-078-6320-ALW-6010 14-480-078-6320-ALS-6010	07/01/11	06/30/12	281,322	-	-	-	13,792	61,172	47,380	295,114
Total NJ Department of Transportation				657,126	-	1,259,090	848,616	61,172	471,646	471,646	485,824
NJ Administrative Office of the Courts: Alcohol Education and Rehabilitation Alcohol Education and Rehabilitation Alcohol Education and Rehabilitation	98-9735-760-001 98-9735-760-001 98-9735-760-001	07/01/13	06/30/14	2,217	-	2,217	-	1,225	-	2,217	-
Total NJ Administrative Office of the Courts				6,537	5,395	1,142	1,225	-	-	1,142	2,025
TOTAL STATE AWARDS				\$ 843,596	\$ 177,936	\$ 1,446,516	\$ 1,758,306	\$ 880,943	\$ 747,089	\$ 747,089	

\* - Information not available  
 \*\* - Denotes Major Program

**THE CITY OF UNION CITY  
SCHEDULE OF EXPENDITURES OF OTHER FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Local Department and Program	Grant Number	Grant Period		Grant Award	Program Amount/ Funds Received	Funds Available June 30, 2013	Current Year Appropriations	Current Year Disbursements and Charges	Program Income/ Reprogrammed/ Cancellation/ Transfers/Adj	Funds Available June 30, 2014	Cumulative Expenditures	
		From	To									
<b>County of Hudson Grants:</b>												
County of Hudson Open Space Trust Grants:												
Ellsworth Park Improvements	PL-02-14	9/30/2014	9/28/2016	\$ 500,000	\$ -	-	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ -	
Michael Leggerio Park (Formerly 38th Street Amphitheater)	PL-01-06	1/1/2007	12/31/07	325,000	325,000	-	-	-	-	-	-	
15th Street Library	*	07/01/12	06/30/13	35,000	35,000	-	-	-	-	35,000	-	
Total County of Hudson Open Space Trust Fund					325,000	35,000	500,000	-	-	535,000	-	
<b>Capital Fund Grants:</b>												
County of Hudson Open Space Trust Grants:												
Washington Park	PL-16-10	12/21/10	12/20/13	500,000	500,000	-	-	500,000	500,000	-	500,000	
Leggerio Park Improvements	*	07/01/12	06/30/13	265,000	265,000	-	-	-	-	-	265,000	
Total County of Hudson Open Space Trust Fund					765,000	-	-	500,000	500,000	-	265,000	
					\$ 1,090,000	\$ 35,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 535,000		
<b>TOTAL OTHER FINANCIAL ASSISTANCE</b>												

\* - Information not available

\*\* - Denotes Major 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, 2014**

**A. BASIS OF ACCOUNTING**

The accounting policies of the City conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for federal awards and state financial assistance through the following accounting practices which differ from those required by accounting principles generally accepted in the United States of America.

The City, in accordance with the Division's directives, fully realizes revenues and charges appropriations when grants are adopted by the governing body in the budget of its Current Fund. The revenues are charged and the receivable accounted for in the State and Federal grants fund. Appropriations are charged and the amount allotted for spending is accounted for as an appropriated reserve. Programs within the General Capital Fund and various Trust Funds (other than the State and Federal Grants Fund) are accounted for within the equivalent revenue accounts for those respective funds. Expenditures are measured from payments charged directly to specific grant programs.

Federal and State 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, State and County 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.

**THE CITY OF UNION CITY  
NOTES TO SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**D. LOCAL CONTRIBUTIONS**

Local matching contributions are required by certain federal and state grants. The percentage of matching contributions varies with each program. Local matching contributions are raised in the Current Fund budget.

**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, 2014, were reviewed and any findings and questioned costs were disclosed separately.

**F. CONTINGENCIES**

Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable laws and regulations. Federal and state grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors.

**G. 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.

**H. 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 follows:

**THE CITY OF UNION CITY  
NOTES TO SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**H. RELATIONSHIP TO FINANCIAL STATEMENTS—STATUTORY BASIS (continued)**

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Funds Received:				
Current Fund:				
Grants Appropriated	\$ 1,508,027	\$ 843,596	\$ 325,000	\$ 2,676,623
Grants Unappropriated:				
Current Year	-	3,368	12,435	15,803
General Capital Fund	-	-	765,000	765,000
CDA Trust Fund	<u>1,091,559</u>	<u>-</u>	<u>-</u>	<u>1,091,559</u>
	<u>\$ 2,599,586</u>	<u>\$ 846,964</u>	<u>\$ 1,102,435</u>	<u>\$ 4,548,985</u>
Expenditures:				
Current Fund:				
Grants Appropriated	\$ 618,184	\$ 978,306	\$ -	\$ 1,596,490
General Capital Fund	-	780,000	500,000	1,280,000
CDA Trust Fund	<u>913,493</u>	<u>-</u>	<u>-</u>	<u>913,493</u>
	<u>\$ 1,531,677</u>	<u>\$ 1,758,306</u>	<u>\$ 500,000</u>	<u>\$ 3,789,983</u>

**CITY OF UNION CITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

*Section 1 - Summary of Auditors' Results*

Financial Statement Section

	Unmodified - O.C.B.O.A.	
A) Type of Auditors Report Issued:	Adverse - G.A.A.P.	
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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
C) Noncompliance material to basic financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards Section

D) Internal Control over major programs:		
1) Material weakness(es) identified?	<input 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	Unqualified	
F) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 [section 510(e)]?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
G) Identification of major programs:		

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant
10.559	Summer Food Program
16.710	ARRA Highway Recovering Program

H) Dollar threshold used to distinguish between Type A and Type B Programs.	\$300,000	
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, 2014**

*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>
0910-10-003	Green Acres Trust - Washington Park Improvements
13-480-078-6320-ALD-6010	NJDOT - West Street Section 3 Discretionary Aid
13-480-078-6320-ALL-6010	NJDOT - West Street Section 3 Municipal Aid
13-480-078-6320-ALJ-6010	NJDOT - West Street Section 3 Urban Aid

**THE CITY OF UNION CITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

*Section 2 – Financial Statement Findings*

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

**FINDING FS14-01**

*Material Weakness in Internal Control over Financial Reporting*

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

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

Context: The developer's escrow trust bank account was not reconciled to the general ledger at the date of the audit resulting in a net adjustment to the general ledger cash balance to agree to the bank statement.

Effect: There was no activity posted to the general ledger and discrepancies may have existed that may have otherwise been discovered if it had been reconciled to the bank balance.

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

Questioned Costs: None.

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

Views of Responsible  
Officials and Planned

Corrective Actions: The City will delegate responsibility to financial staff to reconcile the developer's escrow trust bank account balance to the general ledger in a periodic and timely manner.

**THE CITY OF UNION CITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**FINDING FS14-02**

*Material Weakness in Internal Control over Financial Reporting*

Criteria: N.J.S.A. 40A:4-57 prohibit the overexpenditure of any appropriation reserves, trust funds and grants. They also prohibit expenditures without appropriations.

Condition: The City had \$14,000 in expenditures without appropriations, \$208,214 in overexpenditures of appropriation reserves, \$17,477 in grant overexpenditures and \$221,727 in overexpenditures of police detail trust reserves.

Context: The City had expenditures without appropriations and overexpenditures.

Effect: Adjustments were necessary to the subsequent year's budget to provide for the expenditures without appropriations and the overexpenditures.

Cause: The City was not properly monitoring expenditures prior to payment.

Questioned Costs: None.

Recommendation: The City must review all expenditures prior to payment to ensure that there are sufficient funds in the accounts.

Views of Responsible  
Officials and Planned

Corrective Actions: The City acknowledges this finding and will monitor all expenditures more diligently in the future.

**THE CITY OF UNION CITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

*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.)

**FINDING SA14-01**

*Material Weakness in Internal Control Over Compliance – Special Tests and Provisions and Cash Management*

**Summer Food Program – CFDA 10.559**

Criteria: OMB Circular 0584 (section 0002), requires that accurate planning of meals by site is conducted, all associates are properly trained prior to the beginning of the program, daily site logs are accurately maintained as to the count of meals served and the site participant ethnic count and the request for reimbursement of meals claimed is made within 60 days of the end of the month the service is provided.

Condition: The City did not perform proper planning of meal counts, properly train associates, maintain accurate counts of meals and participant ethnic count nor did they request reimbursement in a timely manner.

Context: Meal counts by site were not properly planned, proper training was not performed as observed by the NJ Department of Agriculture, nor were accurate counts of meals and participant ethnic counts maintained and therefore reimbursement requests may not be accurate. Also, reimbursement requests were not requested in a timely manner.

Effect: Inadequate planning, training, meal counts and untimely submissions of requests for reimbursements could cause loss and/or non-approval of reimbursements.

Cause: The City did not have proper procedures in place to assure accurate planning of meals by site, training, accurate meal counts and site participant ethnic count or submission of timely and accurate reimbursement requests.

Questioned Costs: None.

**THE CITY OF UNION CITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**FINDING SA14-01 (Continued)**

**Summer Food Program – CFDA 10.559 (Continued)**

Recommendation: The City must establish procedures to assure that planning of meals by site, meal counts and site participant ethnic counts are accurately maintained and reimbursement requests are timely submitted. The City must provide the proper training to all associates prior to the beginning of the program.

Views of Responsible  
Officials and Planned

Corrective Actions: The City has established and implemented new internal control procedures with the assistance and approval of the State Department of Agriculture. The City has also hired a grants administrator in September 2014 who has begun to handle all grant compliance.

**THE CITY OF UNION CITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**FINDING SA14-02**

*Material Weakness in Internal Control Over Compliance – Period of Availability of Funds*

**Summer Food Program – CFDA 10.559**

Criteria: OMB Circular 0584 (section 0002), requires that the application for the grant be made by April 15<sup>th</sup> of the year of the program.

Condition: The City did not apply for the grant in a timely manner.

Context: The application for the 2014 Summer Food Program should be filed by April 15<sup>th</sup> of the program year.

Effect: Untimely filing of the application could cause the City to become ineligible for funding and loss of grant.

Cause: The City did not maintain proper deadlines for the preparation of the Summer Food Program application.

Questioned Costs: None.

Recommendation: The City must establish procedures to assure that the application is filed by the deadline.

Views of Responsible  
Officials and Planned

Corrective Actions: The City has established and implemented new internal control procedures with the assistance and approval of the State Department of Agriculture. The City has also hired a grants administrator in September 2014 who has begun to handle all grant compliance. The City will be filing the 2015 application in a timely manner.

**THE CITY OF UNION CITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**FINDING SA14-03**

*Material Weakness in Internal Control Over Compliance – Procurement, Suspension and Debarment*

**Summer Food Program – CFDA 10.559**

Criteria: OMB Circular 0584 (section 0002), requires that the provider execute the Summer Food Program invitation for bid and contract before the program begins and before payments are made.

Condition: The City had a resolution for the bid, however, the contract was never formally accepted by resolution nor was the contract signed by the City.

Context: A resolution should be adopted and the contract should be signed prior to the beginning of the program.

Effect: Non-compliance with OMB Circular 0584 (section 0002).

Cause: The City did not have proper procedures in place to assure the contract is accepted and signed by the City.

Questioned Costs: None.

Recommendation: The City must establish procedures to assure that the resolution and contract for the Summer Food Program are properly adopted and signed.

Views of Responsible  
Officials and Planned

Corrective Actions: The City has established and implemented new internal control procedures with the assistance and approval of the State Department of Agriculture. The City has also hired a grants administrator in September 2014 who has begun to handle all grant compliance.

**THE CITY OF UNION CITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**FINDING SA14-04**

*Material Weakness in Internal Control Over Compliance – Special Tests and Provisions*

**Summer Food Program – CFDA 10.559**

Criteria: OMB Circular 0584 (section 0002), requires that site visits are performed on a regular basis.

Condition: The City did not perform site visits on a regular basis. Many sites had no record of any site visits.

Context: Site visits are required to assure proper conditions are being met for the distribution of food.

Effect: Non-compliance with OMB Circular 0584 (section 0002).

Cause: The City did not perform maintain the required records of site visits.

Questioned Costs: None.

Recommendation: The City must perform the required site visits and maintain accurate records of the visits.

Views of Responsible  
Officials and Planned

Corrective Actions: The City has established and implemented new internal control procedures with the assistance and approval of the State Department of Agriculture. The City has also hired a grants administrator in September 2014 who has begun to handle all grant compliance.

**THE CITY OF UNION CITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**FINDING SA14-05**

*Material Weakness in Internal Control Over Compliance – Matching, Level of Effort, Earmarking*

**Community Development Block Grant – CFDA 14.218**

Criteria: Pursuant to the regulations delineated at 24CFR 570.902(a), the CDBG timeliness standard states that sixty (60) days prior to the end of its program year, a CDBG grantee may have no more than 1.5 times the amount of its last annual grant in its CDBG line of credit together with CDBG program income on hand.

Condition: As of May 2, 2014, the City’s timeliness standard was 1.81. To date, the City has failed to meet the timeliness standard twice.

Context: The timeliness standard is helpful for keeping track of drawdown progress.

Effect: Failure to meet the 1.5 timeliness requirement at the time of the next 60-day ratio may result in a reduction of a future grant by 100 percent of the amount in excess of the 1.5 standard.

Cause: The City did not drawdown funds on a timely basis.

Questioned Costs: None.

Recommendation: The City should continue its internal monitoring to ensure that activities are moving steadily to completion so that final payment(s) can be made.

Views of Responsible  
Officials and Planned

Corrective Actions: The City has delegated responsibility to an individual who will oversee all CDBG drawdowns.

**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, 2014**

(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 FS13-01**

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

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

Status: Recommendation has been adopted for the outside lien holders bank account however, the developer's escrow trust bank account finding is repeated in finding *FS14-01*.

**FINDING FS13-02**

Condition: The City did not properly maintain a complete accounting system with an audit trail properly reflecting the activity for the year.

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

Status: Recommendation has been adopted and is no longer a reportable finding.

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## **GENERAL COMMENTS**



**THE CITY OF UNION CITY  
GENERAL COMMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

N.J.S.A. 40A:11-3 states: “When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$36,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.”

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

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

Sporting Equipment	Construction Services
NJ DOT Road Program	Poly Garbage Bags
Garbage Disposal Services	Printing Services
Summer Food for Children Programs	Landscaping Services
Pool Cleaning Services	Cleaning Supplies and Equipment

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

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

**THE CITY OF UNION CITY  
GENERAL COMMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

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

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

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

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

**THE CITY OF UNION CITY  
GENERAL COMMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

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

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

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

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

**THE CITY OF UNION CITY  
GENERAL COMMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**COLLECTION OF INTEREST ON DELINQUENT TAXES**

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

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

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

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

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

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

**TAXES AND TAX TITLE LIENS**

The taxes outstanding at June 30, 2014, included taxes from the fiscal years ended June 30, 2014 and 2013. The following comparison is made of the number of tax title liens receivable at June 30, 2014:

<b><u>Period Ended</u></b>	<b><u>Number of Liens</u></b>
June 30, 2014	7
June 30, 2013	6
June 30, 2012	8
June 30, 2011	12
June 30, 2010	9
June 30, 2009	0
June 30, 2008	0
June 30, 2007	0
June 30, 2006	0
June 30, 2005	3

**THE CITY OF UNION CITY  
COMMENTS AND RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**FINDING 1:** The City has advanced to, or borrowed, monies from various funds. This comment is repeated from the prior year.

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

**FINDING 2:** In order to maintain a positive cash flow the City is not paying over to the School District the appropriation for local school purposes according to statutory deadlines. This comment is repeated from the prior year.

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

**FINDING 3:** During expenditure testing, there were many Business Registration Certificates (BRC's) and W-9's unavailable for review. There were also several vouchers that could not be located, several vendors that were not issued a 1099 and many purchase orders that could not easily be traced to the bills lists.

**Recommendation:** The City should maintain all vouchers, vendor BRC's and W-9's on file and ready for audit review and assure 1099's are issued to all necessary vendors. Also, bills lists should be maintained and be more user friendly.

**FINDING 4:** During bid testing, there were 5 instances where vendors were paid over the \$36,000 bid threshold and no bid process or state contract was awarded.

**Recommendation:** Every contract awarded by the City 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 City and to the lowest responsible bidder after public advertising for bids. Documentation of these procedures is to be made available for audit review for all bids and state contracts.

**FINDING 5:** During our test of overtime approval and procedures, there were many payments of overtime which could not be traced to overtime sheets, 2 instances where employees signed off on their own timesheets, several instances where auditor was unable to trace to overtime approval sheets and several instances where auditor was unable to agree to payroll records.

**Recommendation:** The City should make sure all overtime records are available for review, properly documented, approved by the department head and accurate.

**THE CITY OF UNION CITY  
COMMENTS AND RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**FINDING 6:** Receipts are not being turned over to the tax collector and deposited within 48 hours.

**Recommendation:** All receipts should be deposited within 48 hours.

**FINDING 7:** There were several receipts that were not posted to the proper revenue accounts.

**Recommendation:** All receipts should be posted to the proper revenue accounts.

**FINDING 8:** The City's departments do not maintain receipt ledgers and do not reconcile permits/licenses to the tax collector's monthly reports.

**Recommendation:** Every department must maintain a receipt ledger of permits/licenses issued and reconcile them to the tax collector report. If there are differences, they must be reconciled on a monthly basis.

**FINDING 9:** The official petty cash custodians per the State of New Jersey, Bureau of Financial Regulation and Assistance, are no longer employed by the City and most departments listed no longer have petty cash funds.

**Recommendation:** The City should adopt resolutions rescinding petty cash funds that are no longer in existence and change the custodians for active funds.

**FINDING 10:** There is a possible investigation pending against a former Union City Community Development employee for misappropriation of federal funds.

**Recommendation:** The City should implement internal control procedures for awarding contracts to Community Development vendors.

**FINDING 11:** Checks received for police detail reimbursements are not being distributed correctly. The City and PBA shares are being calculated at the wrong amounts, resulting in excess funds being sent to both parties.

**Recommendation:** Reimbursement checks should be properly calculated and distributed.

**FINDING 12:** During our review of retiree health benefits, there were 13 retirees that were listed on the monthly health benefit bills that were deceased.

**Recommendation:** The City must implement internal control procedures to assure that monthly retiree bills are accurate.

**THE CITY OF UNION CITY  
COMMENTS AND RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**FINDING 13:** There are several old outstanding checks per the City's various bank reconciliations.

**Recommendation:** Old outstanding checks over one year old should be reviewed and cancelled, if necessary.

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