CITY OF ELIZABETH

Financial Statements

June 30, 2012

(With Independent Auditor's Report Thereon)

CITY OF ELIZABETH

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Independent Auditor's Report

Mayor and Council
City of Elizabeth:

We have audited the accompanying balance sheets of the various funds and account groups as of June 30, 2012 and 2011 of the City of Elizabeth, New Jersey, and the related statements of operations and changes in fund balances for the years then ended and the related and the related statements of revenues and statements of expenditures of the various funds for the year ended June 30, 2012, as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. 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 as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in note 1, these financial statements were prepared in conformity with the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from generally accepted accounting principles. The effects on the financial statements of the variances between the prescribed accounting practices and with accounting practices generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Elizabeth, New Jersey, as of June 30, 2012 and 2011 and the changes in financial position for the years then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Elizabeth, New Jersey, as of June 30, 2012 and 2011 and the related statements of operations and changes in fund balances for the years then ended and the related and the related statements of revenues and statements of expenditures of the various funds for the year ended June 30, 2012 on the basis of accounting described in note 1.

In accordance with Government Auditing Standards, we have also issued a report dated March 18, 2013 on our consideration of the City of Elizabeth's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Elizabeth's financial statements. The additional financial information and schedules of expenditure of federal awards and state financial assistance included in the accompanying table of contents, is presented for the purpose of additional analysis as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133) and NJ OMB Circular 04-04 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are presented for purposes of additional analysis and are not a required part of the financial statements. Such information and schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, . the additional financial information and schedules of expenditure of federal awards and state financial assistance included in the accompanying table of contents are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Elizabeth's financial statements. The information included in the supplementary data as listed in the table of contents is presented for additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion or provide any assurance on it.

Louis C. Mai CPA & Associates
Louis C. Mai

Louis C. Mai, Registered Municipal Accountant
No. CR00217

March 18, 2013

LOUIS C. MAI CPA & ASSOCIATES

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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

Mayor and Council
City of Elizabeth:

We have audited the financial statements of City of Elizabeth, New Jersey, as of and for the year ended June 30, 2012, and have issued our report thereon dated March 18, 2013, which report expressed an adverse opinion in accordance with accounting principles generally accepted in the United States of America and an unqualified opinion on the basis of accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting
Management of the City is responsible for establishing and maintaining effective 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 auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given those limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we noted other matters involving internal control, which we have reported to management of the City of Elizabeth in the accompanying General Comments and Recommendations section of this report.

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 that are required to be reported under Government Auditing Standards.

We noted immaterial instances of noncompliance that we have described in the accompanying General Comments and Recommendations section 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.

Louis C. Mai CPA & Associates
Louis C. Mai

Louis C. Mai, Registered Municipal Accountant
No. CR00217

March 18, 2013

FINANCIAL STATEMENTS

Exhibit A

CITY OF ELIZABETH

Balance Sheets

Current Fund

June 30, 2012 and 2011

	Ref.		2012	2011
Assets				
Current Fund - Regular Fund:				
Cash	A-4	$	58,536,046	43,505,303
Change funds			1,200	1,200
Due from State of New Jersey - Senior Citizens' and Veterans' deductions	A-5		296,747	309,897
Deferred Charge Special Emergency Authorization	A-19		2,400,000	3,000,000
			61,233,993	46,816,400
Receivables and other assets with full reserves:				
Delinquent property taxes receivable	A-6		7,680,893	7,276,211
Tax title liens receivable	A-7		2,195,010	1,661,478
Property acquired for taxes - assessed valuation	A-8		2,504,200	2,504,200
Revenue accounts receivable	A-9		11,782,841	10,099,735
Due from Dog License Trust Fund	A-10		6,219	—
Due from General Trust Funds	A-10		7,523	—
Due from General Capital Fund	A-10		—	204,513
Due from Federal and State Grant Fund	A-20		953,724	2,110,642
			25,130,410	23,856,779
			86,364,403	70,673,179
Federal and State Grant Fund:				
Federal and State grants receivable	A-22		12,296,079	25,796,610
			12,296,079	25,796,610
Total assets		$	98,660,482	96,469,789
Liabilities, Reserves and Fund Balance				
Current Fund - Regular Fund:				
Encumbrances payable	A-17	$	3,296,573	2,058,018
Appropriation reserves	A-3, A-11		9,884,085	10,237,225
Due to UEZ Trust Fund	A-10		9,654,940	—
Due to Community Development Block Grant Fund	A-10		25,347	25,347
Emergency note	A-19		2,400,000	3,000,000
Accounts payable	A-12		626,210	623,366
Miscellaneous payables and deposits	A-18		523,556	553,690
Reserve for special purposes	A-13		4,434,733	5,271,893
			30,845,444	21,769,539
Reserve for receivables			25,130,410	23,856,779
Fund balance	A-1		30,388,549	25,046,861
			86,364,403	70,673,179
Federal and State Grant Fund:				
Unappropriated reserve	A-23		8,842	—
Due to Current Fund	A-20		953,724	2,110,642
Due to Other Trust.			293,027	—
Appropriated grant reserves	A-21		11,040,486	23,685,968
			12,296,079	25,796,610
Total liabilities, reserves and fund balance		$	98,660,482	96,469,789

See accompanying notes to financial statements.

Exhibit A-1

CITY OF ELIZABETH

Statement of Operations
and Changes in Fund Balance

Current Fund

Years ended June 30, 2012 and 2011

	2012	2011
Revenue and other income realized:		
Fund balance utilized	$ 22,000,000	20,000,000
Miscellaneous revenue realized	70,944,165	75,962,043
Receipts from delinquent taxes	6,806,572	6,389,738
Receipts from current taxes	198,728,844	195,373,014
Nonbudget revenue	5,152,388	3,234,741
Other credits to income:		
Unexpended balance of appropriation reserves	8,474,453	7,414,911
Cancelled appropriations	1,800,000	1,000,000
Interfunds returned	2,315,155	—
Other miscellaneous	49,257	185,341
Total income	316,270,834	309,559,788
Expenditures:		
Budget appropriations:		
Operations:		
Salaries and wages	88,067,389	92,717,984
Other expenses	57,968,710	55,275,660
Deferred charges and statutory expenditures	21,930,303	22,709,642
Other operations	21,572,099	23,252,784
Capital improvements	2,500,000	900,000
Municipal debt service	13,845,009	12,211,367
County taxes	32,998,589	33,249,139
Local district school taxes	48,673,323	48,673,325
Special improvement district taxes	420,000	420,000
Net grant cancellation	—	58,810
Interfunds advanced	953,724	405,571
Refund of prior year taxes	—	—
Total expenditures	288,929,146	289,874,282
Excess in revenue over expenditures	27,341,688	19,685,506
Plus:		
Appropriations which are by statute deferred charge to future budgets	—	3,000,000
Statutory excess to fund balance	27,341,688	22,685,506
Fund balance, July 1	25,046,861	22,361,355
	52,388,549	45,046,861
Less fund balance utilized	22,000,000	20,000,000
Fund balance, June 30	$ 30,388,549	25,046,861

See accompanying notes to financial statements.

Exhibit A-2

CITY OF ELIZABETH

Statement of Revenues

Current Fund

Year ended June 30, 2012

	Anticipated		
	Budget	**Realized**	**Excess/ (deficit)**
General revenues:			
Fund balance utilized	$ 22,000,000	22,000,000	—
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	150,000	195,848	45,848
Other	500,000	573,386	73,386
Fees and permits	600,000	682,280	82,280
Municipal Court - fines and costs	4,000,000	4,439,708	439,708
Interest and costs on taxes	1,500,000	1,791,283	291,283
Interest on investments and deposits	400,000	394,664	(5,336)
LEAA rebates - fire	150,000	—	(150,000)
Franchise assessments - Jersey Garden Mall	4,000,000	4,531,612	531,612
Airport parking tax	1,200,000	1,547,420	347,420
Port Authority capital projects aid	3,000,000	3,000,000	—
Receipts from Port Authority - Leased Property 13A	480,000	480,000	—
Rental of City property	500	600	100
Dock rental fees	75,000	92,807	17,807
Sale of junk vehicles and other property	10,000	64,147	54,147
CATV fees	250,000	286,681	36,681
Solid waste disposal - host community	200,000	340,927	140,927
Emergency medical services - ambulance charges	2,200,000	2,126,372	(73,628)
Miscellaneous gasoline sales	150,000	202,316	52,316
P.I.L.O.T. - Pierce Manor Corp.	220,000	131,043	(88,957)
P.I.L.O.T. - Port Authority NY/ NJ	63,242	63,242	—
P.I.L.O.T. - IKEA	600,000	892,374	292,374
P.I.L.O.T. - Residential	800,000	683,041	(116,959)
P.I.L.O.T. - R.W.B. Associates	150,000	182,177	32,177
P.I.L.O.T. - Newark/North Avenue	50,000	85,874	35,874
P.I.L.O.T. - IKEA - Toys R Us	120,000	137,915	17,915
P.I.L.O.T. - IKEA Expansion	200,000	289,488	89,488
P.I.L.O.T. - Elizabeth Senior Citizens, National Church Residence	12,000	16,005	4,005
P.I.L.O.T. - Immaculate Conception Residence	40,000	45,917	5,917
P.I.L.O.T. - Marina Village Residence	15,000	22,199	7,199
P.I.L.O.T. - 349 First Street	10,000	12,647	2,647
P.I.L.O.T. - Winfield Scott Residence	15,000	27,002	12,002
P.I.L.O.T. - Atalanta (DanicC	150,000	303,450	153,450
P.I.L.O.T. - West Port Homes	50,000	50,888	888
State aid without offsetting appropriations:			
Consolidated municipal property relief act	7,712,561	7,712,561	—
Energy Receipts Tax	21,478,126	21,478,126	—
Dedicated uniform construction code fees offset with appropriations:			
Uniform construction code fees	650,000	888,632	238,632

(Continued)

Exhibit A-2

CITY OF ELIZABETH

Statement of Revenues

Current Fund

Year ended June 30, 2012

	Anticipated		
	Budget	**Realized**	**Excess/ (deficit)**
Public and private programs offset by appropriations:			
Uez Marketing Plan	$ 204,880	204,880	—
Uez Program Intiatives Edc	52,346	52,346	—
Elizabeth Ave Streetscape Njdot - Increase	37,814	37,814	—
Uez Historic Midtown Sid 2012	114,188	114,188	—
Assistance To Firefighters	64,000	64,000	—
Buffer Zone Protection Program	200,000	200,000	—
Highway Safety Grant 2012	5,000	5,000	—
Highway Safety Grant 2012	20,000	20,000	—
Brownfields Community Wide Petroleum Assessment	200,000	200,000	—
Brownfields Community Wide Hazardous Substance Assessment	200,000	200,000	—
Std Program Epid12Std010	45,337	45,337	—
Municipal Alliance Grant	82,881	82,881	—
Clean Communities Grant - 2012	132,690	132,690	—
Edward Byrne Tvca	138,000	138,000	—
Port Security Response Vehicle	198,995	198,995	—
Port Security Shipboard Training Equip.	1,041,176	1,041,176	—
Njdot Elizabeth River Trail	359,960	359,960	—
Uez 2012 Administrative Budget	440,000	440,000	—
Uez Elizabeth Ave Sid	167,063	167,063	—
Uez 2012 Police Security Officers - 6	575,782	575,782	—
Uez 2012 Commercial District Security	566,730	566,730	—
Uez 2012 Elizabeth Graffiti & Litter	227,793	227,793	—
Uez 2012 Sgf Financial Lending Program	1,381,645	1,381,645	—
Edward Byrne Memorial Justice Asst Jag	500,000	500,000	—
Div Of Highway Traffic Safety	4,000	4,000	—
2011 Summer Food Service Program	206,469	206,469	—
2011 Transit Village Program	300,000	300,000	—
2009 Recycling Tonnage Grant	69,936	69,936	—
Law Enforcement Technology Grants	500,000	500,000	—
Bullet Proof Vest Fy 2011 Federal	13,149	13,149	—
Non Public School Nursing Services Fy12	119,533	119,533	—
Greening Union County	7,950	7,950	—
Div Highway Traffic Safety Al 111004261	3,500	3,500	—
Njdot Highway Safety Fund	43,762	43,762	—
Body Armor Fy-2011	27,000	27,000	—
Ddef Fy=2011	8,985	8,985	—
Kids Recreation Trust Funds 2011	125,000	125,000	—
Uez Customer Service Skills Training	297,900	297,900	—
Hopwa Cy2012	969,000	969,000	—
State Of Nj Dot North Broad St Streetscape	530,000	530,000	—
2010 Recycling Enhancement Grant	20,000	20,000	—
Special items of general revenue anticipated with prior written consent of Director of Local Government Services:			
Motor Vehicle Tax	400,000	833,799	433,799
Parking Tax	1,000,000	1,156,071	156,071
Hotel and Motel Occupancy Tax	2,800,000	3,341,465	541,465
Hotel Occupancy Tax	1,300,000	1,637,735	337,735
Total miscellaneous revenues	66,903,892	70,944,165	4,040,273

(Continued)

Exhibit A-2

CITY OF ELIZABETH

Statement of Revenues

Current Fund

Year ended June 30, 2012

	Anticipated		
	Budget	**Realized**	**Excess/ (deficit)**
Receipts from delinquent taxes	$ 4,000,000	6,806,572	2,806,572
Total amount to be raised by taxes for support of municipal budget	123,780,134	127,437,448	3,657,314
Budget totals	$ 216,684,026	227,188,185	10,504,159
Nonbudget revenue		5,152,388	
		$ 232,340,573	

Analysis of Realized Revenue

Receipts from delinquent taxes:	
Delinquent tax collections realized	$ 6,710,096
Tax title lien collections realized	96,476
	$ 6,806,572
Allocation of current tax collections:	
Collections realized	$ 198,728,844
Allocated to:	
Local school district tax	48,673,323
County taxes	32,998,589
Special assessment	420,000
	82,091,912
Balance for support of municipal budget appropriations	116,636,932
Add reserve for uncollected taxes	10,800,516
Total balance for support of municipal budget appropriations	$ 127,437,448

Miscellaneous Revenues not Anticipated

Retirement of debt in excess of borrowing	$ 467,237
Rent Auto Body - Harrison St.	6,000
Recycling	155,002
Motor fuel tax reimbursement	27,564
Stale Dated Checks	3,077
Triple M Investment Co.	13,145
ABC Transfer fees	1,918
Interlocal agreement	12,530
Parking Lot	8,500
Tax sale certificate redemption fees	128,000
Turnpike for Fire Department	14,680
Scrap lead sale	506
Technician fees	151
Garnishees	5,187
Bad checks	3,495
Franchise Interest	25,167
Legal Fees City Liens	536

(continued)

Exhibit A-2

CITY OF ELIZABETH

Statement of Revenues

Current Fund

Year ended June 30, 2012

Miscellaneous Revenues not Anticipated (continued)		
FEMA Reimbursement	$	49,385
Duplicate tax bill fees		932
Public Access Info Desk		1,756
Miscellaneous		36
Ambulance Report Fees		715
EMS Training Fees		580
Litigation Fees		6,500
Bad Checks Construction		280
Photo ID Replacement		50
Insurance Damage		711
Rent - Borne Chemical		180,000
Rent - Train Station		27,194
Parking Lot- CBS Outdoors		4,652
Parking Lot - Sorrentos		4,500
Parking Lot- Adco		2,700
DMV Inspection fines		29,652
Constable		304
Handicap fees		17,030
Handicap Application		2,800
Copies and postage reimbursed		1,031
Sale of Property Borne Chemical		2,123,554
UCUA Tipping Fee		983,276
Marina Public Pier and Ferry		3,615
Election polling places		3,008
Foreclosed registration and fines		116,700
Property Room		376
City Clerk		46
Right of way NEXTG Networks		330
Sale of Scrap		736
PILOT Atlanta (Danic)		414,869
PILOT Madison Avenue		23,449
PILOT Magnolia Ave. (Portside II)		26,689
PILOT Pine Street		16,188
PILOT 620 First		68,290
PILOT Millenium		43,044
PILOT Sierra Gardens		20,363
PILOT E'PORT		3,286
PILOT Port Authority Bayway Ave.		39,503
PILOT Water Edge Crescent		33,330
PILOT Hope VI		9,354
PILOT Burnett Investors		18,879
Cash receipts	$	5,152,388

See accompanying notes to financial statements.

Exhibit A-3

CITY OF ELIZABETH

Statement of Expenditures

Current Fund

Year ended June 30, 2012

Appropriations	Budget	Budget after modification	Paid or charged	Reserved
Operations within "CAPS":				
General Government:				
Administrative and Executive:				
City Council:				
Salaries and wages	$ 271,443	275,343	275,283	60
Other expenses	60,000	60,000	29,934	30,066
Alcoholic Beverage Control:				
Salaries and wages	141,429	147,729	147,705	24
Other expenses	7,850	7,850	4,232	3,618
City Clerk:				
Salaries and wages	277,803	277,803	277,082	721
Other expenses	9,125	9,125	3,748	5,377
Elections:				
Salaries and wages	8,000	8,000	1,687	6,313
Other expenses	42,000	42,000	39,778	2,222
Printing and Publications:				
Other expenses	175,000	175,000	95,080	79,920
Mayor's Office:				
Salaries and wages	288,333	248,333	242,184	6,149
Other expenses	12,650	12,650	12,283	367
Department of Law:				
Salaries and wages	941,515	901,515	885,795	15,720
Other expenses	447,750	447,750	111,353	336,397
Administration:				
Business Administrator's Office:				
Salaries and wages	343,048	403,548	403,268	280
Other expenses	332,900	332,900	269,423	63,477
Division of Budget and Personnel:				
Salaries and wages	193,279	199,679	199,667	12
Other expenses	1,550	1,550	1,540	10
Division of Purchasing:				
Salaries and wages	259,388	259,388	256,447	2,941
Other expenses	150,300	150,300	87,420	62,880
Division of Data Processing:				
Salaries and wages	785,036	755,036	729,058	25,978
Other expenses	458,000	458,000	243,224	214,776
Division of Employee Benefits:				
Salaries and wages	113,140	114,340	114,240	100
Other expenses	1,250	1,250	1,239	11
Division of EMS Billing and Collection:				
Salaries and wages	112,912	170,912	169,889	1,023
Department of Finance:				
Division of Accounts and Controls:				
Salaries and wages	740,068	750,068	747,470	2,598
Other expenses	37,000	37,000	19,191	17,809
Division of Assessments:				
Salaries and wages	512,744	512,744	509,136	3,608
Other expenses	256,500	256,500	210,897	45,603
Annual City Audit:				
Other expenses	58,000	58,000	58,000	—
Single Audit Act:				
Other expenses	58,000	58,000	58,000	—

(Continued)

Exhibit A-3

CITY OF ELIZABETH

Statement of Expenditures

Current Fund

Year ended June 30, 2012

Appropriations	Budget	Budget after modification	Paid or charged	Reserved
Audit - Other Funds:				
Other expenses	$ 58,000	58,000	58,000	—
Audit - Other Financial:				
Other expenses	6,000	6,000	6,000	—
Division of Revenue:				
Salaries and wages	516,139	506,139	486,756	19,383
Other expenses	42,700	42,700	22,153	20,547
Department of Neighborhood Services:				
Director's Office:				
Other expenses	1,650	1,650	—	1,650
Bureau of Construction and Zoning:				
Salaries and wages	1,009,166	979,166	958,539	20,627
Other expenses	171,800	171,800	117,738	54,062
Division of Housing:				
Salaries and wages	418,735	459,735	458,911	824
Other expenses	8,900	8,900	4,474	4,426
Bureau of Rent Control				
Salaries and wages	50,983	50,985	50,983	2
Other expenses	3,650	3,650	1,462	2,188
Central License Bureau:				
Salaries and wages	425,629	463,629	459,474	4,155
Other expenses	17,500	17,500	11,268	6,232
Division of Weights and Measures:				
Salaries and wages	66,976	75,476	75,293	183
Other expenses	500	500	462	38
Department of Planning and Community Development:				
Director's Office:				
Salaries and wages	248,525	248,525	240,049	8,476
Other expenses	4,500	4,500	(2,029)	6,529
Bureau of Community Development:				
Salaries and wages	55,139	55,139	49,624	5,515
Other expenses	4,500	4,500	2,645	1,855
Bureau of Elizabeth Home Improvement				
Salaries and wages	139,489	139,489	76,898	62,591
Other expenses	2,000	2,000	1,991	9
Bureau of Cultural and Heritage Affairs				
Salaries and wages	76,226	76,231	76,229	2
Other expenses	32,000	32,000	31,308	692
Bureau of Planning and Zoning				
Salaries and wages	119,920	119,920	119,503	417
Other expenses	151,150	151,150	105,797	45,353
Bureau of Economic Development				
Salaries and wages	61,645	61,995	61,984	11
Other expenses	1,250	1,250	465	785
Bureau of Public Information and Citizens Participation Services:				
Salaries and wages	265,010	215,010	192,576	22,434
Other expenses	116,000	116,000	71,958	44,042
Human Rights Commission:				
Salaries and wages	86,739	86,739	81,527	5,212
Other expenses	3,450	3,450	1,674	1,776
Department of Public Works:				
Director's Office:				
Salaries and wages	1,016,526	986,526	962,156	24,370
Other expenses	3,000	3,000	942	2,058

(Continued)

Exhibit A-3

CITY OF ELIZABETH

Statement of Expenditures

Current Fund

Year ended June 30, 2012

Appropriations	Budget	Budget after modification	Paid or charged	Reserved
Bureau of Public Buildings:	$			
Salaries and wages	1,979,568	1,979,568	1,886,760	92,808
Other expenses	1,408,825	1,558,825	1,510,383	48,442
Bureau of Streets, Parks and Trees:				
Salaries and wages	5,130,264	4,876,507	4,649,478	227,029
Other expenses	846,000	946,000	943,990	2,010
Bureau of Equipment and Yard Maintenance:				
Salaries and wages	919,488	889,488	849,748	39,740
Other expenses	922,200	972,200	930,286	41,914
Marina:				
Salaries and wages	248,057	248,057	234,258	13,799
Other expenses	224,725	224,725	190,094	34,631
Recycling Program:				
Salaries and wages	140,494	186,894	185,644	1,250
Other expenses	10,575	10,575	6,417	4,158
Garbage and Trash Removal:				
Other expenses	8,800,000	8,800,000	8,734,975	65,025
Street Lighting:				
Other expenses	1,800,000	1,800,000	1,514,948	285,052
Department of Health and Human Services:				
Director's Office:				
Salaries and wages	308,633	308,633	301,463	7,170
Other expenses	128,850	128,850	20,826	108,024
Division of Health:				
Salaries and wages	1,445,640	1,445,640	1,392,945	52,695
Other expenses	606,550	606,550	569,336	37,214
Division of Human Services				
Salaries and wages	87,239	88,739	87,650	1,089
Other expenses	8,600	8,600	1,900	6,700
Office of Social Services				
Salaries and wages	73,779	73,779	64,501	9,278
Other expenses	14,950	14,950	3,308	11,642
Office on Aging:				
Salaries and wages	757,903	707,903	662,542	45,361
Other expenses	53,000	53,000	37,176	15,824
Office of Vital Statistics				
Salaries and wages	162,902	162,902	160,170	2,732
Other expenses	6,600	6,600	6,028	572
Office of Relocation				
Salaries and wages	91,949	94,649	94,597	52
Other expenses	100,300	100,300	61,209	39,091
Office of Youth Services				
Salaries and wages	771,374	665,374	576,354	89,020
Other expenses	350,750	350,750	168,630	182,120
Division of Air Pollution:				
Salaries and wages	50,251	53,251	52,685	566
Public Health Nurses Division:				
Salaries and wages	375,958	375,958	359,592	16,366
Public Safety:				
Fire Department:				
Salaries and wages	23,733,082	23,573,082	23,488,213	84,869
Other expenses	697,160	697,160	662,501	34,659

(Continued)

Exhibit A-3

CITY OF ELIZABETH

Statement of Expenditures

Current Fund

Year ended June 30, 2012

Appropriations	Budget	Budget after modification	Paid or charged	Reserved
Uniform Fire Safety Act:				
Salaries and wages	$ 224,791	233,791	223,451	10,340
Other expenses	61,750	61,750	42,670	19,080
Police Department:				
Salaries and wages	35,378,313	35,378,313	34,868,557	509,756
Other expenses	1,679,950	1,679,950	1,315,640	364,310
Emergency Medical Services:				
Salaries and wages	2,230,407	2,230,407	2,169,365	61,042
Other expenses	164,600	164,600	163,728	872
Recreation Department:				
Salaries and wages	2,615,863	2,841,863	2,810,572	31,291
Other expenses	310,300	310,300	289,573	20,727
Municipal Court:				
Salaries and wages	2,103,449	2,103,449	1,828,196	275,253
Other expenses	244,600	244,600	224,838	19,762
Public Defender:				
Other expenses	140,000	140,000	23,100	116,900
Unclassified Purposes:				
Insurance:				
Other expenses	450,000	575,000	545,373	29,627
Group Insurance:				
Other expenses	200,000	207,000	206,264	736
Cobra Administration:				
Other expenses	5,000	5,000	1,941	3,059
Hospital, Medical, Dental, etc. Insurance - Other expenses	27,700,000	27,575,000	26,379,950	1,195,050
Insurance reserve - Other expenses	2,500,000	2,500,000	2,500,000	—
Right to Know Law:				
Other expenses	15,000	15,000	—	15,000
Annual Dues:				
N.J. State League of Municipalities:				
Other expenses	10,000	10,000	1,904	8,096
U.S. Conference of Mayors:				
Other expenses	15,000	15,000	12,942	2,058
Utilities:				
Electricity	1,400,000	1,400,000	1,318,638	81,362
Natural Gas	600,000	600,000	244,268	355,732
Gasoline	1,400,000	1,400,000	1,234,848	165,152
Fuel Oil	175,000	175,000	170,369	4,631
Telephone	1,400,000	1,400,000	939,304	460,696
Postage	250,000	250,000	197,617	52,383
Parking Lot Agreement	100,000	100,000	96,300	3,700
Total operations within "CAPS"	145,911,099	145,911,099	139,209,078	6,702,021
Contingent	125,000	125,000	102,058	22,942
Total operations including contingent, within "CAPS"	146,036,099	146,036,099	139,311,136	6,724,963
Detail:				
Salaries and wages	88,374,389	88,067,389	86,256,154	1,811,235
Other expenses including contingent	57,661,710	57,968,710	53,054,982	4,913,728

(Continued)

Exhibit A-3

CITY OF ELIZABETH

Statement of Expenditures

Current Fund

Year ended June 30, 2012

Appropriations	Budget	Budget after modification	Paid or charged	Reserved
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contributions to:				
Social Security System	3,550,000	3,550,000	3,204,135	345,865
Consolidated Police and Fire Retirement Fund	400,000	400,000	252,148	147,852
Police and Firemen's Retirement System of N. J.	13,833,308	13,833,308	13,411,608	421,700
Public Employees Retirement System - Other expenses	3,313,995	3,313,995	3,283,835	30,160
Assessment for CIF/RTK	8,000	8,000	—	8,000
N.J. Unemployment Fund	225,000	225,000	149,785	75,215
Total deferred charges and statutory expenditures - Municipal within "CAPS"	21,330,303	21,330,303	20,301,511	1,028,792
Total general appropriations for Municipal purpose within "CAPS"	167,366,402	167,366,402	159,612,647	7,753,755
Operations excluded from "CAPS":				
Other operations excluded from "CAPS":				
Matching Fund - City share	830,330	830,330	—	830,330
Hospital, Medical, Dental, etc. Insurance - Other expenses	1,300,000	1,300,000	—	1,300,000
Reserve for Tax Appeals:				
Other expenses	4,800,000	4,800,000	4,800,000	—
Maintenance of Free Public Library	3,927,452	3,927,452	3,927,452	—
Total other operations excluded from "CAPS"	10,857,782	10,857,782	8,727,452	2,130,330
Public and Private Programs Offset by Revenues:				
Uez Marketing Plan	204,880	204,880	204,880	—
Uez Program Intiatives Edc	52,346	52,346	52,346	—
Elizabeth Ave Streetscape Njdot - Increase	37,814	37,814	37,814	—
Uez Historic Midtown Sid 2012	114,188	114,188	114,188	—
Assistance To Firefighters	64,000	64,000	64,000	—
Assistance To Firefighters Local	16,000	16,000	16,000	—
Buffer Zone Protection Program	200,000	200,000	200,000	—
Highway Safety Grant 2012	5,000	5,000	5,000	—
Highway Safety Grant 2012	20,000	20,000	20,000	—
Brownfields Community Wide Petroleum Assessment	200,000	200,000	200,000	—
Brownfields Community Wide Hazardous Substance Assessment	200,000	200,000	200,000	—
Std Program Epid12Std010	45,337	45,337	45,337	—
Municipal Alliance Grant	82,881	82,881	82,881	—
Municipal Alliance Grant - Local Share	20,720	20,720	20,720	—
Clean Communities Grant - 2012	132,690	132,690	132,690	—
Edward Byrne Tvca	138,000	138,000	138,000	—
Port Security Response Vehicle	198,995	198,995	198,995	—
Port Security Shipboard Training Equip.	1,041,176	1,041,176	1,041,176	—
Njdot Elizabeth River Trail	359,960	359,960	359,960	—
Uez 2012 Administrative Budget	440,000	440,000	440,000	—
Uez Elizabeth Ave Sid	167,063	167,063	167,063	—
Uez 2012 Police Security Officers - 6	575,782	575,782	575,782	—
Uez 2012 Police Security Officers - 6 Local Share	143,945	143,945	143,945	—
Uez 2012 Commercial District Security	566,730	566,730	566,730	—
Uez 2012 Commercial District Security Local Share	141,291	141,291	141,291	—

(Continued)

Exhibit A-3

CITY OF ELIZABETH

Statement of Expenditures

Current Fund

Year ended June 30, 2012

Appropriations	Budget	Budget after modification	Paid or charged	Reserved
Uez 2012 Elizabeth Graffiti & Litter	227,793	227,793	227,793	—
Uez 2012 Graffiti And Litter Local Share	56,948	56,948	56,948	—
Uez 2012 Sgf Financial Lending Program	1,381,645	1,381,645	1,381,645	—
Edward Byrne Memorial Justice Asst Jag	500,000	500,000	500,000	—
Div Of Highway Traffic Safety	4,000	4,000	4,000	—
2011 Summer Food Service Program	206,469	206,469	206,469	—
2011 Transit Village Program	300,000	300,000	300,000	—
2009 Recycling Tonnage Grant	69,936	69,936	69,936	—
Law Enforcement Technology Grants	500,000	500,000	500,000	—
Bullet Proof Vest Fy 2011 Federal	13,149	13,149	13,149	—
Non Public School Nursing Services Fy12	119,533	119,533	119,533	—
Greening Union County	7,950	7,950	7,950	—
Greening Union County - Local Share	7,950	7,950	7,950	—
Div Highway Traffic Safety Al 111004261	3,500	3,500	3,500	—
Njdot Highway Safety Fund	43,762	43,762	43,762	—
Body Armor Fy-2011	27,000	27,000	27,000	
Ddef Fy=2011	8,985	8,985	8,985	—
Kids Recreation Trust Funds 2011	125,000	125,000	125,000	—
Kids Recreation Fund Local Share	125,000	125,000	125,000	—
Uez Customer Service Skills Training	297,900	297,900	297,900	—
Hopwa Cy2012	969,000	969,000	969,000	—
State Of Nj Dot North Broad St Streetscape	530,000	530,000	530,000	—
2010 Recycling Enhancement Grant	20,000	20,000	20,000	—
Total public and private programs offset by revenues	10,714,317	10,714,317	10,714,317	—
Total operations - excluded from "CAPS"	21,572,099	21,572,099	19,441,769	2,130,330
Detail (total operations - excluded from "CAPS"):				
Salaries and wages	5,687,777	5,687,777	5,687,777	—
Other expenses	15,884,321	15,884,321	13,753,991	2,130,330
Capital Improvements - excluded from "CAPS":				
Capital Improvement Fund - Restructuring	2,500,000	2,500,000	2,500,000	—
Total Capital Improvements excluded from "CAPS"	2,500,000	2,500,000	2,500,000	—
Municipal Debt Service - excluded from "CAPS":				
Payment of bond principal	5,001,000	5,001,000	5,001,000	—
Interest on bonds	2,964,639	2,964,639	2,964,639	—
Interest on notes	44,188	44,188	44,188	—
Green Trust Loan Program:				
Loan repayment for principal and interest schedule 1	50,321	50,321	50,321	—
Loan repayment for principal and interest schedule 2	55,604	55,604	55,604	—
Restructuring bonds - principal	2,850,000	2,850,000	2,850,000	—
Restructuring bonds - interest	482,716	482,716	482,716	—
NJDOT Loan Metromall	800,000	800,000	800,000	—
Lease ordinance-3 repayment for principal and interest	185,217	185,217	185,217	—
Lease ordinance-4 repayment for principal and interest	237,804	237,804	237,804	—
NJ Economic Dev. Auth Loan Program Repayment-2	87,720	87,720	87,720	—
NJ Demolition Loan Program	85,800	85,800	85,800	—
Deficiency agreement with EDC	1,000,000	1,000,000	1,000,000	—
Total municipal debt service excluded from "CAPS"	13,845,009	13,845,009	13,845,009	—

(Continued)

Exhibit A-3

CITY OF ELIZABETH

Statement of Expenditures

Current Fund

Year ended June 30, 2012

Appropriations	Budget	Budget after modification	Paid or charged	Reserved
Deferred Charges:				
Special Emergency Authorizations	600,000	600,000	600,000	—
	600,000	600,000	600,000	—
Total General Appropriation For Municipal Purposes Excluded from "CAPS"	38,517,108	38,517,108	36,386,778	2,130,330
Subtotal general appropriations	$ 205,883,510	205,883,510	195,999,425	9,884,085
Reserve for Uncollected Taxes	10,800,516	10,800,516	10,800,516	—
Total general appropriations	$ 216,684,026	216,684,026	206,799,941	9,884,085

Original budget	$ 213,303,244
Appropriation by N.J.S.A. 40A:4-87	3,380,782
	$ 216,684,026

Encumbered	$ 3,296,573
Reserve for uncollected taxes	10,800,516
Transferred to Federal and State Grant Fund	10,714,317
Transferred to reserves	4,800,000
Cancelled MetroMall Loan appropriation	800,000
Cancelled deficiency agreement appropriation	1,000,000
Due from Police Off Duty Trust	7,523
Cash disbursed	175,381,012
	$ 206,799,941

See accompanying notes to financial statements.

Exhibit B

CITY OF ELIZABETH

Balance Sheet

Trust Funds

June 30, 2012 and 2011

	Ref.	2012	2011
Assets			
Dog License Fund:			
Cash	B-1	$ 30,791	24,195
		30,791	24,195
Other Federal Grant Funds:			
Cash	B-1	3	550
Grants receivable	B-8	2,634,487	2,839,509
HPRP Receivable	B-17	673	7,889
Due from UDAG Fund	B-12	225,519	225,519
		2,860,682	3,073,467
Urban Development Action Grant (UDAG) Fund:			
Cash	B-1	1,342,919	1,352,918
		1,342,919	1,352,918
Community Development Block Grant Fund:			
Cash	B-1	60,306	8,735
Federal grants receivable	B-10	1,058,447	1,925,458
Due from Current Fund	B-5	25,347	25,347
Due from Elizabeth Development Corp.	B-15	80,672	80,672
		1,224,772	2,040,212
UEZ Trust Fund:			
Due from Current Fund		9,654,940	—
Due from Federal and State Grant Fund		293,027	—
Due from General Trust	B-4	4,433,111	—
		14,381,078	—
General Trust Funds:			
Cash	B-1	16,395,115	16,013,384
Due from Trustee	B-2	13,976	13,976
		16,409,091	16,027,360
		$ 36,249,333	22,518,152

Exhibit B

CITY OF ELIZABETH

Balance Sheet

Trust Funds

June 30, 2012 and 2011

	Ref.	2012	2011
Liabilities, Reserves and Fund Balance			
Dog License Fund:			
Due to State of New Jersey	B-6	$ 535	366
Due to Current Fund	B-19	6,219	—
Reserve for Dog Expenditures	B-7	24,037	23,829
		30,791	24,195
Other Federal Grant Funds:			
Reserve for Grants	B-9	2,860,007	3,065,578
Reserve for HPRP Grant Expenditures	B-18	675	7,889
		2,860,682	3,073,467
Urban Development Action Grant (UDAG) Fund:			
Reserve for UDAG loans receivable	B-3	1,115,634	1,125,633
Accounts Payable	B-16	1,766	1,766
Due to Other Federal Grant Funds	B-12	225,519	225,519
		1,342,919	1,352,918
Community Development Block Grant Fund:			
Reserve for Community Development Block Grant	B-11	1,219,326	2,038,083
Reserve for Program Income	B-14	5,446	2,129
		1,224,772	2,040,212
UEZ Trust Fund:			
Appropriated Reserve:			
UEZ	B-21	8,034,220	—
UEZ Local Share	B-23	110,927	—
2nd generation Funds	B-22	2,808,491	—
Unappropriated Reserve:			
UEZ		1,509,793	—
2nd generation Funds		1,917,647	—
		14,381,078	—
General Trust Funds:			
Off Duty Police Reserve	B-13	438,299	375,722
Due to Current Fund	B-20	7,523	—
Due to UEZ Trust		4,433,111	—
Reserves for Special Purposes	B-4	11,530,158	15,651,638
		16,409,091	16,027,360
		$ 36,249,333	22,518,152

See accompanying notes to financial statements.

Exhibit C

CITY OF ELIZABETH

Balance Sheets

General Capital Fund

June 30, 2012 and 2011

	Ref.		2012	2011
Assets				
Cash	C-2, C-3	$	12,335,884	21,163,301
Due from State of New Jersey -				
Department of Environmental Protection	C-14		868,898	267,196
Department of Transportation	C-10		275,048	136,693
Waterfront Park Loan Receivable	C-5		—	267,196
Due from Union County Improvement Authority	C-16		648,785	889,693
Deferred charges to future taxation:				
Funded	C-7		81,948,962	90,753,799
Unfunded	C-8		43,488,267	35,702,307
		$	139,565,844	149,180,185
Liabilities and Fund Balance				
Serial bonds:				
General	C-4	$	75,805,000	83,811,000
Loans payable	C-17		6,143,962	6,942,799
Improvement authorizations:				
Funded	C-11		11,806,168	13,915,146
Unfunded	C-11		33,367,386	30,861,788
Capital improvement fund	C-12		2,812,171	3,422,171
Due to Current Fund	C-6		—	204,514
Reserve for:				
State aid receivable	-		386,693	136,693
Bond sale expense	C-9		80,184	10,354
Retirement of debt	C-13		2,762,770	3,167,874
Fund balance	C-1		6,401,510	6,707,846
		$	139,565,844	149,180,185

There were bonds and notes authorized but not issued on June 30, 2011 and 2012 of $35,702,307 and $43,488,267 (Exhibit C-15), respectively.

See accompanying notes to financial statements.

Exhibit C-1

CITY OF ELIZABETH

Statement of Fund Balance

General Capital Fund

Years ended June 30, 2012 and 2011

		2012	2011
Balance, Beginning of Year	$	6,707,846	6,322,544
Increased by:			
Other		—	385,302
		6,707,846	6,707,846
Decreased by:			
Improvement authorization		300,000	—
Interest earned paid to Current Fund		6,336	—
		306,336	—
Balance, End of Year	$	6,401,510	6,707,846

See accompanying notes to financial statements.

Exhibit D

CITY OF ELIZABETH

Balance Sheets

Water Utility Funds

June 30, 2012 and 2011

	Ref.		2012	2011
Assets				
Operating Fund:				
Cash	D-3	$	836,805	829,257
Due from Water Capital Fund	D-7		—	407
			836,805	829,664
Receivables and inventory with reserves:				
Water liens receivable	D-9		43,439	41,351
			43,439	41,351
Total Operating Fund			880,244	871,015
Trust Fund:				
Cash	D-3		157,472	157,472
Total Trust Fund			157,472	157,472
Capital Fund:				
Cash			1,435,626	1,471,638
	D-3,D-4		1,435,626	1,471,638
Fixed capital	D-12		16,441,271	16,441,271
Total Capital Fund			17,876,897	17,912,909
		$	18,914,613	18,941,396

Exhibit D

CITY OF ELIZABETH

Balance Sheets

Water Utility Funds

June 30, 2012 and 2011

	Ref.	2012	2011
Liabilities, Reserves, and Fund Balance			
Operating Fund:			
Reserve for:			
Water liens receivable		43,439	41,351
		43,439	41,351
Fund balance	D-1	836,805	829,664
Total Operating Fund		880,244	871,015
Trust Fund:			
Reserve for customer deposits	D-5	157,472	157,472
Total Trust Fund		157,472	157,472
Capital Fund:			
Reserve for amortization	D-11	16,441,271	16,441,271
Reserve for capital expenditures	D-6	738,387	773,992
Due to Water Operating Fund	D-7	—	407
Capital Improvement Fund	D-8	697,239	697,239
Total Capital Fund		17,876,897	17,912,909
		$ 18,914,613	18,941,396

There were bonds and notes authorized but not issued of $0 and $0 on June 30, 2012 and 2011 respectively.

See accompanying notes to financial statements.

Exhibit D-1

CITY OF ELIZABETH

Statement of Operations and Changes in Fund Balance

Water Utility Operating Fund

Years ended June 30, 2012 and 2011

		2012	2011
Revenue and other credits to income:			
Miscellaneous revenue not anticipated	$	7,141	11,230
Other credits to income:			
Cancellation of capital ordinances and liabilities		—	36,028
Total income		7,141	47,258
Fund balance, July 1		829,664	782,406
Fund balance, June 30	$	836,805	829,664

See accompanying notes to financial statements.

Exhibit D-2

CITY OF ELIZABETH

Statement of Revenues

Water Utility Operating Fund

Year ended June 30, 2012

		Revenues Realized
Nonbudget revenue (interest on investments)	$	7,141
	$	7,141

See accompanying notes to financial statements.

Exhibit E

CITY OF ELIZABETH

Balance Sheets

Sewer Utility Funds

June 30, 2012 and 2011

	Ref.		2012	2011
Assets				
Operating Fund:				
Cash	E-5	$	9,293,154	5,759,980
Receivables with reserves:				
Consumers' accounts receivable	E-7		10,842	10,843
Miscellaneous rents receivable	E-28		5,342	5,342
Sewer liens receivable	E-24		35,186	30,632
			51,370	46,817
Total Operating Fund			9,344,524	5,806,797
Capital Fund:				
Cash	E-5, E-6		2,437,936	5,257,377
Fixed capital	E-9		50,501,759	50,421,759
Fixed capital authorized and uncompleted	E-10		98,260,513	98,260,513
Due from Trustee-Environmental Infrastructure Trust and fund loans	E-16		7,382,164	1,222,610
Due from State of New Jersey -				
Stormwater Grant Receivable	E-30		5,155	5,155
Wastewater Treatment Trust Fund	E-27		508,053	508,053
Due from Sewer Operating Fund	E-31		300,258	—
Total Capital Fund			159,395,838	155,675,467
		$	168,740,362	161,482,264

(continued)

Exhibit E

CITY OF ELIZABETH

Balance Sheets

Sewer Utility Funds

June 30, 2012 and 2011

Liabilities, Reserves, and Fund Balance	**Ref.**		**2012**	**2011**
Operating Fund:				
Appropriation reserves	E-4,E-12	$	1,698,808	1,900,210
Encumbrances payable	E-26		45,150	10,386
Accounts payable	E-13		749,014	764,840
Accrued interest on bonds and notes	E-15		232,001	255,310
Due to Sewer Capital Fund	E-31		300,258	—
			3,025,231	2,930,746
Reserve for receivables			51,370	46,817
Fund balance	E-1		6,267,923	2,829,234
Total Operating Fund			9,344,524	5,806,797
Capital Fund:				
Bond sale expense payable	E-29		98,339	4,994
Serial bonds	E-17		3,320,000	3,862,000
Local unit bonds	E-18		982,841	1,163,536
Environmental infrastructure loans payable	E-23		25,074,774	20,996,314
Bond anticipation notes	E-14		12,000,000	6,000,000
Improvement authorizations:				
Funded	E-19		4,162,743	4,162,743
Unfunded	E-19		37,953,288	47,344,674
Reserve for:				
Amortization	E-20		64,772,112	61,193,827
Deferred amortization	E-21		8,796,766	8,796,766
Renewal and replacement	E-11		364,000	364,000
Appropriated grants	E-8		20,619	20,619
Capital Improvement Fund	E-25		788,338	788,338
Fund balance	E-2		1,062,018	977,656
Total Capital Fund			159,395,838	155,675,467
		$	168,740,362	161,482,264

There were bonds and notes authorized but not issued at June 30, 2011 and 2012 of $46,932,616 and $34,078,566 respectively (Exhibit E-22)

See accompanying notes to financial statements.

Exhibit E-1

CITY OF ELIZABETH

Statement of Operations and Changes in Fund Balance

Sewer Utility Operating Fund

Years ended June 30, 2012 and 2011

		2012	2011
Revenue and other credits to income:			
Fund balance utilized	$	1,500,000	1,000,000
Sewer fees and charges		18,233,271	17,997,698
Miscellaneous		1,272,642	632,716
Other credits to income:			
Appropriation reserves lapsed		1,607,320	2,078,461
Cancellation of appropriation		1,000,000	—
Capital reimbursements		806,425	—
Cancellation of liabilities		19,031	—
Total income		24,438,689	21,708,875
Expenditures:			
Operating		12,550,000	12,000,000
Capital improvements		2,189,919	2,278,252
Debt service		4,760,081	4,721,748
Total expenditures		19,500,000	19,000,000
Excess of revenues over expenses		4,938,689	2,708,875
Fund balance, July 1		2,829,234	1,120,359
		7,767,923	3,829,234
Less Fund Balance Utilized		1,500,000	1,000,000
Fund balance, June 30	$	6,267,923	2,829,234

See accompanying notes to financial statements.

Exhibit E-2

CITY OF ELIZABETH

Statement of Fund Balance

Sewer Utility Capital Fund

Years ended June 30, 2012 and 2011

		2012	2011
Balance, Beginning of year	$	977,656	962,476
Increased by:			
Premium on sale of notes		84,362	15,180
Balance, End of year	$	1,062,018	977,656

See accompanying notes to financial statements.

Exhibit E-3

CITY OF ELIZABETH

Statement of Revenues

Sewer Utility Operating Fund

Year ended June 30, 2012

		Anticipated	Realized	Excess (deficit)
Operating surplus anticipated	$	1,500,000	1,500,000	—
Rents		17,500,000	18,233,271	733,271
Miscellaneous		500,000	1,272,642	772,642
Total budget revenue	$	19,500,000	21,005,913	1,505,913

Analysis of Certain Realized Revenues

Rents:		
Revenues collected	$	18,233,271
	$	18,233,271

Analysis of Miscellaneous

Interest on investments	$	174,410
Interest and costs		15,604
Joint Meeting refund		986,307
Miscellaneous		82,692
Liens		13,629
Cash receipts	$	1,272,642

See accompanying notes to financial statements.

Exhibit E-4

CITY OF ELIZABETH

Statement of Expenditures

Sewer Utility Operating Fund

Year ended June 30, 2012

	Appropriations		Expended		
Account	**Budget**	**Budget after modification**	**Paid or charged**	**Reserved**	**Cancelled**
Operating:					
Management Fee	$ 2,550,000	2,550,000	1,758,096	791,904	—
Joint Meeting	10,000,000	10,000,000	9,982,757	17,243	—
Capital improvements:					
Capital outlay	2,189,919	2,189,919	300,258	889,661	1,000,000
Debt service:					
Sewer System lease Payments- principal and int.	1,924,315	1,924,315	1,924,315	—	—
Payment of bond principal	622,000	622,000	622,000	—	—
Interest on bonds	127,764	127,764	127,764	—	—
Interest on notes	76,312	76,312	76,312	—	—
Wastewater Treatment bonds - principal	1,536,602	1,536,602	1,536,602	—	—
Wastewater Treatment bonds - interest	473,088	473,088	473,088	—	—
Total	$ 19,500,000	19,500,000	16,801,192	1,698,808	1,000,000

Analysis of paid or charged

Cash disbursed	$ 15,778,620
Encumbrances payable	45,150
Due to Sewer Capital Fund	300,258
Interest on bonds and notes	677,164
	$ 16,801,192

See accompanying notes to financial statements.

Exhibit F

CITY OF ELIZABETH

Statement of General Fixed Assets

General Fixed Assets Account Group

June 30, 2012 and 2011

		2012	2011
General fixed assets:			
Land and buildings	$	47,187,156	43,478,500
Equipment		11,621,485	11,865,236
Vehicles		18,507,425	18,539,278
Total general fixed assets	$	77,316,066	73,883,014
Investment in general fixed assets	$	77,316,066	73,883,014

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

The accounting policies of the City of Elizabeth conform to the accounting principles and practices 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. Such practices are not in accordance with generally accepted accounting principles (GAAP). The following is a summary of the significant policies:

Reporting entity

Except as noted below, the financial statements of the City of Elizabeth include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City of Elizabeth, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the City of Elizabeth do not include the operations of the Elizabeth Free Public Library, Parking Authority, Board of Education, Housing Authority, Elizabeth Development Corporation, and Special Improvement Districts.

Fund accounting:

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the City, the accounts of the City are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified or legal requirements. Separate accounts are maintained for each fund and, accordingly, all financial transactions have been recorded and reported by fund group. Under this method of accounting, the City of Elizabeth accounts for its financial transactions through the following separate funds:

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

- Trust Funds (including the Community Development Block Grant) - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

- General Capital Fund - receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

- Water and Sewer Utility Funds - account for the operations and acquisition of capital facilities of the municipally-owned Water and Sewer Utilities.

- General Fixed Assets Account Group - investments in and disposal of fixed assets used to maintain operations of the City. Infrastructure assets

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 are those adopted by the City of Elizabeth and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et. seq.

Basis of accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles 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 available and measurable. GAAP defines available as collectible in the current period or soon enough thereafter to be used to pay liabilities that are owed at the end of the accounting period.

- 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 sheets of the various funds. GAAP requires such revenues to be recognized in the current accounting period if they are expected to be collected soon enough after the end of the year to pay current liabilities.

- Expenditures - unexpended or uncommitted appropriations, at year-end, 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.

- 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 vacation, sick and compensatory time are not recorded until paid. City officials have determined that only vacation, holiday and compensatory time should be accrued. Employee sick time is appropriated in the various departmental salary and wage accounts and the City is not liable for accrued sick time when employees retire. Any employee who retires, or is laid off from employment with the City, irrespective of years of service, shall be reimbursed for accumulated unused sick time at a rate of fifty (50%) percent of the employee's daily rate of pay for each day of accumulated unused sick time up to a maximum of ten thousand ($10,000) dollars. Payment shall be made to the employee within six (6) months of the date of separation from employment. In order to be eligible for reimbursement, an employee must have at least thirty (30) accumulated sick days to his or her credit upon the effective date of separation from employment.

  As of June 30, 2011 and 2012, the estimated accrued liability as determined by City officials for vacation, sick and compensatory time is approximately $18,393,654 and $20,314,554 respectively. In accordance with state regulations this accrued liability has not been expensed or recorded as a liability.

- 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 fund or general fixed assets account group at its net realizable value.

- Inventories - Current fund inventory type items and inventories held by the sewer utility fund are expensed as incurred. GAAP requires the amount of inventory on hand to be recorded as an asset at year-end.

- General Fixed Assets - Property and equipment purchased by the current fund and the capital fund are recorded as expenditures at the time of purchase and are capitalized and recorded in the fixed assets account group (after January 1, 1985) or at estimated historical cost (prior to January 1, 1985). The accounts are adjusted for dispositions and abandonment's. Depreciation is not recorded. Property and equipment purchased by the utility funds are recorded at cost as fixed capital (completed projects) and fixed capital authorized and uncompleted (construction in progress). The accounts are adjusted for dispositions and abandonment's. Depreciation is not recorded. GAAP requires that depreciation be recorded in the utility funds.

- Interfunds - advances from the current fund are reported as interfund receivables with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

- Encumbrances - contractual orders at year-end, are reported as expenditures through the establishment of a reserve for encumbrances. GAAP does not recognize encumbrances as expenditures or liabilities.

- Deferred Charges to Future Taxation -Funded and Unfunded - Upon the authorization of capital projects, the City establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary funding or nonfunding of the authorized costs of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the City may levy taxes on all taxable property within the local unit to repay the debt. Annually, the City raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced. GAAP does not require the establishment of deferred charges to future taxation and records proceeds of debt issued as revenue.

- Improvement authorizations – in the General Capital Fund represent the unexpended balance of an ordinance appropriation and is similar to the unexpended portion of the budget in the Current Fund. GAAP does not recognize these amounts as liabilities.

- Investments - Investments are carried at cost. Purchases of investments are limited by N.J.S. 40A:5-15.1 to bonds or obligations of or guaranteed by the Federal government and bonds or other obligations of Federal or local units having a maturity date not more than twelve months from the date of purchase. GAAP requires that investments be recorded at fair value.

Use of Estimates

To prepare the accompanying financial statements management made estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Taxes Receivable, Tax Title Liens

In accordance with the accounting principles presented 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.

Taxes for the City are levied semi-annually in July and January and are payable August 1, November 1, February 1 and May 1. The taxes are liens on the property as of the billing date.

(3) Long-term Debt

The New Jersey Local Bond Law governs the issuance of bonds to finance general municipal and utility capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. General capital serial bonds are direct obligations of the City for which its full faith and credit are pledged, and are payable from the taxes levied on all taxable property located within the City. The water/ sewer utility bonds are payable from revenues generated from user fees but also have the ad valorem taxes pledged, should the utility revenues be insufficient to meet the debt obligations.

In addition, Wastewater Treatment Bonds issued on behalf of the City by the State of New Jersey, are recorded in the Sewer Capital Fund.

On July 15, 1998, the City issued $2,924,000 of Sewer Utility Bonds maturing in each July 15th 1999 through 2018 with interest rates ranging from 4% to 5%. The balances outstanding at June 30, 2011 and 2012 are $1,185,000 and $1,040,000, respectively.

On November 1, 2001, the City issued $5,225,000 of General Improvement Bonds maturing each November 1st; 2002 through 2021 with interest rates ranging from 4.0% to 4.75%.The City also issued $4,030,000 of Sewer Utility Bonds on November 1st maturing each November 1st 2002 through 2021 with interest rates ranging from 4.0% to 4.75%. Bonds maturing on or after November 1, 2012 are subject to redemption on or after November 1, 2011. The balances outstanding at June 30, 2011 and 2012 are $2,261,000 and $2,202,000 and $0 and $0, respectively.

On December 1, 2001 the city issued $2,875,000 of Sewer Utility Refunding Bonds. The bonds dated December 1, 2001 mature each November 15th, 2002 through 2012 with interest ranging from 3.05% to 4.5%. Bonds maturing on or after November 15, 2011 are subject to redemption on or after November 10, 2010. The bonds are general obligations of the City and are secured by the full faith and credit of the City for the payment of the principal thereof and the interest thereon. Unless paid from other sources, the City is authorized and required by law to levy on all real property taxable by the City such *ad valorem* taxes as may be necessary to pay the Bonds and the interest thereon, without the limitation as to rate or amount. The City used proceeds from the sale to pay expenses related to the issuance and to redeem the $2,750,000 of outstanding Sewer Utility Bonds dated November 15, 1992. The balances outstanding at June 30, 2011 and 2012 are $465,000 and $0, respectively.

On May 15, 2003, the City issued $14,250,000 of General Improvement Bonds maturing each November 15th; 2004 through 2018 with interest rates ranging from 3.00% to 3.75%. Bonds maturing on or after May 15, 2014 are subject to redemption on or after May 15, 2013. The balances outstanding at June 30, 2011 and 2012 are $11,350,000 and $1,500,000, respectively.

On December 14, 2004, the City issued $2,330,000 of Early Retirement Incentive Refunding Bonds, Series 2004, maturing on each March 1st 2007 through 2020 with interest rates ranging from 3.95% to 5.30%. The bonds were issued to refund the SFY early retirement obligation. The balances outstanding at June 30, 2011 and 2012 are $1,875,000 and $1,705,000, respectively. Bonds maturing on or after March 1, 2015 are subject to redemption on or after March 1, 2014.

On May 15, 2005 the City issued $15,000,000 of General Improvement Bonds, Series 2005, maturing each May 15th 2006 through 2030 with interest rates ranging from 4% to 4.375%. Bonds maturing on or after May 15, 2016 are subject to redemption on or after May 15, 2015. The bonds were issued to fund capital expenditures of the City. The balances outstanding at June 30, 2011 and 2012 are $13,900,000 and $13,300,000, respectively.

On May 15, 2006 the City issued $11,500,000 of General Improvement Bonds, Series 2006 maturing each May 15th 2007 through 2021 with interest rates ranging from 4% to 4.25%. Bonds maturing on or after May 15, 2017 are subject to redemption on or after May 15, 2016. The bonds were issued to fund capital expenditures of the City. The balances outstanding at June 30, 2011 and 2012 are $9,545,000 and $8,590,000, respectively.

On June 15, 2007 the City issued $12,325,000 of General Improvement Bonds, Series 2007 maturing each June 15th 2008 through 2017 with interest rates ranging from 4% to 4.25%. The bonds were issued to fund capital expenditures of the City. The balances outstanding at June 30, 2011 and 2012 are $11,310,000 and $10,885,000, respectively.

On June 12, 2008 the City issued $12,645,000 of General Improvement Refunding Bonds, Series 2008 maturing each November 15th; 2008 through 2014 with interest rates ranging from 3.250% to 5.00%. The bonds were issued to currently refund $10,330,000 of the January 1, 1998 General Improvement Bonds and to advance refund $2,092,000 of the General Improvement Bonds dated November 15, 1999 maturing on November 15, 2010 through 2014. The balances outstanding at June 30, 2011 and 2012 are $7,430,000 and $5,200,000, respectively.

On August 15, 2008 the City issued $12,455,000 General Improvement Bonds Series 2008 maturing each August 15th; 2009 through 2023 with interest rates ranging from 4.250% to 4.375%. Bonds maturing on or after August 15, 2019 are subject to redemption on or after August 15, 2018. The balances outstanding at June 30, 2011 and 2012 are $11,540,000 and $10,850,000, respectively.

On October 15, 1996, the City entered into a borrowing agreement to fund sewer improvements through the New Jersey Environmental Infrastructure Trust program. The loans consist of trust loan of $1,600,000 and fund loan of $1,610,000. The interest rate on the trust loan ranges from 4% to 5.25%; the fund loan is a non-interest bearing loan. The trust loan matures in annual installments on September 1, of each year from 1997 to 2020. Principal payments on the fund loan are on a semi-annual basis on August 1 and February 1 from 2002 to 2016. The balances outstanding at June 30, 2011 and 2012 are $483,536 and $402,841 and $680,000 and $580,000, respectively.

On October 1, 2000, the City entered into a borrowing agreement to fund sewer improvements through the New Jersey Environmental Infrastructure Trust program. The loans consist of trust loan of $2,635,000 and fund loan of $2,548,815. The interest rate on the trust loan ranges from 5% to 5.25%; the fund loan is a non-interest bearing loan. The trust loan matures in annual installments on August 1, of each year from 2002 to 2020. Principal payments on the fund loan are on a semi-annual basis on August 1 and February 1 from 2002 to 2020. The balances outstanding at June 30, 2011 and 2012 are $1,685,000 and $1,336,267 and $1,550,000 and $1,201,204, respectively.

On November 8, 2001, the City entered into a borrowing agreement to fund sewer improvements through the New Jersey Environmental Infrastructure Trust program. The loans consist of trust loan of $3,130,000 and fund loan of $3,084,896. The interest rate on the trust loan ranges from 4.75% to 5.50%; the fund loan is a non-interest bearing loan. The trust loan matures in annual installments on August 1, of each year from 2002 to 2021. Principal payments on the fund loan are on a semi-annual basis on August 1 and February 1 from 2002 to 2021. The balances outstanding at June 30, 2011 and 2012 are $2,235,000 and $1,846,994 and $2,080,000 and $1,678,772 respectively.

On August 1, 2002, the City entered into a borrowing agreement to fund sewer improvements through the New Jersey Environmental Infrastructure Trust program. The loans consist of trust loan of $1,945,000 and fund loan of $1,775,000. The interest rate on the trust loan ranges from 4.75% to 5.50%; the fund loan is a non-interest bearing loan. The trust loan matures in annual installments on August 1, of each year from 2003 to 2022. Principal payments on the fund loan are on a semi-annual basis on August 1 and February 1 from 2003 to 2022. The balances outstanding at June 30, 2011 and 2012 are $1,530,000 and $1,230,837 and $1,435,000 and $1,128,286, respectively.

On November 29, 2006, the City entered into a borrowing agreement to fund sewer improvements through the New Jersey Environmental Infrastructure Trust program. The loans consist of trust loan of $1,635,000 and fund loan of $4,684,369. The interest rate on the trust loan ranges from 4.000% to 5.125%; the fund loan is a non-interest bearing loan. The trust loan matures in annual installments on August 1, of each year from 2009 to 2026. Principal payments on the fund loan are on a semi-annual basis on August 1 and February 1 from 2009 to 2026. The balances outstanding at June 30, 2011 and 2012 are $1,460,000 and $3,792,677 and $1,395,000 and $3,551,924 respectively.

On December 1, 2009, the City entered into a borrowing agreement to fund sewer improvements through the New Jersey Environmental Infrastructure Trust program. The loans consist of trust loan of $1,755,000 and fund loan of $1,763,165. The interest rate on the trust loan ranges from 4.000% to 5.00%; the fund loan is a non-interest bearing loan. The trust loan matures in annual installments on August 1, of each year from 2010 to 2029. Principal payments on the fund loan are on a semi-annual basis on August 1 and February 1 from 2010 to 2029. The balances outstanding at June 30, 2011 and 2012 are $1,755,000 and 1,673,513 and $1,690,000 and $1,583,861 respectively.

On December 1, 2009, the City entered into a borrowing agreement to fund sewer improvements through the New Jersey Environmental Infrastructure Trust program. The loans consist of trust loan of $1,025,000 and fund loan of $1,048,267. The interest rate on the trust loan ranges from 4.000% to 5.00%; the fund loan is a non-interest bearing loan. The trust loan matures in annual installments on August 1, of each year from 2010 to 2029. Principal payments on the fund loan are on a semi-annual basis on August 1 and February 1 from 2010 to 2029. The balances outstanding at June 30, 2011 and 2012 are$1,025,000 and $994,965 and $990,000 and $941,663 respectively.

On December 1, 2009, the City entered into a borrowing agreement to fund sewer improvements through the New Jersey Environmental Infrastructure Trust program. The loans consist of trust loan of

$220,000 and fund loan of $222,305. The interest rate on the trust loan ranges from 4.000% to 5.00%; the fund loan is a non-interest bearing loan. The trust loan matures in annual installments on August 1, of each year from 2010 to 2029. Principal payments on the fund loan are on a semi-annual basis on August 1 and February 1 from 2010 to 2029. The balances outstanding at June 30, 2011 and 2012 are $220,000 and $211,001 and $215,000 and $199,697 respectively.

On April 15, 2011, the City issued $12,755,000 of General Improvement Bonds, Series 2011 maturing each April 15th; 2012 through 2027 with interest rates ranging from 4.25% to 5.25%. Bonds maturing on or after April 15, 2022 are subject to redemption on or after April 15, 2021. The bonds were issued to fund capital expenditures of the City. The balance outstanding at June 30, 2011 and 2012 are $12,755,000 and $12,185,000 respectively.

On April 15, 2011, the City issued $1,230,000 of Refunding Bonds, Series 2011 maturing each April 15th; 2012 through 2014 with interest rates 4.25%. The bonds were issued to currently refund a litigation settlement. The balance outstanding at June 30, 2011 and 2012 are $1,230,000 and $820,000 respectively.

On July 6, 2011, the City issued $2,715,000 of General Improvement Refunding Bonds, and $2,555,000 Refunding Bonds maturing each November 1, 2012 through 2021 with interest rates ranging from 3% to 5%. Bonds were issued to advance refund $2,615,000 of the City's 2001 General Improvement Bonds. Sewer Refunding Bonds were issued to advance refund of $2,475,000 of the City's Sewer Utility Bonds, Series 2001. The amounts outstanding at June 30, 2012 is $2,675,000 and $2,280,000 respectively.

On May 3, 2012, the City entered into a NJEIT Trust Loan of $2,595,000 and fund loan of $2,839,367. The Trust Loan has interest rates ranging from 2% to 5% and the Fund Loan has 0% interest rate.The Trust Loan matures August 1st each year from 2013 to 2031. The Fund Loan has semi-annual principal payments on august 1st and February 1st 2012 to 2031. Balances at June 30, 2012 are $2,595,000 and $2,839,367 respectively.

On May 15, 2012, the City issued $8,095,000 of General Improvement Refunding Bonds maturing each May 15, 2014 through 2018 with interest ranging from 3% to 4%. The Bonds were issued to advance refund $8,350,000 of the City's 2003 General Improvement Bond. The balance outstanding at June 30, 2012 is $8,095,000.

The City debt is summarized as follows:

	June 30, 2012	June 30, 2011
Bonds, Notes and Loans Issued:		
General	$81,948,962	90,753,799
Sewer	41,377,615	32,021,850
	123,326,577	122,775,649
Bonds and Notes Authorized Not Issued:		
General	43,488,267	35,702,307
Sewer	34,078,566	46,932,616
Water	00	00
	77,566,833	82,634,923
Total Bonds and Notes Issued and Authorized But Not Issued	$200,893,410	205,410,572

Schedule of annual debt service for principal and interest for the next five years and every five year period thereafter for bonded debt issued and outstanding as of June 30, 2012:

Fiscal Year Ending	General Bonds		Sewer Debt	
June 30	Principal	Interest	Principal	Interest
2013	8,110,000	3,163,293	2,299,331	725,863
2014	8,370,000	2,792,869	2,205,074	673,064
2015	8,260,000	2,498,317	2,239,011	588,450
2016	8,575,000	2,179,791	2,246,176	532,293
2017	8,940,000	1,820,514	2,326,112	473,750
2018-2022	20,265,000	5,256,616	10,277,178	1,542,657
2023-2027	11,085,000	1,849,603	5,159,632	652,773
2028-2031	2,200,000	190,313	2,625,097	176,500
Total	$75,805,000	19,751,316	29,377,611	5,365,350

	Gross Debt	Deduction	Net Debt
Local School District	$ 2,800,000	2,800,000	—
General Debt	125,437,229	2,762,770	122,674,459
Sewer Utility Debt	75,456,181	75,456,181	—
Water Utility Debt	—	—	—
	$203,693,410	81,018,951	122,674,459

Net Debt of $122,624,459 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of $7,739,488,813 equals 1.59%.

Borrowing Power Under N.J.S. 40a:2-6 As Amended

3.5% of Equalized Valuation Basis	$270,882,108
Net Debt	122,674,459
Remaining (Excess) Borrowing Capacity	$148,207,649

(4) Bond Anticipation Notes

The City issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid or permanent financing obtained 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 on or before each subsequent anniversary, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were installment of the bonds in anticipation of which such notes were issued, be paid or retired.

On June 30, 2011 and 2012 there are $6,000,000 and $12,000,000 notes outstanding for the Sewer Utility Capital Fund.

(5) Capital Equipment Lease Program

On October 15, 2001 the City executed a contract with the Union County Improvement Authority (UCIA) to acquire capital equipment through financing leases in an amount not to exceed $4,646,519. The UCIA is authorized by the County Improvement Authorities Law, Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey, as amended and supplemented (N.J.S.A. 40:37A-44 et seq.), to lease capital equipment to the City. The UCIA provides for the financing of the cost of this equipment by the issuance of revenue bonds payable from rentals to be received from the City.

On October 15, 2004 the City executed a contract with the Union County Improvement Authority (UCIA) to acquire capital equipment through financing leases in an amount not to exceed $4,175,649. The UCIA is authorized by the County Improvement Authorities Law, Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey, as amended and supplemented (N.J.S.A. 40:37A-44 et seq.), to lease capital equipment to the City. The UCIA provides for the financing of the cost of this equipment by the issuance of revenue bonds payable from rentals to be received from the City.

Under the lease the City is required to pay rent due on each December 1 and June 1, commencing December 1, 2005. Future minimum lease payments under the lease program as of June 30, 2012 are:

Fiscal Year Ending June 30	Amount
2013	$230,197
2014	223,254
2015	218,775
2016	56,698
2017	55,029
2018	53,275
2019	51,465
2020	48,477

(6) Fund Balances Appropriated

Fund balances at June 30, 2011 were utilized as revenue in the 2012-2013 Fiscal Year Budget as follows:

Fund Description	Fund Balance June 30, 2012	Amount Utilized
Current Fund	$30,388,549	26,000,000
Sewer Utility Operating	6,267,923	1,500,000
Water Utility Operating	836,805	0

(7) Retirement Systems

Substantially all of the City's employees participate in one of the following contributory defined benefit public employee retirement systems (retirement systems) which have been established by State statute: the Consolidated Police and Firemen's Pension fund (CPFPF), the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the State of New Jersey.

Consolidated Police and Firemen's Pension Fund

Consolidated Police and Firemen's Pension Fund (CPFPF)--is a single-employer contributory defined benefit plan which was established as of January 1, 1952, under the provisions of N.J.S.A. 43:16 to provide retirement, death and disability benefits to county and municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members.

Police and Firemen's Retirement System

Police and Firemen's Retirement Systems (PFRS)--is a cost-sharing multiple-employer contributory defined benefit plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits 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 and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Public Employees' Retirement System

Public Employees' Retirement System (PERS)--is a cost-sharing multiple-employer contributory defined benefit plan which was established as of January 1, 1955, under the provision N.J.S.A. 43:15A to provide retirement, death and disability benefits, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of several State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The State also administers the Pension Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all State-sponsored pension systems except SACT. In the CPFPF, the cost of living increases are payable from the State of New Jersey Pension Adjustment Fund which is funded by the State as a benefit allowances become payable. The cost of living increases for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for that system.

According to State statutes, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system 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 each of the above systems, funds, and trust. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Significant Legislation

Chapter 78, P.L. 2011 effective June 28, 2011, made various changes to the manner in which the Public Employee's Retirement System (PERS) and The Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

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

- New members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increase in active member contribution rate. PERS active member rates increase 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 for PERS will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected

level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.

- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay)

Funding Policy

Contribution Requirements:

The contribution policy for CPFPF, PFRS and PERS is set by New Jersey State statutes and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Contributions by active members of CPFPF are based on 7% of their salaries. Members of PFRS contribute at a uniform rate of 10% of base salary, as defined. Members of PERS contribute at a uniform rate of 6.5% of base salary, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PFRS and PERS. In the PERS the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2012, for CPFPF, which is a cost sharing plan, accumulated pension cost equals annual required contributions. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, the annual pension cost differs from the annual required contribution.

City Contributions:
The City's contributions were as follows:

	For the Year Ended June 30,			
	2012	2011	2010	2009
CPFPF	$252,148	$274,852	$365,790	$398,963
PERS	3,283,835	3,102,174	1,417,185	2,191,474
PFRS	13,411,608	14,992,740	6,821,813	12,383,216

(8) Self-Insurance Program

The City established a self-insurance program in 1982 in accordance with New Jersey Statute Chapter 40:10-6. The Chapter enables the governing body of any local unit to create a fund to provide insurance coverage for its exposure to a wide variety of property casualty risks, including:

- Property damage caused to any of the unit's property, motor vehicles, equipment or apparatus.
- Liability resulting from the use or operation of such motor vehicles, equipment or apparatus.
- Liability for the unit's negligence, including that of its officers, employees and servants.
- Workers' compensation obligations.

The City self-insures for its automobile, general liability and workers' compensation exposures. The City has purchased excess workers' compensation coverage for losses in excess of $1,000,000. Additionally, the City maintains insurance policies covering property, fire, water, utility, boiler and

machinery, nurses' professional liability and employee fidelity. Various deductibles, limits, and coinsurance provisions apply to these policies.

(9) Urban Development Action Grants

On December 12, 1990 Northern Feather, Inc., filed for protection from its creditors under Chapter 11 of the bankruptcy laws of the United States. The City is the holder of a second mortgage against the premises owned by Northern Feather, Inc., which has a balance of $75,258 and $75,258 as of June 30, 2011 and 2012, respectively. In order for the Trustee appointed by the court to accept and execute a contract to purchase the premises without contingencies, the City granted assumption of the second mortgage it holds to Diversified Furniture, Inc.

(10) Contingent Liabilities

The City is a defendant in various legal proceedings. In the opinion of the City's Corporation Counsel, these matters are adequately covered by the City's insurance program, the City's defense program, or by the City of Elizabeth directly and which may be settled or resolved in a manner satisfactory to the financial stability of the City. It is anticipated that any excess judgments would be paid by the City through future taxation or future debt borrowing.

The City is also defendant in various tax appeals that they are defending vigorously. The amount of the potential settlements is not determinable at this time.

The City participates in numerous Federal and State of New Jersey grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivables at June 30, 2011 may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying financial statements for such contingencies.

In accordance with the NJ Division of Pension and Benefits regulations, the City previously elected to defer the payment of two months health insurance premiums. The June 30, 2011 and 2012 deferrals were approximately $3,672,000 and $4,040,000 respectively which becomes payable upon the City leaving the State Health Benefits Program.

There is presently pending a civil action in Superior Court concerning alleged personal injuries of the plaintiff as a result of motor vehicle accident that alleges approximately $300,000 of medical expenses. The city is vigorously defending this action

(11) Water and Sewer Utility Operations

On June 2, 1998 the City entered into agreement with Liberty Water Company (LWC) for a term of 40 years to provide management, operation and management services associated with the City’s water system. The City retains ownership of the Utility infrastructure and is responsible for financing all capital improvements to the system. Capital improvements will be financed principally by the City through payments made by LWC that will exceed $57,000,000 over the term of the contract. LWC is responsible for the preparation, maintenance, and collection of all bills and invoices to the users of both the Water and Sewer Utility and all costs and expenses associated therewith. LWC has no right to any revenue attributable to the Sewer Utility. The revenues collected by LWC for the Sewer Utility are

disbursed to the City on a daily basis. LWC pays all expenses required for the operation, maintenance and management of the water system.

(12) Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary to future years. Individuals are one hundred percent vested. The plan is funded solely from voluntary employee payroll deductions. Distribution is available to employees upon termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely property and rights of the individual contributors and are not subject to the claims of the City's general creditors.

(13) Fixed Assets

The City records assets with a useful life in excess of five years and with a value over $5,000 as a fixed asset. The accounts are adjusted for dispositions and abandonment's. Depreciation is not recorded.

Fixed assets used in governmental operation (general fixed assets) are accounted for in the General Fixed Assets. Public domain ("Infrastructure") general fixed assets consisting of certain improvement other than building, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized.

The City's fixed assets are summarized as follows:

		Balance June 30, 2010	Additions	Dispositions	Balance June 30, 2011
General fixed assets:					
Land and buildings	$	41,978,500	1,500,000	—	43,478,500
Equipment		11,866,625	—	1,389	11,865,236
Vehicles		18,949,021	—	409,743	18,539,278
	$	72,794,146	1,500,000	411,132	73,883,014

		Balance June 30, 2011	Additions	Dispositions		Balance June 30, 2012
General fixed assets:						
Land and buildings	$	43,478,500	4,401,356	692,700		47,187,156
Equipment		11,865,236	—	243,751		11,621,485
Vehicles		18,539,278	1,057,223	1,089,076		18,507,425
	$	73,883,014	5,458,579	2,025,527	$	77,316,066

(14) Cash

Cash and cash equivalents includes amounts on deposit, and short term investments with original maturities of three months or less from the date of acquisition.

Deposits

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes Government Unit Deposit Protection Act (GUDPA) require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

> The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.
>
> In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.
>
> All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

GASB Statement No. 40, Deposit and Investment Risk Disclosures, requires disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the City will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party. As of June 30, 2012 the City's bank deposits are insured or covered by the State's Government Unit Deposit Protection Act or are collateralized with the federal securities held by another institution in the City's name.

(15) State Loans

Green Trust Loans:

1989 Green Trust Program – Westfield Ave. Ball Field Acquisition

Interest is 2% with payments through Feb. 14, 2017.

Future minimum loan payments under the lease program as of June 30, 2012 are:

Fiscal Year Ending June 30	Amount
2013	$4,664
2014	4,664
2015	4,664
2016	4,664
2017	4,662
Total	23,318
Less interest	1,232
Principal Balance	$22,086

1995 Green Trust Program – Westfield Ave. Ball field Improvements

Interest is 2% with payments through May 1, 2019.

Future minimum loan payments under the lease program as of June 30, 2012 are:

Fiscal Year Ending June 30	**Amount**
2013	$27,767
2014	27,767
2015	27,767
2016	27,767
2017	27,767
2018-2019	55,534
Total	194,369
Less interest	13,832
Principal Balance	$180,537

1992 Green Trust Program – Arthur Kill Additions

Interest is 2% with payments through Jan. 22, 2017.

Future minimum loan payments under the lease program as of June 30, 2012 are:

Fiscal Year Ending June 30	**Amount**
2013	$13,537
2014	13,537
2015	13,537
2016	13,537
2017	13,538
Total	67,686
Less interest	3,578
Principal Balance	$ 64,108

2004 Green Trust Program – Elmora Raquet Club

Interest is 2% with payments through May 7, 2028.

Future minimum loan payments under the lease program as of June 30, 2012 are:

Fiscal Year Ending June 30	**Amount**
2013	$24,873
2014	24,873
2015	24,874
2016	24,873
2017	24,873
2018-2022	124,366
2023-2027	124,367
2028	24,873
Total	397,972
Less interest	58,830
Principal Balance	$ 339,142

1992 Green Trust Program – Kenah Center Acquisition

Interest is 2% with payments through Sep. 2, 2018.

Future minimum loan payments under the lease program as of June 30, 2012 are:

Fiscal Year Ending June 30	**Amount**
2013	$4,353
2014	4,352
2015	4,353
2016	4,353
2017	4,353
2018-2019	6,529
Total	28,293
Less interest	3,797
Principal Balance	$24,496

2004 Green Trust Program – Kenah Center Field

Interest is 2% with payments through September 24, 2028.

Future minimum loan payments under the lease program as of June 30, 2012 are:

Fiscal Year Ending June 30	**Amount**
2013	$17,470
2014	17,470
2015	17,470
2016	17,470
2017	17,470
2018-2022	87,347
2023-2027	87,347
2028-2029	26,204
Total	388,249
Less interest	43,764
Principal Balance	**$** 244,485

2012 DEP Elizabeth Riverwalk

Interest is 0% with semi-annual payments through April 27, 2032.

Future minimum loan payments under the lease program as of June 30, 2012 are:

Fiscal Year Ending June 30	**Amount**
2013	$6,851
2014	13,702
2015	13,703
2016	13,702
2017	13,703
2018-2022	68,512
2023-2027	68,512
2028-2029	68,512
Total	267,196

(16) Sewer Utility

The City owns a city wide sewer collection system which is managed under a March 3, 2001 Wastewater Service Agreement by E'Town Corporation, a wholly owned subsidiary of New Jersey American Water, a wholly owned subsidiary of American Water, the largest investor-owned water and wastewater utility company in the United States. Sewage treatment is provided under a contractual agreement with the Joint Meeting of Essex and Union Counties (JMEUC) which is owned and operated by eleven other municipalities. The City pays fees for treatment based upon the usage of the system. The City finances its collection system capital requirements as well as its JMEUC capital contributions through a combination of utility bond issues, state grants and State low interest loans.

The Sewer Utility franchised the sewer system to the Union County Improvement Authority and has a $35,716,736 lease agreement dated March 1, 2002 with the Union County Improvement Authority to lease its franchise of the wastewater system. The City is required to pay rent due on each September 1 and March 1, commencing September 1, 2002 through April 1, 2022. Future minimum lease payments under the lease program as of June 30, 2012 are:

Year	Amount
2013	$ 1,928,125
2014	1,924,318
2015	1,923,892
2016	1,922,532
2017	1,926,192
2018-2022	9,625,684

17) Interfund Balances

The City has interfund balances at June 30, 2011 and 2012 as follows:

	2011		2012	
	FROM	TO	FROM	TO
Current Fund:				
CDBG	$ —	25,347	—	25,347
Federal and State Grant	2,110,642	—	953,724	—
General Capital	204,514	—	—	—
Dog License Trust	—	—	6,219	—
UEZ Trust	—	—	—	9,654,940
General Trust	—	—	7,523	—
Federal and State Grant:				
Current	—	2,110,642	—	953,724
UEZ Trust	—	—	—	293,027
Dog License Trust:				
Current Fund	—	—	—	6,219
Other Federal Grant:				
UDAG	225,519	—	225,519	—
UDAG:				
Other Federal Grant	—	225,519	—	225,519
CDBG:				
Current	25,347	—	25,347	—
UEZ Trust:				
Current	—	—	9,654,940	—
Federal and State Grant	—	—	293,027	—
General Trust	—	—	4,433,111	—

Interfund Balances(continued)	2011		2012	
	FROM	TO	FROM	TO
General Trust:				
Current	—	—	—	7523
UEZ Trust	—	—	—	4,433,111
General Capital:				
Current Fund	—	204,514	—	—
Water Operating:				
Water Capital	407	—	—	—
Water Capital:				
Water Operating	—	407	—	—
Sewer Operating:				
Sewer Capital	—	—	—	300,258
Sewer Capital:				
Sewer Operating	—	—	300,258	—

The Interfunds with the grant fund result from expenditures made prior to reimbursement from the granting agency. The remaining Interfunds are to record the transfer of interest to the operating funds and to record expenditures paid from other funds.

(18) Post Retirement Medical Benefits

PERS, PFRS and CPFP require post retirement medical benefits to be funded on a pay-as-you-go basis for employees that have 25 years of accumulated service. Benefits include medical and prescription coverage for the participant and family.

Plan Description: The City contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. On September 14th, 1976, the City authorized participation in the SHBP's post-retirement benefit program by resolution. Premiums or periodic charges for the benefits provided to all eligible retired employees and their dependents covered under the program, but not including survivors, if such employees retired from a State or locally – administered retirement system effective

after the date the employer adopted the State Health Benefits Program on a benefit based on 25 years or more of service credited in such retirement system, excepting the employees who elected deferred retirement, but including the employees who retired on disability pensions based on fewer years of service credited in such retirement system and also to reimburse such retired employees for their premium charges under Part B of the Federal Medicare Program covering the retired employees and their spouses in accordance to the regulations of the State Health Benefits Commission.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions.gasb-43-sept2088.pdf.

Funding Policy: Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the City on a monthly basis.

The City contributions to the SHBP for the years ended June 30, 2012, 2011, 2010, 2009 and 2008 were $9,346,304, $7,205,133, $7,289,143.93, $6,838,829, and $7,172,358 respectively, which equaled the required contributions for each year. There were approximately 764, 727, 712, 702 and 703 retired participants eligible at June 30, 2012, 2011, 2010, 2009, and 2008 respectively.

(19) City Bond Guaranty

The City on December 21, 2006 entered into an deficiency agreement with the Parking Authority of the City of Elizabeth on behalf of the $7,500,000 City Guaranteed Parking Revenue Bonds, Series 2006.

The Authority and the City have entered into the Guaranty Agreement in order to, among other things, provide security to the holders of obligations of the Authority. The Series 2006 Bonds, while outstanding, are entitled to the benefits of the Guaranty Agreement. Pursuant to its terms, the Guaranty Agreement will remain in full force and effect as long as any obligations of the Authority which are entitled to benefits thereof remain outstanding.

Pursuant to the terms of the Guaranty Agreement, if, sixty (60) days prior to any date established for the payment of the principal of and interest on the Series 2006 Bonds, the amount which is on deposit in the applicable account in the Bond Service Fund established under the Resolution (the "Applicable Debt Service Account(s)"), after giving effect to any required transfers from the applicable account (if any) within the Bond Reserve Fund, is insufficient to provide for the payment of the interest and/or principal due and payable on such payment date, the Trustee shall notify the Authority, the Mayor and the City Clerk in writing by certified mail (return receipt request) of the amounts which are necessary

to provide for the payment of the principal of and interest on the Series 2006 Bonds. The City shall be obligated to make payment to the Trustee of the amount referred to above no later than said payment date except to the extent the Applicable Debt Service Account(s) otherwise has sufficient funds on hand on the date or dates required for the payment of such principal and/or interest. In such event, such sum shall be applied by the Trustee for deposit into the Applicable Debt Service Account(s). Forty-five (45) days prior to said payment date the City must notify the Trustee in writing as to the source of funds to provide for such payment. Notwithstanding any other provision in the Guaranty Agreement, failure by the Trustee to give the City notice as provided therein shall not relieve the City of its obligation to make payment under the terms of the City Guaranty. There are bonds outstanding at June 30, 2012 of $2,850,000.

Deficiency Agreement

On February 1, 2007 the City entered into a deficiency agreement with the Elizabeth Development Company whereby the City will provide funding for payment of $7,195,000 for the Parking Revenue Refunding Bonds Series 2007A and B in the event there is not sufficient funds to pay the debt service on these bonds. The City has authorized bonding in an amount equal to the refunding bonds to fund such payments if necessary. The agreement will terminate upon mutual consent of the parties thereto; or upon final payment of the bonds. There are bonds outstanding at June 30, 2012 of $6,185,000.

In connection with the construction and operation of a parking facility within the Midtown Elizabeth Redevelopment Area the City has entered into a Subsidy Agreement with PACE QALICB, Inc., a nonprofit corporation organized and existing under the laws of the State of New Jersey providing for payment by the City to or on behalf of the Corporation, if necessary, to assume the timely payment of principal and interest on the $16,520,000 Series 2010 Bonds.

In connection with the acquisition and renovation by CIS Oakwood, LLC of an affordable residential development in the City of Elizabeth, including the demolition of existing facilities and their replacement with new, affordable housing for seniors and families, the City has entered into a Deficiency Agreement with the County of Union and the UCIA. The UCIA issued not to exceed $20,000,000 Guaranteed Mortgage Revenue Notes, Series 2010 in order to restructure the debt service under the $16,870,000 Union County Guaranteed Revenue Bonds, Series 2009. The Series 2010 refunding was necessary to allow the project a longer term to be self-supporting and to allow for the receipt of New Jersey Department of Community Affairs funds and other grants over a longer period of time. Pursuant to the Deficiency Agreement, the City will make payment to the County for one-half, not to exceed $10,000,000 of the principal and interest on the Series 2010 Bonds that may be paid by the County of Union under their Guaranty with UCIA.

(20) Other Loans

1998 New Jersey Department of Transportation Loan
Future payments for this $5,000,000 loan as of June 30, 2012 are estimated to be $500,000 per year after the initial payment date is established.

ADDITIONAL FINANCIAL INFORMATION

Exhibit A-4

CITY OF ELIZABETH

Schedule of Current Cash - Treasurer

Current Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	43,505,303
Increased by receipts:		
Due from State of New Jersey		338,171
Federal and State grants receivable		11,269,999
Taxes receivable		205,113,919
Tax title liens		96,476
Revenue accounts receivable		60,741,702
Interfunds		4,019,915
Reserve for special purposes		5,370,183
Miscellaneous payables and deposits		525,127
Emergency Notes		2,400,000
Miscellaneous		49,257
UEZ receipts		9,890,101
Other		10,496
Nonbudget revenue		5,152,388
		304,977,734
		348,483,037
Decreased by disbursements:		
Budget appropriations		175,381,012
Appropriation reserves		3,772,284
Accounts payable		51,235
County taxes payable		32,998,589
Special district taxes payable		420,000
School taxes		48,673,323
Miscellaneous payables and deposits		555,261
Payment of emergency note		3,000,000
Interfunds		4,050,563
Federal and State grants advance - net		10,668,389
Reserve for special purposes		10,376,334
		289,946,990
Balance, June 30, 2012	$	58,536,046

Exhibit A-5

CITY OF ELIZABETH

Schedule of Due from State of New Jersey -
Senior Citizens' and Veterans' Deductions

Current Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	309,897
Increased by:		
Senior Citizens' deductions per tax billings		162,750
Veterans' deductions per tax billings		194,000
Senior Citizens' deductions allowed by Tax Collector		22,500
Veterans' deductions allowed by Tax Collector		3,000
		382,250
		692,147
Decreased by:		
Cash received		338,171
Senior Citizens' deductions disallowed by Tax Collector		57,229
		395,400
Balance, June 30, 2012	$	296,747

Exhibit A-6

CITY OF ELIZABETH

Schedule of Taxes Receivable and Analysis of
Property Tax Levy

Current Fund

Year ended June 30, 2012

Year	Balance, June 30, 2011	2012 tax levy	Additional charges	Collections 2012	Veterans and Senior Citizens	Transferred to tax title liens	Remitted, abated or canceled	Balance, June 30, 2012
2004	$ 457	—	—	—	—	—	—	457
2006	2,829	—	—	—	—	—	—	2,829
2007	10,307	—	—	—	—	—	—	10,307
2008	81,599	—	—	—	—	—	—	81,599
2009	125,781	—	—	—	—	—	—	125,781
2010	21,770	—	—	—	—	—	—	21,770
2011	7,033,468	—	270	6,710,096	—	104,716	193,570	25,356
	7,276,211	—	270	6,710,096	—	104,716	193,570	268,099
2012	—	207,091,742	—	198,403,823	325,021	502,848	447,256	7,412,794
	$ 7,276,211	207,091,742	270	205,113,919	325,021	607,564	640,826	7,680,893

Analysis of Property Tax Levy

Tax levy:		
Local school district tax	$	48,673,323
County taxes		31,697,817
County tax - added and omitted		1,101,823
County Open Space Tax		198,949
Special Improvement district		420,000
Local tax for municipal purposes		123,780,134
Additional taxes levied (adjustment)		1,219,696
Actual taxes levied	$	207,091,742

Exhibit A-7

CITY OF ELIZABETH

Schedule of Tax Title Liens Receivable

Current Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	1,661,478
Increased by:		
Transfers from property taxes receivable		607,564
Interest and costs		26,107
		633,671
		2,295,149
Decreased by:		
Cancellations		3,663
Collections		96,476
		100,139
Balance, June 30, 2012	$	2,195,010

Exhibit A-8

CITY OF ELIZABETH

Schedule of Property Acquired for Taxes

Current Fund

Year ended June 30, 2012

Balance, June 30, 2011	$ 2,504,200
Balance, June 30, 2012	$ 2,504,200

Exhibit A-9

CITY OF ELIZABETH

Schedule of Revenue Accounts Receivable

Current Fund

Year ended June 30, 2012

	Balance, June 30, 2011	Accrued in 2012	Collected	Balance, June 30, 2012
Licenses:				
Alcoholic beverages	$ —	195,848	195,848	—
Other	—	573,386	573,386	—
Fees and permits	—	682,280	682,280	—
Municipal Court - fines and costs	73,823	4,365,885	4,439,708	—
Interest and costs on taxes	—	1,791,283	1,791,283	—
Interest on investments and deposits	—	394,664	394,664	—
Franchise assessments - Jersey Garden Mall	—	4,531,612	4,531,612	—
Airport parking tax	—	1,547,420	1,547,420	—
Port Authority capital projects aid	—	3,000,000	3,000,000	—
Receipts from Port Authority - Leased Property 13A	—	480,000	480,000	—
Rental of City property	—	600	600	—
Dock rental fees	—	92,807	92,807	—
Sale of junk vehicles and other property	—	64,147	64,147	—
CATV fees	—	286,681	286,681	—
Solid waste disposal - host community	—	340,927	340,927	—
Emergency medical services - ambulance charges	10,025,912	4,023,199	2,266,270	11,782,841
Miscellaneous gasoline sales	—	202,316	202,316	—
P.I.L.O.T. - Pierce Manor Corp.	—	131,043	131,043	—
P.I.L.O.T. - Port Authority NY/ NJ	—	63,242	63,242	—
P.I.L.O.T. - IKEA		892,374	892,374	
P.I.L.O.T. - Residential	—	683,041	683,041	—
P.I.L.O.T. - R.W.B. Associates	—	182,177	182,177	—
P.I.L.O.T. - Newark/North Avenue	—	85,874	85,874	—
P.I.L.O.T. - IKEA - Toys R Us	—	137,915	137,915	—
P.I.L.O.T. - IKEA Expansion	—	289,488	289,488	—
P.I.L.O.T. - Elizabeth Senior Citizens, National Church Residenc	—	16,005	16,005	—
P.I.L.O.T Immaculate Conception Residence	—	45,917	45,917	—
P.I.L.O.T Marina Village Residence	—	22,199	22,199	—
P.I.L.O.T 349 First street	—	12,647	12,647	—
P.I.L.O.T Winfield Scott Residence	—	27,002	27,002	—
P.I.L.O.T. - Atalanta (Danic)	—	303,450	303,450	—
P.I.L.O.T. - West Port Homes	—	50,888	50,888	—
State aid without offsetting appropriations:				
Consolidated municipal property relief act	—	7,712,561	7,712,561	—
Energy Receipts Tax	—	21,478,126	21,478,126	—
Dedicated uniform construction code fees offset with appropriations:				
Uniform construction code fees	—	888,632	888,632	—
Motor Vehicle Tax	—	833,799	833,799	—
Parking Tax	—	1,156,071	1,156,071	—
Hotel and Motel Occupancy Tax	—	3,341,465	3,341,465	—
Hotel Occupancy Tax	—	1,637,735	1,637,735	—
	$ 10,099,735	60,926,971	60,881,600	11,782,841

Exhibit A-10

CITY OF ELIZABETH

Schedule of Interfund Accounts Receivable (Payable)

Current Fund

Year ended June 30, 2012

	General Capital Fund	Community Develop-ment Block Grant	UEZ Trust Fund	Dog Trust Fund	Police Outside Duty	Total
Balance, June 30, 2011, Due from (to)	$ 204,513	(25,347)	—	—	—	179,166
Increased by:						
Transfer from budget	—	—	—	—	7,523	7,523
Excess in Dog Fund	—	—	—	6,219	—	6,219
Transfer from reserves	—	—	—	—	—	—
Cash disbursed	—	—	235,161	—	3,815,402	4,050,563
	—	—	235,161	6,219	3,822,925	4,064,305
	204,513	(25,347)	235,161	6,219	3,822,925	4,243,471
Decreased by:						
Uez receipts	—	—	9,890,101			
Interfunds returned	204,513	—	—	—	3,815,402	4,019,915
	204,513	—	9,890,101	—	3,815,402	4,019,915
Balance, June 30, 2012, Due from (to)	$ —	(25,347)	(9,654,940)	6,219	7,523	223,556

Exhibit A-11

CITY OF ELIZABETH

Schedule of Appropriation Reserves

Current Fund

Year ended June 30, 2012

Appropriations	Balance	Budget after modification	Paid or charged	Lapsed
Operations within "CAPS":				
General Government:				
Administrative and Executive:				
City Council:				
Salaries and wages	$ 20	20	—	20
Other expenses	9,801	9,801	1,096	8,705
Alcoholic Beverage Control:				
Salaries and wages	8	8	—	8
Other expenses	6,081	6,081	297	5,784
City Clerk:				
Salaries and wages	106	106	—	106
Other expenses	4,492	4,492	—	4,492
Elections:				
Salaries and wages	7,344	7,344	625	6,719
Other expenses	42,000	42,000	7,000	35,000
Printing and Publications:				
Other expenses	93,101	93,101	17,218	75,883
Mayor's Office:				
Salaries and wages	5,858	5,858	—	5,858
Other expenses	1,818	1,818	486	1,332
Department of Law:				
Salaries and wages	3,699	3,699	—	3,699
Other expenses	190,158	190,158	70,285	119,873
Administration:				
Business Administrator's Office:				
Salaries and wages	4,088	4,088	—	4,088
Other expenses	240,248	240,248	70,833	169,415

(Continued)

Exhibit A-11

CITY OF ELIZABETH

Schedule of Appropriation Reserves

Current Fund

Year ended June 30, 2012

Appropriations	Balance	Budget after modification	Paid or charged	Lapsed
Division of Budget and Personnel:				
Salaries and wages	$ 37	37	—	37
Other expenses	241	241	—	241
Division of Purchasing:				
Salaries and wages	95	95	—	95
Other expenses	81,442	81,442	33,215	48,227
Division of Data Processing:				
Salaries and wages	4,698	4,698	—	4,698
Other expenses	249,860	249,860	35,314	214,546
Division of Employee Benefits:				
Salaries and wages	44	44	—	44
Other expenses	1,045	1,045	—	1,045
Division of EMS Billing and Collection:				
Salaries and wages	145	145	—	145
Department of Finance:				
Division of Accounts and Controls:				
Salaries and wages	5,948	5,948	—	5,948
Other expenses	2,715	2,715	1,993	722
Division of Assessments:				
Salaries and wages	15,971	15,971	—	15,971
Other expenses	44,272	44,272	17,165	27,107
Annual City Audit:				
Division of Revenue:				
Salaries and wages	14,197	14,197	—	14,197
Other expenses	24,293	24,293	21,927	2,366
Department of Neighborhood Services:				
Director's Office:				
Other expenses	2,940	2,940	—	2,940

(Continued)

Exhibit A-11

CITY OF ELIZABETH

Schedule of Appropriation Reserves

Current Fund

Year ended June 30, 2012

Appropriations	Balance	Budget after modification	Paid or charged	Lapsed
Bureau of Construction and Zoning:				
Salaries and wages	$ 12,589	12,589	—	12,589
Other expenses	107,365	107,365	24,248	83,117
Division of Housing:				
Salaries and wages	4,509	4,509	—	4,509
Other expenses	1,841	1,841	242	1,599
Bureau of Rent Control				
Salaries and wages	41	41	—	41
Other expenses	6,839	6,839	—	6,839
Central License Bureau:				
Salaries and wages	27,710	27,710	—	27,710
Other expenses	18,110	18,110	511	17,599
Division of Weights and Measures:				
Salaries and wages	71	71	—	71
Other expenses	742	742	—	742
Department of Planning and Community Development:				
Director's Office:				
Salaries and wages	1,512	1,512	—	1,512
Other expenses	2,376	2,376	—	2,376
Bureau of Community Development:				
Other expenses	200	200	72	128
Bureau of Elizabeth Home Improvement				
Other expenses	600	600	—	600
Bureau of Cultural and Heritage Affairs				
Salaries and wages	5,718	5,718	—	5,718
Other expenses	46,015	46,015	20,520	25,495
Bureau of Planning and Zoning				
Salaries and wages	941	941	—	941
Other expenses	106,847	106,847	46,755	60,092

(Continued)

Exhibit A-11

CITY OF ELIZABETH

Schedule of Appropriation Reserves

Current Fund

Year ended June 30, 2012

Appropriations	Balance	Budget after modification	Paid or charged	Lapsed
Bureau of Economic Development				
Salaries and wages	$ 805	805	—	805
Other expenses	1,656	1,656	—	1,656
Bureau of Public Information and Citizens Participation Services:				
Salaries and wages	2,143	2,143	—	2,143
Other expenses	19,390	19,390	16,339	3,051
Human Rights Commission:				
Salaries and wages	40	40	—	40
Other expenses	2,398	2,398	17	2,381
Department of Public Works:				
Director's Office:				
Salaries and wages	3,036	3,036	—	3,036
Other expenses	3,548	3,548	701	2,847
Bureau of Public Buildings:				
Salaries and wages	133,258	133,258	—	133,258
Other expenses	104,064	104,064	73,787	30,277
Bureau of Streets, Parks and Trees:				
Salaries and wages	290,568	290,568	—	290,568
Other expenses	83,113	83,113	(2,035)	85,148
Bureau of Equipment and Yard Maintenance:				
Salaries and wages	37,494	37,494	—	37,494
Other expenses	48,136	48,136	42,295	5,841
Marina:				
Salaries and wages	11,221	11,221	—	11,221
Other expenses	124,646	124,646	32,350	92,296
Recycling Program:				
Salaries and wages	1,037	1,037	—	1,037
Other expenses	29,840	29,840	20,106	9,734

(Continued)

Exhibit A-11

CITY OF ELIZABETH

Schedule of Appropriation Reserves

Current Fund

Year ended June 30, 2012

Appropriations	Balance	Budget after modification	Paid or charged	Lapsed
Garbage and Trash Removal:				
Other expenses	$ 630,803	630,803	209,995	420,808
Street Lighting:				
Other expenses	696,044	696,044	686,835	9,209
Department of Health and Human Services:				
Director's Office:				
Salaries and wages	3,617	3,617	—	3,617
Other expenses	118,323	118,323	8,435	109,888
Division of Health:				
Salaries and wages	5,968	5,968	—	5,968
Other expenses	514,047	514,047	101,347	412,700
Division of Human Services				
Salaries and wages	733	733	—	733
Other expenses	9,393	9,393	210	9,183
Office of Social Services				
Salaries and wages	162,546	162,546	—	162,546
Other expenses	12,105	12,105	150	11,955
Office on Aging:				
Salaries and wages	58,759	58,759	—	58,759
Other expenses	33,913	33,913	9,406	24,507
Office of Vital Statistics				
Salaries and wages	7,490	7,490	—	7,490
Other expenses	3,613	3,613	405	3,208
Office of Relocation				
Salaries and wages	4,190	4,190	—	4,190
Other expenses	49,276	49,276	8,569	40,707
Office of Youth Services				
Salaries and wages	167,970	167,970	—	167,970
Other expenses	323,242	323,242	79,467	243,775

(Continued)

Exhibit A-11

CITY OF ELIZABETH

Schedule of Appropriation Reserves

Current Fund

Year ended June 30, 2012

Appropriations	Balance	Budget after modification	Paid or charged	Lapsed
Division of Air Pollution:				
Salaries and wages	$ 550	550	—	550
Public Health Nurses Division:				
Salaries and wages	739	739	—	739
Public Safety:				
Fire Department:				
Salaries and wages	388,527	386,557	—	386,557
Other expenses	408,784	408,784	274,047	134,737
Uniform Fire Safety Act:				
Salaries and wages	40,510	40,510	—	40,510
Other expenses	51,694	51,694	32,938	18,756
Police Department:				
Salaries and wages	430,070	430,040	(532,705)	962,745
Other expenses	931,856	931,856	441,804	490,052
Emergency Medical Services:				
Salaries and wages	10,401	10,401	—	10,401
Other expenses	37,022	37,022	17,244	19,778
Recreation Department:				
Salaries and wages	203,397	203,397	—	203,397
Other expenses	199,662	199,662	114,065	85,597
Municipal Court:				
Salaries and wages	63,432	63,432	—	63,432
Other expenses	41,295	43,295	43,099	196
Public Defender:				
Other expenses	131,200	131,200	8,700	122,500
Unclassified Purposes:				
Insurance:				
Other expenses	33,004	33,004	12,019	20,985

(Continued)

Exhibit A-11

CITY OF ELIZABETH

Schedule of Appropriation Reserves

Current Fund

Year ended June 30, 2012

Appropriations	Balance	Budget after modification	Paid or charged	Lapsed
Group Insurance:				
Other expenses	$ 22,573	22,573	—	22,573
Cobra Administration:				
Other expenses	4,526	4,526	44	4,482
Hospital, Medical, Dental, etc. Insurance - Other expenses	2,160,394	2,160,394	1,353,668	806,726
Insurance reserve - Other expenses	—	—	—	—
Right to Know Law:				
Other expenses	15,000	15,000	—	15,000
Annual Dues:				
N.J. State League of Municipalities:				
Other expenses	10,000	10,000	—	10,000
U.S. Conference of Mayors:				
Other expenses	2,758	2,758	—	2,758
Utilities:				
Electricity	1,578	1,578	292	1,286
Natural Gas	144,590	144,590	62,066	82,524
Gasoline	205,793	205,793	139,615	66,178
Fuel Oil	5,132	5,132	—	5,132
Telephone	200,408	200,408	125,327	75,081
Postage	57,309	57,309	50,000	7,309
Parking Lot Agreement	2,280	2,280	—	2,280
Total operations within "CAPS"	10,903,700	10,903,700	3,800,404	7,103,296
Contingent	120,893	120,893	—	120,893
Total operations including contingent, within "CAPS"	11,024,593	11,024,593	3,800,404	7,224,189

(Continued)

Exhibit A-11

CITY OF ELIZABETH

Schedule of Appropriation Reserves

Current Fund

Year ended June 30, 2012

Appropriations	Balance	Budget after modification	Paid or charged	Lapsed
Detail:				
Salaries and wages	$ 2,143,850	2,141,850	(532,080)	2,673,930
Other expenses including contingent	8,880,743	8,882,743	4,332,484	4,550,259
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contributions to:				
Social Security System	492,311	492,311	—	492,311
Consolidated Police and Fire Retirement Fund	125,148	125,148	—	125,148
Police and Firemen's Retirement System of N. J.	262,894	262,894	—	262,894
Public Employees Retirement System - Other expenses	62,799	62,799	—	62,799
Assessment for CIF/RTK	8,000	8,000	2,622	5,378
N.J. Unemployment Fund	83,603	83,603	23,337	60,266
Total deferred charges and statutory expenditures - Municipal within "CAPS"	1,034,755	1,034,755	25,959	1,008,796
Total general appropriations for Municipal purpose within "CAPS"	12,059,348	12,059,348	3,826,363	8,232,985
Operations excluded from "CAPS":				
Other operations excluded from "CAPS":				
Matching Fund - City share	241,468	241,468	—	241,468
Total other operations excluded from "CAPS"	241,468	241,468	—	241,468
Total operations - excluded from "CAPS"	241,468	241,468	—	241,468
Detail (total operations - excluded from "CAPS"):				
Other expenses	241,468	241,468	—	241,468

(Continued)

Exhibit A-11

CITY OF ELIZABETH

Schedule of Appropriation Reserves

Current Fund

Year ended June 30, 2012

Appropriations	Balance	Budget after modification	Paid or charged	Lapsed
Total General Appropriation For Municipal Purposes Excluded from "CAPS"	$ 241,468	241,468	—	241,468
Subtotal general appropriations	12,300,816	12,300,816	3,826,363	8,474,453
Total general appropriations	$ 12,300,816	12,300,816	3,826,363	8,474,453
Encumbrances		2,058,018		
Cash		5,573		
Appropriation Reserves		10,237,225		
		$ 12,300,816		
Encumbered			$ 54,079	
Cash disbursed			3,772,284	
			$ 3,826,363	

Exhibit A-12

CITY OF ELIZABETH

Schedule of Accounts Payable

Current Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	623,366
Increased by transfers from 2011 appropriations		54,079
		677,445
Decreased by:		
Disbursed		51,235
Balance, June 30, 2012	$	626,210

Exhibit A-13

CITY OF ELIZABETH

Schedule of Reserve for Special Purposes

Current Fund

Year ended June 30, 2012

	Balance, June 30, 2011	Receipts	Decreased	Balance, June 30, 2012
Purchases of ABC licenses	$ 540,654	32,400	—	573,054
Tax overpayments	815,667	4,822,326	4,681,304	956,689
Metromall loan	800,000	—	—	800,000
Unallocated reserve	631,008	—	631,008	—
Reserve for Admin Fee off duty police	—	504,027	504,027	—
Sales tax	1	10	7	4
Overpaid court fines	—	11,420	—	11,420
Accumulated absences	1,422,912	—	1,223,430	199,482
Reserve for arbitrage	31,305	—	—	31,305
Reserve for tax appeals	1,030,346	4,800,000	3,967,566	1,862,780
	$ 5,271,893	10,170,183	11,007,342	4,434,734

Cash received	$ 5,370,183	—
Cash disbursed	—	10,376,334
Transferred	4,800,000	—
Cancelled	—	631,008
	$ 10,170,183	11,007,342

Exhibit A-14

CITY OF ELIZABETH

Schedule of County Taxes Payable

Current Fund

Year ended June 30, 2012

Balance, June 30, 2011	$ —
Increased by levy:	
General County	31,697,817
Open Space Preservation	1,101,823
Added and omitted taxes	198,949
	32,998,589
	32,998,589
Decreased by payments	32,998,589
Balance, June 30, 2012	$ —

Exhibit A-15

CITY OF ELIZABETH

Schedule of Special District Taxes Payable

Current Fund

Year ended June 30, 2012

Balance, June 30, 20113	$ —
Increased by tax levy	420,000
	420,000
Decreased by payments	420,000
Balance, June 30, 2012	$ —

Exhibit A-16

CITY OF ELIZABETH

Schedule of Local District School Taxes

Current Fund

Year ended June 30, 2012

Balance, June 30, 2011	$ —
Increased by school tax levy	48,673,323
	48,673,323
Decreased by payments	48,673,323
Balance, June 30, 2012	$ —

Exhibit A-17

CITY OF ELIZABETH

Schedule of Encumbrances Payable

Current Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	2,058,018
Increased by:		
Transfer from appropriations		3,296,573
		5,354,591
Decreased by:		
Transfer to appropriation reserves		2,058,018
Balance, June 30, 2012	$	3,296,573

Exhibit A-18

CITY OF ELIZABETH

Schedule of Miscellaneous Payables and Deposits

Current Fund

Year ended June 30, 2012

		Balance, June 30, 2011	Increases	Decreases	Balance, June 30, 2012
Deposits:					
Foreclosed property	$	74,910	—	—	74,910
Franchise assessments due to county		405,000	503,901	486,588	422,313
Special sales		21,600	15,000	20,000	16,600
Unreconciled property taxes		52,180	6,226	48,673	9,733
	$	553,690	525,127	555,261	523,556

Exhibit A-19

CITY OF ELIZABETH

Schedule of Emergency Notes

Current Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	3,000,000
Increased by:		
Notes issued		2,400,000
		5,400,000
Decreased by:		
Emergency notes matured		3,000,000
Balance, June 30, 2012	$	2,400,000

Exhibit A-20

CITY OF ELIZABETH

Schedule of Due to Current Fund

Federal and State Grant Fund

Year ended June 30, 2012

Balance, (Due to) June 30, 2011	$ (2,110,642)
Increased by:	
Budget appropriations for grants	10,714,317
Federal and State grants received	11,261,157
Receivables canceled	1,642,543
Unappropriated grants received	8,842
Net UEZ canceled	124,238
Adjustment to prior year appropriations	(80,783)
	23,670,314
	21,559,672
Decreased by:	
Realized grant revenue	10,202,463
Reserves canceled	1,642,543
Net UEZ canceled	
Federal and State grants expended	10,668,389
	22,513,396
Balance, (Due to) June 30, 2012	$ (953,724)

Exhibit A-21

CITY OF ELIZABETH

Schedule of Appropriated Grant Reserves

Federal and State Grant Fund

Year ended June 30, 2012

	Grant	Balance, June 30, 2011	Transfers from Budget Appropriations	40A:4-87	Expended	Adjustments	Cancelled	Balance, June 30, 2012
s	Recycling Tonnage Grant 2006	$ 5,107	—	—	5,107	—	—	—
	Kids Recreation Fund Local	39,880	—	—	—	—	—	39,880
	Uez 09-46 Marketing Plan 2009	257,226	—	—	—	—	257,226	—
	Uez Marketing Plan	—	—	204,880	34,998	(169,882)	—	—
	Uez Program Intiatives Edc	—	—	52,346	—	(52,346)	—	—
	Kids Recreation Trust Fund	81	—	—	—	—	—	81
	Kids Recreation Trust Fund Local	70,000	—	—	—	—	—	70,000
	Uez 2Nd Generation Fund - Broad Street & Morris Avenue	3,543	—	—	—	(3,543)	—	—
	Uez 2Nd Generation Funds - Ymca	5,000	—	—	—	(5,000)	—	—
	Uez 2Nd Generation Funds - Upstairs/Downstairs	153,655	—	—	118,655	(35,000)	—	—
	Cops Othertech-2008	5,266	—	—	5,266	—	—	—
	Cy 2009 Municipal Alliance Grant	10,943	—	—	10,943	—	—	—
	Uez 09-101 Way-Finding Program	28,171	—	—	—	(28,171)	—	—
	Clean Communities Fy-2009	41,171	—	—	31,320	—	—	9,851
	Lead-Base Paint Abatement	46,039	—	—	7,737	—	38,302	—
	Uez 09-129 Way-Finding Signage Program	499,801	—	—	15,302	(484,499)	—	—
	Alcohol Education Rehab	2,181	—	—	—	—	—	2,181
	Uez 09-127 Police Security 12 Officers	1,188,397	—	—	591,390	(597,007)	—	—
	Uez 09-149 Invest Elizabeth Economy Stimulus	196,000	—	—	—	(196,000)	—	—
	Uez 09-150 Westfield Ave Median Planting	533,849	—	—	166,663	(367,186)	—	—
	Uez 09-151 Midtown Area Sewer Rehab	40,144	—	—	28,224	(11,920)	—	—
	Statewide Livable Communities	3,050	—	—	—	—	—	3,050
	Future City/Keighry Head Fl.	60,709	—	—	—	—	—	60,709
	Uez 09-28Sgf Acq 1084-1086 Elizabeth Ave	432,492	—	—	—	(432,492)	—	—
	Future City Local Share	7,923	—	—	—	—	—	7,923
	Uez 09-168 Liberty Int Convention & Visi	357,018	—	—	118,512	(238,506)	—	—
	Uez 09-169 Facade Improvement Program	70,920	—	—	27,041	(43,878)	—	—
	Lead Identifcation & Field Testing Grant	—	—	—	1,920	1,920	—	—
	Elizabeth Ave Streetscape Njdot	500,000	—	—	—	—	—	500,000
	Elizabeth Ave Streetscape Njdot - Increase	—	—	37,814	—	—	—	37,814
	Acq 1 West End Place Green Acres	74,500	—	—	—	—	—	74,500
	Uez Historic Midtown Sid 2012	—	—	114,188	57,094	(57,094)	—	—

(Continued)

Exhibit A-21

CITY OF ELIZABETH

Schedule of Appropriated Grant Reserves

Federal and State Grant Fund

Year ended June 30, 2012

Grant	Balance, June 30, 2011	Transfers from Budget Appropriations	40A:4-87	Expended	Adjustments	Cancelled	Balance, June 30, 2012
Assistance To Firefighters	$ —	—	64,000	—	—	—	64,000
Assistance To Firefighters Local	—	—	16,000	—	—	—	16,000
2010 State Health Service 10-960-Bt-L-1	178,764	—	—	—	—	—	178,764
Buffer Zone Protection Program	—	—	200,000	16,368	—	—	183,632
Port Security Grant Program Arra	113,385	—	—	77,695	—	—	35,690
Highway Safety Grant 2012	—	—	5,000	5,000	—	—	—
Cops Hiring Recovery Program 17 Police Officers	3,214,443	—	—	1,554,665	—	—	1,659,779
Highway Safety Grant 2012	—	—	20,000	6,435	—	—	13,565
B.H. Associates Sixty Four	21,500	—	—	—	—	—	21,500
Uez 0112 Renewable Energy Stimulus Grant	682,757	—	—	100,000	(582,757)	—	—
Brownfields Community Wide Petroleum Assessment	—	—	200,000	—	—	—	200,000
Uez 0184 Feasibility Study Morris Ave	35,525	—	—	—	(35,525)	—	—
Brownfields Community Wide Hazardous Substance Assessment	—	—	200,000	—	—	—	200,000
Std Program Epid12Std010	—	—	45,337	22,668	—	—	22,669
Municipal Alliance Grant	—	—	82,881	12,229	—	—	70,652
Municipal Alliance Grant - Local Share	—	—	20,720	—	—	—	20,720
2007 Recycling Tonnage Grant	79,468	—	—	30,021	—	—	49,447
Clean Communities Grant - 2012	—	—	132,690	63,882	—	—	68,808
Uez 0308 Buss District Holiday Lighting	—	—	—	—	—	—	—
Uez 0307 Trinitas Hospital Education Facility	500,000	—	—	500,000	—	—	—
Hopwa Cy-2010	—	—	—	382	382	—	—
Hopwa Cy 2010 - Increased	26,851	—	—	—	—	26,851	—
Uez Second Generation East Jersey Street	246,387	—	—	—	(246,387)	—	—
Uez 07-151 Elizabeth Ave Streetscape Increase	46,940	—	—	—	(46,940)	—	—
Uez 07-151 Elizabeth Ave Streetscape Increase Local Share	2,860	—	—	—	(2,860)	—	—
82 Livingston St Epa	4,423	—	—	4,423	—	—	—
Safety Enh Along North Ave Broad St Dot	300,000	—	—	—	—	300,000	—
Energy Efficiency & Conservation B/G	1,175,957	—	—	—	—	—	1,175,957
Uez 09-167 Financial Lending Increase	30,692	—	—	—	(30,692)	—	—
Edward Byrne ARRA Additional Grant	519,164	—	—	356,056	—	—	163,108
Uez Wayfinding Study Increase	4,679	—	—	—	(4,679)	—	—
Edward Byrne 2009 Jag Grant	11,559	—	—	11,559	—	—	—
Field Of Dreams	7,894	—	—	—	—	—	7,894

(Continued)

Exhibit A-21

CITY OF ELIZABETH

Schedule of Appropriated Grant Reserves

Federal and State Grant Fund

Year ended June 30, 2012

Grant	Balance, June 30, 2011	Transfers from Budget Appropriations	40A:4-87	Expended	Adjustments	Cancelled	Balance, June 30, 2012
Uez 0690 Historic Mid Eliz Sid Matching	$ —	—	—	—	3,105	3,105	—
Municipal Alliance Cy 2010	21,369	—	—	21,005	—	364	—
Fy 2010 Clean Communities	31,426	—	—	—	—	—	31,426
M/C Alcohol Education Rehab & Enforcement	2,262	—	—	—	—	—	2,262
Uez 0734 North Broad St Streetscape Project	130,080	—	—	15,000	(115,080)	—	—
Uez Second Generation Concert	3,097	—	—	—	(3,097)	—	—
Uez 0734 North Broad St Streetscape Project Local Share	3,520	—	—	—	(3,520)	—	—
Uez 0735 Eliz Cctv Public Security Project	1,504,051	—	—	205,621	(1,298,431)	—	—
Uez 0735 Eliz Cctv Public Security Project Local Share	91,590	—	—	—	(91,590)	—	—
Uez-0761 Elizabeth Ave Sid Match Funds	—	—	—	—	4,000	4,000	—
Uez-0760 Commercial District Security	30,018	—	—	—	—	30,018	—
Uez 0760 Commercial District Security - Local Share	7,041	—	—	—	(7,041)		—
Uez-0759 Police Security 9 Officers	45,291	—	—	36,302	—	8,989	—
Uez-0759 Police Security 9 Officers Local Share	11,323	—	—	9,075	(2,248)	—	—
Uez-0758 Elizabeth Grafitti & Litter Removal	9,842	—	—	9,842	—	—	—
Lead Paint Analyzer Grant	11,610	—	—	—	—	—	11,610
Uez 10-18 Sgf Second Generation Funds	862,680	—	—	14,694	(847,987)	—	—
Enhanced 911 Equipment Grant	59,000	—	—	—	—	—	59,000
Shipboard Firefighting Protective Equipment - Local Share	1,200	—	—	1,055	—	—	145
Enhanced 911 Equipment Grant	306,997	—	—	—	—	—	306,997
Uez-00063 Fy 2011 Administrative Budget	90,559	—	—	46,177	—	44,382	—
Enhanced 911 General Assistance	43,125	—	—	—	—	—	43,125
Neighborhood Stabilization Program 09-1746	50,000	—	—	50,000	—	—	—
Neighborhood Stabilization Program 09-1747	24,000	—	—	24,000	—	—	—
Neighborhood Stabilization Program 09-1748	25,456	—	—	8,679	—	—	16,777
Neighborhood Stabilization Program 09-1749	349,989	—	—	293,385	—	—	56,604
Neighborhood Stabilization Program 09-1752	203,000	—	—	203,000	—	—	—
Neighborhood Stabilization Program 09-1757	600,000	—	—	—	—	—	600,000
N.S.P. Emma Street Rental Project	300,000	—	—	300,000	—	—	—
Uez 0033 Customer Service Skills Tra-Ph3	131,400	—	—	131,400	—	—	—
Kids Recreation Funds Brophy Field	148,650	—	—	—	—	—	148,650
Summer Food Program	124,507	—	—	12,247	—	112,260	—
2010 Body Armor Replacement Fund	442	—	—	442	—	—	—

(Continued)

Exhibit A-21

CITY OF ELIZABETH

Schedule of Appropriated Grant Reserves

Federal and State Grant Fund

Year ended June 30, 2012

Grant	Balance, June 30, 2011	Transfers from Budget Appropriations	40A:4-87	Expended	Adjustments	Cancelled	Balance, June 30, 2012
Kids Recreation Trust Grant	$ 350,000	—	—	—	—	—	350,000
Kids Recreation Trust Fund	200,000	—	—	—	—	—	200,000
Kids Recreation Trust Fund - Local Share	183,510	—	—	—	—	—	183,510
2010 Safe Streets & Neighborhoods Dot	300,000	—	—	—	—	—	300,000
Ddef Fy 2009	43,992	—	—	31,275	—	—	12,717
Emaa Ffyy - 2010	10,000	—	—	—	—	—	10,000
Emaa Ffyy - Fema Local Share	10,000	—	—	—	—	—	10,000
2010 Pedestrian Safety Edc Enf Ps10-46-0118	300	—	—	—	—	300	—
Hopwa Cy 2011	553,309	—	—	494,628	—	58,681	—
Ddef Fy 2010	11,649	—	—	—	—	—	11,649
Uez 07-151 Elizabeth Ave Streetscape Phase Iv	1,471,303	—	—	331,437	(1,139,866)	—	—
Recycling Tonnage Grant 2008	56,310	—	—	—	—	—	56,310
Historic Midtown Eliz Sid Yr 2011	76,125	—	—	76,125	—	—	—
Safe Streets To Transit Program Dot	150,000	—	—	74,122	—	—	75,878
Urban Areas Security Initiative	25,000	—	—	—	—	—	25,000
Std-Epi-2011-Std-0005	45,335	—	—	45,335	—	—	—
Safe And Secure Grant - 2011	147,409	—	—	—	—	147,409	—
Safe And Secure Grant - 2011 Local Share	36,852	—	—	—	(36,852)	—	—
Municipal Alliance	61,850	—	—	53,062	—	8,788	—
Municipal Alliance Local Share	15,540	—	—	—	(15,540)	—	—
Clean Communities Grant 2011	94,099	—	—	54,328	—	—	39,772
Municipal Court Alcohol Education Rehab & Enforcement	4,638	—	—	—	—	—	4,638
Edward Byrne Tvca	—	138,000	—	89,081	—	—	48,919
Port Security Response Vehicle	—	198,995	—	—	—	—	198,995
Port Security Shipboard Training Equip.	—	1,041,176	—	—	—	—	1,041,176
Transportation Enhancement Fy03	6,532	—	—	—	—	—	6,532
Njdot Elizabeth River Trail	—	359,960	—	359,960	—	—	—
Recycling Tonnage Grant Fy- 2007	24,065	—	—	24,065	—	—	—
Uez 2012 Administrative Budget	—	440,000	—	203,460	(236,540)	—	—
Uez Elizabeth Ave Sid	—	167,063	—	167,063	—	—	—
Uez 2012 Police Security Officers - 6	—	575,782	—	565,174	(10,608)	—	—
Uez 2012 Police Security Officers - 6 Local Share	—	143,945	—	141,294	(2,652)	—	—
Uez 08-41 Financial Lending Program	775,615	—	—	—	(775,615)	—	—

(Continued)

Exhibit A-21

CITY OF ELIZABETH

Schedule of Appropriated Grant Reserves

Federal and State Grant Fund

Year ended June 30, 2012

Grant	Balance, June 30, 2011	Transfers from Budget Appropriations	40A:4-87	Expended	Adjustments	Cancelled	Balance, June 30, 2012
Uez 2012 Commercial District Security	$ —	566,730	—	552,107	(14,623)	—	—
Green The Streets - Local Share	56,958	—	—	—	—	—	56,958
Uez 2012 Commercial District Security Local Share	—	141,291	—	138,027	(3,264)	—	—
Uez 2012 Elizabeth Graffiti & Litter	—	227,793	—	227,793	—	—	—
Uez 2012 Graffiti And Litter Local Share	—	56,948	—	56,948	—	—	—
Lead Paint Abatement (Licar) (Grant Increase Original Grant 727)	30,168	—	—	—	—	30,168	—
Uez 2012 Sgf Financial Lending Program	—	1,381,645	—	146,660	(1,234,985)	—	—
Edward Byrne Memorial Justice Asst Jag	—	500,000	—	—	—	500,000	—
Div Of Highway Traffic Safety	—	4,000	—	4,000	—	—	—
2011 Summer Food Service Program	—	206,469	—	184,767	—	21,702	—
2011 Transit Village Program	—	300,000	—	—	—	—	300,000
2009 Recycling Tonnage Grant	—	69,936	—	—	—	—	69,936
Law Enforcement Technology Grants	—	500,000	—	301,192	—	—	198,808
Bullet Proof Vest Fy 2011 Federal	—	13,149	—	13,149	—	—	—
Non Public School Nursing Services Fy12	—	119,533	—	119,533	—	—	—
Greening Union County	—	7,950	—	7,950	—	—	—
Uez 08-104 Midtown Eliz Train Station	28,017	—	—	3,500	(24,517)	—	—
Greening Union County - Local Share	—	7,950	—	7,950	—	—	—
Dep Hdsrf Three Elizabeth Bda Sites	242,309	—	—	—	—	—	242,309
Div Highway Traffic Safety Al 111004261	—	3,500	—	3,500	—	—	—
Njdot Highway Safety Fund	—	—	43,762	29,934	—	—	13,828
Pandemic Influenza Funding Phase Iii	7,247	—		—	—	—	7,247
Body Armor Fy-2011	—	—	27,000	27,000	—	—	—
Ddef Fy=2011	—	—	8,985	—	—	—	8,985
Kids Recreation Trust Funds 2011	—	—	125,000	—	—	—	125,000
Kids Recreation Fund Local Share	—	—	125,000	—	—	—	125,000
Uez Customer Service Skills Training	—	—	297,900	190,000	(107,900)	—	—
Hopwa Cy2012	—	—	969,000	457,597	—	—	511,403
Preserve Union County Public Library	50,000	—		—	—	50,000	—
State Of Nj Dot North Broad St Streetscape	—	—	530,000	—	—	—	530,000
Preserve Union County Public Library Local Share	50,000	—		—	(50,000)	—	—
2010 Recycling Enhancement Grant	—	—	20,000	2,183	—	—	17,817
Clean Communities Fy 2008	4,302	—	—	4,302	—	—	—

(Continued)

Exhibit A-21

CITY OF ELIZABETH

Schedule of Appropriated Grant Reserves

Federal and State Grant Fund

Year ended June 30, 2012

Grant	Balance, June 30, 2011	Transfers from Budget Appropriations	40A:4-87	Expended	Adjustments	Cancelled	Balance, June 30, 2012
First Responder Preparation Gr	$ 6,825	—	—	—	—	—	6,825
Uez 08-146 Streetscape	885,247	—	—	—	(885,247)	—	—
Uez 08-147 Powerwashing & Grafitti	422,306	—	—	2,250	(420,056)	—	—
Uez 08-148 Facade	172,818	—	—	114,163	(58,655)	—	—
R.O. Individuals With Disability	15,000	—	—	—	—	—	15,000
R.O. Individuals With Disability - Local Share	1,500	—	—	—	—	—	1,500
	$ 23,685,972	7,171,814	3,542,503	10,668,389	(11,048,872)	1,642,543	11,040,486

UEZ transfer	$ 8,034,220
2nd Genaration transfer	2,808,491
UEZ local share	110,927
Adjustment	95,233
	$ 11,048,871

Exhibit A-22

CITY OF ELIZABETH

Schedule of Grants Receivable

Federal and State Grant Fund

Year ended June 30, 2012

Grant	Balance, June 30, 2011	Budget	40A:4-87	Collected	Adjustments	Cancelled	Balance, June 30, 2012
Uez 09-46 Marketing Plan 2009	$ 257,226	—	—	—	—	257,226	—
Uez Marketing Plan	—	—	204,880	34,998	(169,882)	—	—
Uez Program Intiatives Edc	—	—	52,346	—	(52,346)	—	—
Kids Recreation Trust Fund	35,000	—	—	—	—	—	35,000
Greening Union County Grant	14,550	—	—	—	(50)	—	14,500
Cops Other Tech - 2008	5,266	—	—	5,266	—	—	—
Elizabeth Ave Streetscape Tran	500,000	—	—	264,523	—	—	235,477
Elizabeth Midtown Transit Village Julian	25,000	—	—	25,000	—	—	—
Midtown Revitalization Plan	40,000	—	—	—	—	—	40,000
Uez 09-101 Way-Finding Program	28,171	—	—	—	(28,171)	—	—
This Way To Elizabeth-Assistance Res Dot	75,000	—	—	—	—	—	75,000
Relocation Assistance Saxony Motels	9,250	—	—	—	—	—	9,250
Lead-Base Paint Abatement	38,302	—	—	—	—	38,302	—
Uez 09-129 Way-Finding Signage Program	499,801	—	—	15,302	(484,499)	—	—
Kids Recreational Trust	22,700	—	—	—	—	—	22,700
D.O.T Broad Street Streetscape Project	503,948	—	—	—	—	—	503,948
Uez 05-95 Broad Street Streetscape	1,188,747	—	—	591,389	(597,357)	—	—
Uez 09-149 Invest Eliz Economic Stimulus	196,000	—	—	—	(196,000)	—	—
Uez 09-150 Westfield Ave Median Planting	533,849	—	—	166,663	(367,186)	—	—
Uez 09-151 Midtown Area Sewer Rehab	47,200	—	—	35,280	(11,920)	—	—
Future City/Keighry Head Fl.	67,000	—	—	—	—	—	67,000
Uez 09-28 Sgf Acq 1081-1086 Elizabeth Ave	432,492	—	—	—	(432,492)	—	—
Uez 09-167 Liberty Int Convention & Visi.	357,018	—	—	118,513	(238,505)	—	—
Uez 09-169 Facade Improvement Program	82,495	—	—	38,616	(43,878)	—	—
Elizabeth Ave Streetscape Njdot	500,000	—	—	—	—	—	500,000
Elizabeth Ave Streetscape Njdot -Increase		—	37,814	—	—	—	37,814
Acq 1 West End Place Green Acres	100,500	—		—	—	—	100,500
Uez Historic Midtown Sid 2012		—	114,188	—	(114,188)	—	—
Federal Bulletproof Vest Grant	5,627	—		—	—	—	5,627
Assistance To Firefighters		—	64,000	—	—	—	64,000
2010 State Health Service 10-960-Bt-L-1	139,196	—		—	—	—	139,196
Buffer Zone Protection Program		—	200,000	—	—	—	200,000
Port Security Grant Program Arra	119,534	—		83,843	—	—	35,690
Highway Safety Grant 2012		—	5,000	5,000	—	—	—
Cops Hiring Recovery Program 17 P.O.	3,531,678	—		1,461,858	—	—	2,069,820

(Continued)

Exhibit A-22

CITY OF ELIZABETH

Schedule of Grants Receivable

Federal and State Grant Fund

Year ended June 30, 2012

Grant	Balance, June 30, 2011	Budget	40A:4-87	Collected	Adjustments	Cancelled	Balance, June 30, 2012
Union County Night Watch Program 2012	$	—	20,000	—	—	—	20,000
B.H. Associates Sixty Four	21,500	—	—	—	—	—	21,500
Uez 0112 Renewable Energy Stimulus Grant	682,757	—	—	100,000	(582,757)	—	—
Brownfields Community Wide Petro Assess.		—	200,000	—	—	—	200,000
Uez 0184 Feasibility Study Morris Ave	54,732	—	—	19,208	(35,525)	—	—
Brownfields Community Wide Hazardous Subst Assessmt	—	—	200,000	—	—	—	200,000
Std Program Epid12Std010	—	—	45,337	22,668	—	—	22,669
Municipal Alliance Grant	—	—	82,881	4,744	—	—	78,137
Clean Communities Grant - 2012	—	—	132,690	132,690	—	—	—
Uez 0307 Trinitas Hospital Educ Facility	500,000	—	—	500,000	—	—	—
Hopwa Cy 2010	166,737	—	—	152,725	(14,011)	—	—
Hopwa Cy 2010 Increased	35,458	—	—	8,607	—	26,851	—
Uez 355 Go Eliz Nj Monthly Star Ledger	14,000	—	—	14,000	—	—	—
Uez 07-151 Eliz Ave Streetscape Increase	46,940	—	—	—	(46,940)	—	—
Safety Enh Along North Ave Broad St Dot	300,000	—	—	—	—	300,000	—
Energy Efficiency & Conservation B/G	766,700	—	—	—	—	—	766,700
Uez 09-167 Financial Lending Increase	30,692	—	—	—	(30,692)	—	—
Edward Byrne ARRA Additional Grant	469,616	—	—	306,508	—	—	163,108
Edward Byrne 2009 Jag Grant	11,559	—	—	11,559	—	—	—
Field Of Dreams	20,000	—	—	—	—	—	20,000
Uez 0690 Historic Midtn Eliz Sid Matching	176,909	—	—	173,804	—	3,105	—
Municipal Alliance Cy 2010	364	—	—	—	—	364	—
Uez 0734 North Broad St Streetscape Proj	130,080	—	—	15,000	(115,080)	—	—
Uez 0735 Eliz Cctv Public Security Project	1,542,101	—	—	243,671	(1,298,431)	—	—
Uez-0761 Elizabeth Ave Sid Match Funds	112,140	—	—	108,141	—	4,000	—
Uez-0760 Commercial District Security	189,210	—	—	159,192	—	30,018	—
Uez-0759 Police Security 9 Officers	214,738	—	—	205,749	—	8,989	—
Uez-0758 Elizabeth Grafitti & Litter Removal	124,726	—	—	124,726	—	—	—
Uez 10-18 Sgf Second Generation Funds	862,680	—	—	14,694	(847,987)	—	—
Shipboard Firefighting Protective Equipment	586,013	—	—	585,113	—	—	900
Uez-00063 Fy 2011 Administrative Budget	357,612	—	—	313,230	—	44,382	—
Neighborhood Stabilization Program 09-1746	50,000	—	—	50,000	—	—	—
Neighborhood Stabilization Program 09-1747	24,000	—	—	24,000	—	—	—
Neighborhood Stabilization Program 09-1748	25,456	—	—	8,679	—	—	16,777
Neighborhood Stabilization Program 09-1749	349,989	—	—	293,205	—	—	56,784
Bulletproof Vest Partnership Fy 2006	4,264	—	—		—	—	4,264
Neighborhood Stabilization Program 09-1752	203,000	—	—	203,000	—	—	—
Neighborhood Stabilization Program 09-1757	600,000	—	—		—	—	600,000

(Continued)

Exhibit A-22

CITY OF ELIZABETH

Schedule of Grants Receivable

Federal and State Grant Fund

Year ended June 30, 2012

Grant	Balance, June 30, 2011	Budget	40A:4-87	Collected	Adjustments	Cancelled	Balance, June 30, 2012
N.S.P. Emma Street Rental Project	$ 300,000	—	—	300,000	—	—	—
Uez 0033 Customer Service Skills Tra-Ph3	131,400	—	—	131,400	—	—	—
Kids Recreation Funds Brophy Field	148,650	—	—	—	—	—	148,650
Summer Food Program	112,260	—	—	—	—	112,260	—
Greening Union County	7,450	—	—	—	—	—	7,450
Kids Recreation Trust Grant	175,000	—	—	—	—	—	175,000
Kids Recreation Trust Fund	200,000	—	—	—	—	—	200,000
2010 Safe Streets & Neighborhoods Dot	300,000	—	—	—	—	—	300,000
Emaa Ffyy - 2010	10,000	—	—	10,000	—	—	—
2010 Pedestrian Safety Edc Enf Ps10-46-0118	300	—	—		—	300	—
Hopwa Cy 2011	671,237	—	—	612,556	—	58,681	—
Uez 07-151 Elizabeth Ave Streetscape Piv	1,471,303	—	—	330,587	(1,140,716)	—	—
Historic Midtown Eliz Sid Yr 2011	152,250	—	—	151,860	(390)	—	—
Div Of Highway Traffic Safety Al 11100458		—	—	—	—	—	—
Safe Streets To Transit Program Dot	91,176	—	—	—	—	—	91,176
Urban Areas Security Initiative #2009-Ss-T9-0082	25,000	—	—	—	—	—	25,000
Std Epi-2011-Std-0005	34,002	—	—	34,002	—	—	—
Safe And Secure P-4840-11	147,409	—	—		—	147,409	—
Municipal Alliance C-2011	73,853	—	—	65,065	—	8,788	—
Edward Byrne Tvci	—	138,000	—	89,081	—	—	48,919
Port Security Response Vehicle	—	198,995	—		—	—	198,995
Port Security Shipboard Training Equip.	—	1,041,176	—		—	—	1,041,176
Transportation Enhancement Fy03 Broad St	375,010		—	168,854	—	—	206,156
Njdot Elizabeth River Trail	—	359,960	—		—	—	359,960
Uez 2012 Administrative Budget	—	440,000	—	103,460	(336,540)	—	—
Uez Elizabeth Ave Sid	—	167,063	—	85,518	(81,545)	—	—
Uez 2012 Police Security Officers - 6	—	575,782	—	565,174	(10,608)	—	—
Bulletproof Vest Partnership Fy 2007	8,562		—		—	—	8,562
Green The Streets	125,000		—		—	—	125,000
Uez 2012 Commercial District Security	—	566,730	—	552,107	(14,623)	—	—
Uez 08-41 Financial Lending Programs	1,025,616		—	250,000	(775,616)	—	—
Uez 2012 Elizabeth Graffiti & Litter	—	227,793	—	227,793	—	—	—
Lead Paint Abatement (Licar)	30,168		—		—	30,168	—
Uez 2012 Sgf Financial Lending Program	—	1,381,645	—	146,660	(1,234,985)		—
Edward Byrne Memorial Justice Asst Jag	—	500,000	—		—	500,000	—
Div Of Highway Traffic Safety	—	4,000	—	4,000	—		—
2011 Summer Food Service Program	—	206,469	—	184,767	—	21,702	—
2011 Transit Village Program	—	300,000	—		—	—	300,000

(Continued)

Exhibit A-22

CITY OF ELIZABETH

Schedule of Grants Receivable

Federal and State Grant Fund

Year ended June 30, 2012

Grant	Balance, June 30, 2011	Budget	40A:4-87	Collected	Adjustments	Cancelled	Balance, June 30, 2012
2009 Recycling Tonnage Grant	$ —	69,936	—	69,936	—	—	—
Law Enforcement Technology Grants	—	500,000	—		—	—	500,000
Bullet Proof Vest Fy 2011 Federal	—	13,149	—		—	—	13,149
Non-Public School Nursing Services Fy12	—	119,533	—	119,533	—	—	—
Greening Union County	—	7,950	—		—	—	7,950
Uez 08-104 Midtown Eliz Train Station	75,261	—	—	50,744	(24,517)	—	—
Dep Hdsrf Three Elizabeth Bda Sites	33,813	—	—		—	—	33,813
Div Highway Traffic Safety Al 111004261	—	3,500	—	3,500	—	—	—
Njdot Highway Safety Fund	—	—	43,762		—	—	43,762
Body Armor Fy-2011	—	—	27,000	27,000	—	—	—
Ddef Fy=2011	—	—	8,985	8,985	—	—	—
Kids Recreation Trust Funds 2011	—	—	125,000		—	—	125,000
Uez Customer Service Skills Training	—	—	297,900	190,000	(107,900)	—	—
Hopwa Cy2012	—	—	969,000	—	—	—	969,000
Preserve Union County Public Library	50,000	—		—	—	50,000	—
Fy 2010 North Broad Street Transit Village Program Dot	—	—	530,000	—	—	—	530,000
2010 Recycling Enhancement Grant	—	—	20,000	20,000	—	—	—
Uez 08-146 Streetscape	885,247	—	—		(885,247)	—	—
Uez 08-147 Powerwashing & Grafitti	422,306	—	—	2,250	(420,056)	—	—
Uez 08-148 Facade	173,818	—	—	115,163	(58,655)	—	—
Broad St. Streescape Dot	511,000	—	—	—	—	—	511,000
	$ 25,796,611	6,821,680	3,380,783	11,261,157	(10,799,295)	1,642,543	12,296,079

UEZ transfer	$ 8,269,381
2nd Genaration transfer	2,515,464
Adjustment	14,450
	$ 10,799,295

Exhibit A-23

CITY OF ELIZABETH

Schedule of Unappropriated Reserves

Federal and State Grant Fund

Year ended June 30, 2012

		Balance, June 30, 2011	Increases	Balance, June 30, 2012
Deposits:				
Alcohol Ed and Rehabilitation DWI	$	—	5,342	5,342
Highway traffic safety		—	3,500	3,500
	$	—	8,842	8,842

Exhibit B-1

CITY OF ELIZABETH

Schedule of Cash - Treasurer

Trust Funds

Year ended June 30, 2012

	Dog License Fund	Other Federal Grant Funds	Urban Development Action Grant Fund	Community Development Block Grant Fund	General Trust Funds
Balance, June 30, 2011	$ 24,195	550	1,352,918	8,735	16,013,384
Increased by receipts:					
Dog license fees due to State	3,607	—	—	—	—
Municipal fees	13,323	—	—	—	—
Drawdown on Federal and State grants	—	1,537,450	—	2,860,143	—
Reserve for Loans Receivable	—	—	3,526	—	—
Program income	—	—	—	31,211	—
Due to Current Fund	—	—	—	—	7,523
Off Duty Police	—	—	—	—	4,855,571
Reserve for Special Purposes	—	—	—	—	42,088,788
Total receipts	16,930	1,537,450	3,526	2,891,354	46,951,882
Subtotal	41,125	1,538,000	1,356,444	2,900,089	62,965,266
Decreased by disbursements:					
Dog license expenditures	6,896	—	—	—	—
Due to State of New Jersey	3,438	—	—	—	—
Grant expenditures	—	1,537,997	—	—	—
UDAG expenditures	—	—	13,525	—	—
Community Development Block Grant expenditures	—	—	—	2,731,636	—
Emergency Shelter Grant expenditures	—	—	—	80,253	—
Program Income	—	—	—	27,894	—
Off Duty Police	—	—	—	—	4,792,994
Reserve for Special Purposes	—	—	—	—	41,777,157
Total disbursements	10,334	1,537,997	13,525	2,839,783	46,570,151
Balance, June 30, 2012	$ 30,791	3	1,342,919	60,306	16,395,115

Exhibit B-2

CITY OF ELIZABETH

Schedule of Due from Trustee

General Trust Fund

Year ended June 30, 2012

Balance, June 30, 2011 and 2012	$ 13,976

Exhibit B-3

CITY OF ELIZABETH

Schedule of Reserve for UDAG Loans Receivable

Urban Development Action Grant Fund

Year ended June 30, 2012

	Balance, June 30, 2011	Increases	Decreases	Balance, June 30, 2012
Repayment Loan - Reserve:				
Northern Feather	$ 75,258	—	—	75,258
Puelo Manufacturing	4,066	—	—	4,066
AWG Inc.	184,570	—	—	184,570
1000 South Elmora Avenue	751,229	—	—	751,229
Repayment Loan Reserve Interest	11,360	3,526	13,525	1,361
Vista Hotel delinquent interest	99,150	—	—	99,150
	$ 1,125,633	3,526	13,525	1,115,634

Exhibit B-4

CITY OF ELIZABETH

Schedule of Reserves for Special Purposes

General Trust Funds

Year ended June 30, 2012

Reserve	Balance, June 30, 2011	Increased	Decreased	Balance, June 30, 2012
Tax sale redemptions	$ 3,514,192	7,700,246	7,636,616	3,577,822
Police and Firemen's Retirement System	591,917	21,311,801	21,220,627	683,091
Public Employees' Retirement System	243,938	6,496,031	6,457,665	282,304
Workmen's Compensation Insurance	474,266	1,299,461	1,706,884	66,843
General Liability Insurance	621,652	665,106	1,249,023	37,735
Developers escrow	911,250	453,956	689,012	676,194
Confiscated funds	473,005	28,284	2,812	498,477
Unemployment Fund	675,548	184,341	73,860	786,029
Snow Removal	1,000,000	—	—	1,000,000
E-Port Community Center	72,000	—	—	72,000
Elevator subcode	30,234	113,653	104,316	39,571
Elevator inspection 15% city share	8,194	12,899	—	21,093
Utility opening permit	47,575	—	—	47,575
On-site inspection	8	—	—	8
Police narcotics	513,423	80,642	261,849	332,216
Federal forfeit	676,888	206,620	579,775	303,733
Parking Offense Adjudication Act	35,171	52,029	51,000	36,200
Public Defender	26,063	77,305	100,000	3,368
EDC for Borne Chemical	—	240,000	—	240,000
Shade trees - NJ Tree Foundation	437	—	412	25
Midtown redevelopment loans	79,091	7	—	79,098
Waterfront - Kull Industries	27,948	7,203	22,900	12,251
Escrow Exxon 312-320 Atlantic	10,000	—	—	10,000
Midtown redevelopment loan repayment	3	—	—	3
Elizabeth River Walkway	118,267	12,713	43	130,937
Deposit Boundary Monuments	138,450	9,600	2,400	145,650
Deposit Advance Fuel Marina	391,864	68,195	1,261	458,798
State Training Fees	49,780	94,901	100,021	44,660
Elevators DCA	11,205	2,224	102	13,327
State gasoline tax	701	3,552	3,690	563
Due to State Marriage Licenses	22,286	31,145	30,595	22,836
Due to State Domestic Partnership	75	25	25	75
Fire Penalties	10,750	—	—	10,750
Kapkowski Road Sanitary Sewer	1,025,832	178	15	1,025,995
Escrow Veterans Memorial Park	67,000	—	—	67,000
EDC Second Generation Funds	2,878,714	1,767,298	4,646,012	—
Donation PA Mun alliance	1,200	—	86	1,114
Donation Conoco Philips	3,870	—	—	3,870
Donation Sprint Spectrum	500	—	500	—

(continued)

Exhibit B-4

CITY OF ELIZABETH

Schedule of Reserves for Special Purposes

General Trust Funds

Year ended June 30, 2012

Reserve	Balance, June 30, 2011	Increased	Decreased	Balance, June 30, 2012
Donation Trees Julia Investment	$ 500	—	500	—
Donation National Night Out	6	—	—	6
Donation Housing Fair - Wells Fargo	1,000	—	100	900
Donation IKEA	154	—	—	154
Donation Lions Club	2,680	1,875	3,750	805
Donation Port Authority Ambulance bureau	10	—	—	10
Donation Night of Fine Arts	100	—	—	100
Donation Intersystems	120	—	—	120
Donation June teenth cha dept.	825	4,000	4,634	191
Donation Dorothy Black for City Pond	—	42,794	—	42,794
Donation NJ Tree Foundation	250	—	—	250
Donation African American History(Schering)	61	—	—	61
Donation Bollwage	385	—	—	385
Pine St Urban Renewals LP	5,126	5,629	10,755	—
Elizabethport Hope VI Phase I U.R. Assoc	3,741	1,292	5,033	—
620 First St Urban Renewal Corp	3,574	5,340	8,914	—
Millenium Urban Renewal Corp	6,111	220	6,331	—
Don. Hatch Mott Macdonald Women History	—	300	250	50
Donation New York Community Bank	160	7,561	7,721	—
Don. National Women's History Month	—	500	250	250
Donation Men's Empowerment	—	1,250	721	529
Health Benefits Directors/City Council	—	12,120	12,120	—
Health Benefits Unclassified	—	27,644	27,644	—
Health Benefits PBA	—	278,598	278,598	—
Health Benefits Police Superior	—	87,837	87,837	—
Health Beneftis FMBA	—	180,373	180,373	—
Health Benefits Fire Superior	—	77,404	77,404	—
R.C.A. Fairfield	396,310	21,171	117,835	299,646
R.C.A. Fairfield - administration	53,866	13,111	29,149	37,828
R.C.A. Summit	336,243	2,219	115,443	223,019
R.C.A. Summit - administration	32,523	102,000	—	134,523
PILOT Danic	—	54,878	54,878	—
PILOT Danic Two	—	106,860	106,860	—
PILOT Madison Ave	—	3,102	3,102	—
Reserve for Union County IKEA	54,596	131,295	128,565	57,326
	$ 15,651,638	42,088,788	46,210,268	11,530,158
	Cash	$ 42,088,788	41,777,157	
	Due to UEZ Trust	—	4,433,111	
		$ 42,088,788	46,210,268	

Exhibit B-5

CITY OF ELIZABETH

Schedule of Due from Current Fund

Community Development Block Grant Fund

Year ended June 30, 2012

Balance, June 30, 2011	$ 25,347
Balance, June 30, 2012	$ 25,347

Exhibit B-6

CITY OF ELIZABETH

Schedule of Due to State of New Jersey

Dog License Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	366
Increased by fees collected		
Fees collected		3,607
		3,973
Decreased by cash disbursements:		
Cash disbursements		3,438
Balance, June 30, 2012	$	535

Exhibit B-7

CITY OF ELIZABETH

Schedule of Reserve for Dog License Fund

Dog License Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	23,829
Increased by:		
Prior year fees in transit		—
Municipal fees		13,323
Increased by cash receipts		13,323
		37,152
Decreased by:		
Excess balance due to current		6,219
Cash disbursements		6,896
		13,115
Balance, June 30, 2012	$	24,037

Fees collected for fiscal year ended:		
June 30, 2010	$	11,279
June 30, 2011		12,758
	$	24,037

Exhibit B-8

CITY OF ELIZABETH

Schedule of Grants Receivable

Other Federal Grant Funds

Year ended June 30, 2012

Balance, June 30, 2011	$	2,839,509
Increased by:		
Increased by Home Improvement Grant - HUD		1,325,212
		4,164,721
Decreased by:		
Cash received - Home Improvement Grant - HUD		1,530,234
Balance, June 30, 2012	$	2,634,487

Exhibit B-9

CITY OF ELIZABETH

Schedule of Reserve for Grants

Other Federal Grant Funds

Year ended June 30, 2012

Balance, June 30, 2011	$	3,065,578
Increased by:		
Home Improvement Grant - HUD		1,325,212
		4,390,790
Decreased by:		
Cash disbursed:		
Home Improvement Grant - HUD		1,530,783
		1,530,783
Balance, June 30, 2012	$	2,860,007

Exhibit B-10

CITY OF ELIZABETH

Schedule of Federal Grants Receivable

Community Development Block Grant Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	1,925,458
Increased by:		
Community Development Block Grant		1,901,126
Emergency Shelter Grant		92,006
		1,993,132
		3,918,590
Decreased by:		
Community Development Block Grant		2,773,774
Emergency Shelter Grant		86,369
		2,860,143
Balance, June 30, 2012	$	1,058,447

Exhibit B-11

CITY OF ELIZABETH

Schedule of Reserve for Community
Development Block Grant

Community Development Block Grant Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	2,038,083
Increased by:		
Community Development Block Grant		1,901,126
Emergency Shelter Grant		92,006
		1,993,132
		4,031,215
Decreased by expenditures:		
Community Development Block Grant		2,731,636
Emergency Shelter Grant		80,253
		2,811,889
Balance, June 30, 2012	$	1,219,326

Exhibit B-12

CITY OF ELIZABETH

Schedule of Due from Urban
Development Action Grant Fund

Other Federal Grant Funds

Year ended June 30, 2012

Balance, June 30, 2011 and 2012	$ 225,519

Exhibit B-13

CITY OF ELIZABETH

Schedule of Reserve for Police Off Duty

Trust Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	375,722
Increased by:		
Collections		4,855,571
		5,231,293
Decreased by cash disbursements		4,792,994
Balance, June 30, 2012	$	438,299

Exhibit B-14

CITY OF ELIZABETH

Schedule of Reserve for Program Income

Community Development Block Grant Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	2,129
Increased by cash receipts		31,211
		33,340
Decreased by cash disbursements		27,894
Balance, June 30, 2012	$	5,446

Exhibit B-15

CITY OF ELIZABETH

Schedule of Due from Elizabeth Development Corp

Community Development Block Grant Fund

Year ended June 30, 2012

Balance, June 30, 2011	$ 80,672
Balance, June 30, 2012	**$** 80,672

Exhibit B-16

CITY OF ELIZABETH

Schedule of Accounts Payable

Urban Development Action Grant Fund

Year ended June 30, 2012

Balance, June 30, 2011 and 2012	$ 1,766

Exhibit B-17

CITY OF ELIZABETH

Schedule of HPRP Receivable

Other Federal Grants Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	7,889
Increased by Award		—
		7,889
Decreased by:		
Collections		7,216
Balance, June 30, 2012	$	673

Exhibit B-18

CITY OF ELIZABETH

Schedule of Reserve for HPRP Expenditures

Other Federal Grants Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	7,889
Increased by Award		—
		7,889
Decreased by:		
Disbursements		7,214
Balance, June 30, 2012	$	675

Exhibit B-19

CITY OF ELIZABETH

Schedule of Due to Current Fund

Dog License Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	—
Increased by:		
Excess amount in Dog License Fund		6,219
Balance, June 30, 2012	$	6,219

Exhibit B-20

CITY OF ELIZABETH

Schedule of Due to Current Fund

General Trust Other

Year ended June 30, 2012

Balance, June 30, 2011	$ —
Increased by:	
Cash Receipts	7,523
Balance, June 30, 2012	$ 7,523

Exhibit B-21

CITY OF ELIZABETH

Schedule of Appropriated Reserve - UEZ

UEZ Trust Fund

Year ended June 30, 2012

Grant		Transferred from Grant Fund
Uez Marketing Plan	$	169,882
Uez Program Intiatives Edc		52,346
Uez 09-101 Way-Finding Program		28,171
Uez 09-129 Way-Finding Signage Program		484,499
Uez 09-127 Police Security 12 Officers		597,007
Uez 09-149 Invest Elizabeth Economy Stimulus		196,000
Uez 09-150 Westfield Ave Median Planting		367,186
Uez 09-151 Midtown Area Sewer Rehab		11,920
Uez 09-168 Liberty Int Convention & Visi		238,506
Uez 09-169 Facade Improvement Program		43,878
Uez Historic Midtown Sid 2012		57,094
Uez 0112 Renewable Energy Stimulus Grant		582,757
Uez 0184 Feasibility Study Morris Ave		35,525
Uez 07-151 Elizabeth Ave Streetscape Increase		46,940
Uez 09-167 Financial Lending Increase		30,692
Uez Wayfinding Study Increase		4,679
Uez 0734 North Broad St Streetscape Project		115,080
Uez 0735 Eliz Cctv Public Security Project		1,298,431
Uez 07-151 Elizabeth Ave Streetscape Phase Iv		1,139,866
Uez 2012 Administrative Budget		236,540
Uez 2012 Police Security Officers - 6		10,608
Uez 08-41 Financial Lending Program		775,615
Uez 2012 Commercial District Security		14,623
Uez 08-104 Midtown Eliz Train Station		24,517
Uez Customer Service Skills Training		107,900
Uez 08-146 Streetscape		885,247
Uez 08-147 Powerwashing & Grafitti		420,056
Uez 08-148 Facade		58,655
	$	8,034,220

Exhibit B-22

CITY OF ELIZABETH

Schedule of Appropriated Reserve - 2nd Generation

UEZ Trust Fund

Year ended June 30, 2012

Grant		Transferred from Grant Fund
Uez 2Nd Generation Fund - Broad Street & Morris Avenue	$	3,543
Uez 2Nd Generation Funds - Ymca		5,000
Uez 2Nd Generation Funds - Upstairs/Downstairs		35,000
Uez 09-28Sgf Acq 1084-1086 Elizabeth Ave		432,492
Uez Second Generation East Jersey Street		246,387
Uez Second Generation Concert		3,097
Uez 10-18 Sgf Second Generation Funds		847,987
Uez 2012 Sgf Financial Lending Program		1,234,985
	$	2,808,491

Exhibit B-23

CITY OF ELIZABETH

Schedule of Appropriated Reserve - UEZ Local Share

UEZ Trust Fund

Year ended June 30, 2012

Grant		Transferred from Grant Fund
Uez 07-151 Elizabeth Ave Streetscape Increase	$	2,860
Uez 0734 North Broad St Streetscape Project		3,520
Uez 0735 Eliz Cctv Public Security Project		91,590
Uez 0760 Commercial District Security		7,041
Uez 2012 Police Security Officers - 6		2,652
Uez 2012 Commercial District Security		3,264
	$	110,927

Exhibit C-2

CITY OF ELIZABETH

Schedule of Cash - Treasurer

General Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	21,163,301
Increased by receipts:		
UCIA loans receivable		240,908
Capital Improvement Fund		2,500,000
NJDEP receivables		165,494
Sale of bonds		2,715,000
State Aid receivable		415,685
Refund of escrow funds		42,556
State Aid Reimbursement for Funded Ordinances		62,133
		6,141,776
		27,305,077
Decreased by:		
Improvement authorizations		11,503,380
Interest paid to Current Fund		6,336
Transfer to Current Fund		204,514
Bond sale expense		72,726
Refunding bond expense		2,715,000
Paid to Current Fund		467,237
		14,969,193
Balance, June 30, 2012	$	12,335,884

Exhibit C-3

CITY OF ELIZABETH

Schedule of Analysis of Capital Cash

General Capital Fund

June 30, 2012

Description		Amount
Fund balance	$	6,401,510
Capital Improvement Fund		2,812,171
Reserve for bond sale expense		80,184
Reserve for retirement of debt		2,762,770
Reserve for receivables		386,693
Due from NJ DOT		(275,048)
Due from Department of Environmental Protection		(868,898)
Due from Union County Improvement Authority		(648,785)
Improvement authorizations:		
Account number		
904		75,012
935		937,279
948		1,568,520
965		(47,000)
966		68,132
967		5,658
968		95,363
972		61,322
973		(183,016)
974		(10,307)
975		233,731
976		(311,064)
979		199,336
977		13,889
978		494,041
980		75,078
981		(10,312)
983		149,707
984		384,028
988		179,833
989		763
990		4,084
991		(197,674)
992		44,822
993		82,407
994		(280,997)
995		193,651
997		8,719

(Continued)

Exhibit C-3

CITY OF ELIZABETH

Schedule of Analysis of Capital Cash

General Capital Fund

June 30, 2012

Description	Amount
998	$ (24,270)
X01	1,360,938
X02	3,253
X03	57,502
X04	39,459
X08	55,853
X09	150,000
X10	40,413
X11	100,000
X12	100,000
X13	(652,756)
X14	(736,472)
X16	120,013
X17	3,894
X18	(177,997)
X19	(375,630)
X20	124,116
X22	(1,312,331)
X23	554,400
X24	82,777
X25	(262,178)
X26	(349,970)
X27	169,407
X28	15,000
X29	(670,341)
X30	614,772
X31	(328,000)
X32	(1,084,110)
X33	(1,900,269)
X34	30,000
X35	(36,723)
X36	(492,683)
X37	(77,486)
X38	50,000
X39	(586,895)
X40	999,498
X41	1,499,498
X42	(12,400)
X44	110,000

(Continued)

Exhibit C-3

CITY OF ELIZABETH

Schedule of Analysis of Capital Cash

General Capital Fund

June 30, 2012

Description		Amount
X45	$	150,000
X46		75,000
X47		125,000
X48		300,000
	$	12,335,884

CITY OF ELIZABETH

Schedule of General Serial Bonds

General Capital Fund

Year ended June 30, 2012

Purpose of issue	Amount of original issue	Date of issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Rate of interest	Balance, June 30, 2011	Increased by bonds issued	Decreased by payments	Balance, June 30, 2012
General Improvement Bonds	$ 5,225,000	11/1/2001				$ 2,876,000	—	2,876,000	—
General Improvement Bonds, 2003	14,250,000	5/15/2003	5/15/2013	$ 1,500,000	3.750%	$ 11,350,000	—	9,850,000	1,500,000
ERI Refunding Bonds, Series 2004	$ 2,330,000	12/14/2004	3/1/2012	170,000	4.680%				
(Bonds maturing on or after 2015 are subject to redemption)			3/1/2013	180,000	4.680%				
			3/1/2014	185,000	4.680%				
			3/1/2015	195,000	4.680%				
			3/1/2016	205,000	5.300%				
			3/1/2017	215,000	5.300%				
			3/1/2018	230,000	5.300%				
			3/1/2019	240,000	5.300%				
			3/1/2020	255,000	5.300%	$ 1,875,000	—	170,000	1,705,000
General Improvement Bonds, Series 2005	$ 15,000,000	5/15/2005	5/15/2012	600,000	4.125%				
(Bonds maturing on or after 2016 are subject to redemption)			5/15/2013	650,000	4.125%				
			5/15/2014	700,000	4.125%				
			5/15/2015	750,000	4.250%				
			5/15/2016	750,000	4.250%				
			5/15/2017	750,000	4.250%				
			5/15/2018	750,000	4.250%				
			5/15/2019	750,000	4.250%				
			5/15/2020	750,000	4.250%				
			5/15/2001	750,000	4.250%				
			5/15/2022	750,000	4.250%				
			5/15/2023	750,000	4.250%				
			5/15/2024	750,000	4.250%				
			5/15/2025	750,000	4.250%				
			5/15/2026	750,000	4.250%				
			5/15/2027	750,000	4.250%				
			5/15/2028	750,000	4.375%				
			5/15/2029	750,000	4.375%				
			5/15/2030	700,000	4.375%	13,900,000	—	600,000	13,300,000

(Continued)

CITY OF ELIZABETH

Schedule of General Serial Bonds

General Capital Fund

Year ended June 30, 2012

Purpose of issue	Amount of original issue	Date of issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Rate of interest	Balance, June 30, 2011	Increased by bonds issued	Decreased by payments	Balance, June 30, 2012
General Improvement Bonds, Series 2006	$ 11,500,000	5/15/2006	5/15/2012	$ 955,000	4.125%				
(Bonds maturing on or after 2017 are subject to redemption)			5/15/2013	955,000	4.125%				
			5/15/2014	955,000	4.125%				
			5/15/2015	955,000	4.250%				
			5/15/2016	955,000	4.250%				
			5/15/2017	955,000	4.250%				
			5/15/2018	955,000	4.250%				
			5/15/2019	955,000	4.250%				
			5/15/2020	955,000	4.250%				
			5/15/2021	950,000	4.250%	9,545,000	—	955,000	8,590,000
General Improvement Bonds, Series 2007	12,325,000	6/15/2007	6/15/2012	425,000	4.250%				
			6/15/2013	535,000	4.250%				
			6/15/2014	665,000	4.250%				
			6/15/2015	2,745,000	4.250%				
			6/15/2016	3,400,000	4.250%				
			6/15/2017	3,540,000	4.250%	$ 11,310,000	—	425,000	10,885,000
General Improvement Refunding Bonds, Series 2008	12,645,000	6/12/2008	11/15/2011	550,000	3.250%				
			11/15/2011	1,680,000	4.000%				
			11/15/2012	1,560,000	4.000%				
			11/15/2012	750,000	5.000%				
			11/15/2013	1,080,000	4.000%				
			11/15/2013	1,315,000	5.000%				
			11/15/2014	495,000	3.500%	7,430,000	—	2,230,000	5,200,000

(Continued)

CITY OF ELIZABETH

Schedule of General Serial Bonds

General Capital Fund

Year ended June 30, 2012

Purpose of issue	Amount of original issue	Date of issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Rate of interest	Balance, June 30, 2011	Increased by bonds issued	Decreased by payments	Balance, June 30, 2012
General Improvement Bonds, Series 2008	12,455,000	8/15/2008	8/15/2011	$ 690,000	4.250%				
(Bonds maturing on or after 2019 are subject to redemption)			8/15/2012	720,000	4.250%				
			8/15/2013	745,000	4.250%				
			8/15/2014	775,000	4.250%				
			8/15/2015	805,000	4.250%				
			8/15/2016	840,000	4.250%				
			8/15/2017	875,000	4.250%				
			8/15/2018	910,000	4.250%				
			8/15/2019	950,000	4.250%				
			8/15/2020	990,000	4.250%				
			8/15/2021	1,035,000	4.375%				
			8/15/2022	1,080,000	4.375%				
			8/15/2023	1,125,000	4.375%	11,540,000	—	690,000	10,850,000
General Improvement Bonds, Series 2011	$ 12,755,000	4/15/2011	4/15/2012	570,000	4.250%				
(Bonds maturing on or after 2022 are subject to redemption)			4/15/2013	570,000	4.250%				
			4/15/2014	570,000	4.250%				
			4/15/2015	615,000	4.250%				
			4/15/2016	645,000	4.250%				
			4/15/2017	680,000	4.250%				
			4/15/2018	715,000	4.500%				
			4/15/2019	755,000	4.500%				
			4/15/2020	790,000	4.500%				
			4/15/2001	835,000	4.500%				
			4/15/2022	880,000	4.500%				
			4/15/2023	925,000	4.500%				
			4/15/2024	970,000	4.750%				
			4/15/2025	1,025,000	4.750%				
			4/15/2026	1,075,000	5.000%				
			4/15/2027	1,135,000	5.250%	12,755,000	—	570,000	12,185,000
Refunding Bonds, Series 2011	1,230,000	4/15/2011	4/15/2012	410,000	4.250%				
			4/15/2013	410,000	4.250%				
			4/15/2014	410,000	4.250%	$ 1,230,000	—	410,000	820,000

(Continued)

Exhibit C-4

CITY OF ELIZABETH

Schedule of General Serial Bonds

General Capital Fund

Year ended June 30, 2012

Purpose of issue	Amount of original issue	Date of issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Rate of interest	Balance, June 30, 2011	Increased by bonds issued	Decreased by payments	Balance, June 30, 2012
General Improvement Refunding Bonds, Series 2011	2,715,000	7/6/2011	11/1/2011	$ 40,000	3.000%				
			11/1/2012	280,000	3.000%				
			11/1/2013	280,000	3.000%				
			11/1/2014	275,000	3.000%				
			11/1/2015	275,000	3.000%				
			11/1/2016	85,000	3.000%				
			11/1/2016	185,000	2.250%				
			11/1/2017	265,000	2.500%				
			11/1/2018	80,000	4.000%				
			11/1/2018	180,000	3.000%				
			11/1/2019	260,000	4.000%				
			11/1/2020	75,000	5.000%				
			11/1/2020	180,000	3.500%				
			11/1/2021	255,000	3.750%	—	2,715,000	40,000	2,675,000
General Improvement Refunding Bonds, Series 2012	8,095,000	5/15/2012	5/15/2014	1,465,000	3.000%				
			5/15/2015	1,455,000	3.000%				
			5/15/2016	1,540,000	4.000%				
			5/15/2017	1,690,000	4.000%				
			5/15/2018	1,945,000	4.000%	—	8,095,000	—	8,095,000
						$ 83,811,000	10,810,000	18,816,000	75,805,000

Refunding bonds issued	$ 8,095,000	10,965,000
Bonds issued	2,715,000	—
2012 budget appropriation	—	7,851,000
	$ 10,810,000	18,816,000

Exhibit C-5

CITY OF ELIZABETH

Schedule of Waterfront Park Loans Receivable

General Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	267,196
Decreased by:		
Transferred		267,196
Balance, June 30, 2012		—

Exhibit C-6

CITY OF ELIZABETH

Schedule of Due to Current Fund

General Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011, Due from /(to)	$	(204,514)
Decreased by:		
Interfund returned		204,514
Balance, June 30, 2012, Due from/ (to)	$	—

Exhibit C-7

CITY OF ELIZABETH

Schedule of Deferred Charges to Future
Taxation-Funded

General Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	90,753,799
Increased by:		
Bonds		10,810,000
Loans		267,196
		11,077,196
		101,830,995
Decreased by:		
Budget appropriations to pay bonds and loans:		
Loans payable		244,237
General serial bonds		18,816,000
Loans restructured		821,796
		19,882,033
Balance, June 30, 2012	$	81,948,962

Exhibit C-8

CITY OF ELIZABETH

Schedule of Deferred Charges to Future
Taxation-Unfunded

General Capital Fund

Year ended June 30, 2012

Ordinance number	Account number	General improvements	Year of ordinance	Balance, June 30, 2011	2012 authori-zations	Miscellaneous	Sale of Bonds/ Loans	Balance, June 30, 2012	Analysis of balance: Expenditures	Analysis of balance: Unexpended improvement authorizations
3118	965	Underground storage tanks	1999	$ 47,000	—	—	—	47,000	47,000	—
3313	973	Various Capital Improvements	2001	275,000	—	—	—	275,000	183,016	91,984
3314	974	Midtown Streetscape-Pedestrian Plaza	2001	10,307	—	—	—	10,307	10,307	—
3357	976	Various improvements and acq. of equip.	2002	1,215,000	—	—	—	1,215,000	311,064	903,936
3560	981	Broad Street streetscape	2004	1,425,000	(1,300,000)	—	—	125,000	10,312	114,688
3654	991	City Hall Improvements	2004	475,000	—	—	—	475,000	197,674	277,326
3661	992	Broad Street Streetscape	2004	1,900,000	(1,400,000)	—	—	500,000		500,000
3667	994	Iron Oxide property improvement	2004	950,000	—	—	—	950,000	280,997	669,003
3757	998	Library Renovations	2005	590,000	—	—	—	590,000	24,270	565,730
3778	X01	Mack Building - E'Port	2006	2,110,000	—	—	—	2,110,000	—	2,110,000
3915	X12	Mack Building Improvements, supplemental	2008	1,900,000	—	—	—	1,900,000	—	1,900,000
3916	X13	Recreation Improvements	2008	1,090,000	—	—	—	1,090,000	652,756	437,244
3925	X14	Acquisition of property, Equipment and Vehicle	2008	900,000	—	—	—	900,000	736,472	163,528
3980	X18	Police headquarters renovation	2009	1,800,000	—	—	—	1,800,000	177,997	1,622,003
3981	X19	Various recreation facility improvements	2009	1,140,000	—	—	—	1,140,000	375,630	764,370
4122	X22	Acquisition Grimmauld Place	2010	1,330,000	—	—	—	1,330,000	1,312,331	17,669
4124	X24	Roof replacements	2010	590,000	—	—	—	590,000	—	590,000
4125	X25	Synthetic Turf Soccer Fields	2010	600,000	—	—	—	600,000	262,178	337,822
4126	X26	Waterfront Park Improvements	2010	950,000	—	—	—	950,000	349,970	600,030
4165	X29	Environmental Engineering - various properties	2011	1,900,000	—	—	—	1,900,000	670,341	1,229,659
4166	X30	Traffic Lights and Road Resurfacing	2011	200,000	—	200,000	—	—	—	—
4167	X31	Mechanical Street Sweepers	2011	380,000	—	—	—	380,000	328,000	52,000
4173	X41	Refunding bonds	2011	3,000,000	—	285,000	2,715,000	—	—	—
4169	X32	Water Park - Mickey Walker Center	2011	1,235,000	—	—	—	1,235,000	1,084,110	150,890
4193	X36	Elizabeth River Walkway	2011	1,140,000	—	250,000	—	890,000	492,683	397,317
4195	X33	Resurfacing Various Roads	2011	4,750,000	—	354,040	—	4,395,960	1,900,269	2,495,691
4196	X34	Traffic Lights	2011	570,000	—	—	—	570,000	—	570,000
4197	X35	Environmental Engineering - various properties	2011	2,850,000	—	—	—	2,850,000	36,723	2,813,277
4209	X37	Environmental Engineering - various properties	2011	380,000	—	—	—	380,000	77,486	302,514
4225	X38	Solar Panels	2012	—	950,000	—	—	950,000	—	950,000
4251	X39	Vehicles Public Works	2012	—	1,900,000	—	—	1,900,000	586,895	1,313,105
4223	X42	Streetscape (reapprop ord 3560)	2012	—	1,300,000	—	—	1,300,000	12,400	1,287,600
4224	X43	Streetscape (reapprop ord 3661)	2012	—	1,400,000	—	—	1,400,000	—	1,400,000
4282	X44	O'Brien Field Synthetic Turf	2012	—	2,090,000	—	—	2,090,000	—	2,090,000
4302	X45	Resurfacing Various Roads	2012	—	2,850,000	—	—	2,850,000	—	2,850,000
4303	X46	Holland Playground and Skate Park	2012	—	1,425,000	—	—	1,425,000	—	1,425,000
4306	X47	Acquistion of Fire Equipment	2012	—	2,375,000	—	—	2,375,000	—	2,375,000
				$ 35,702,307	11,590,000	1,089,040	2,715,000	43,488,267	10,120,881	33,367,386

Cancelled	$ 285,000	Unfunded improvement authorizations	$ 33,367,386
State Aid	804,040		
	$ 1,089,040		

Exhibit C-9

CITY OF ELIZABETH

Schedule of Reserve for Bond Sale Expense

General Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	10,354
Increasedby:		
Charge to ordinance		100,000
Bond escrow refund		42,556
		142,556
		152,910
Decreased by cash disbursements		72,726
Balance, June 30, 2012	$	80,184

Exhibit C-10

CITY OF ELIZABETH

Schedule of Due from
Department of Transportation

General Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	136,693
Increased by:		
Municipal Aid - various streets paving		354,040
State Aid (Midtown Signals) Ord. 4166		200,000
		554,040
		690,733
Decreased by:		
Collections		415,685
Balance, June 30, 2012	$	275,048

Analysis of Balance

Dowd Ave. Section 8 (Ord. 3620)		136,693
Municipal Aid (Atlantic, Amboy and Bay) Ord. 4195		138,355
	$	275,048

CITY OF ELIZABETH

Schedule of Improvement Authorizations

General Capital Fund

Year ended June 30, 2012

			Balance, June 30, 2011		2012 Authorizations					Balance, June 30, 2012	
Improvement description	Ordinance number	Account number	Funded	Unfunded	Down Payment	Deferred Charges to Future Taxation Unfunded	(Cancellation)/ Reappropriation	Adjustments	Expended	Funded	Unfunded
Waterfront Park		904	$ 75,012	—	—	—	—	—	—	75,012	—
Acquisition of real property public park	2466/2616	935	937,279	—	—	—	—	—	—	937,279	—
Midtown acquisition real property	2791	948	1,596,576	—	—	—	—	—	28,056	1,568,520	—
Public improvements	3138/3358	966	68,132	—	—	—	—	—	—	68,132	—
Capital leasing	3136	967	5,658	—	—	—	—	—	—	5,658	—
Demolition of unsafe building	3218	968	100,363	—	—	—	—	—	5,000	95,363	—
Improvements to city property	3288	972	61,322	—	—	—	—	—	—	61,322	—
Various capital improvements	3313	973	—	91,984	—	—	—	—	—	—	91,984
Leasing UCIA Ord. 3299	3299	975	233,731	—	—	—	—	—	—	233,731	—
Various improvements and acquisition of equipment	3357	976	—	930,749	—	—	—	—	26,813	—	903,936
Fire headquarters	3463	979	199,336	—	—	—	—	—	—	199,336	—
Road resurfacing	3460	977	13,889	—	—	—	—	—	—	13,889	—
Various Improvements	3461	978	507,541	—	—	—	—	—	13,500	494,041	—
Acquisition of various equipment	3464	980	92,238	—	—	—	—	—	17,160	75,078	—
Broad Street Streetscape	3560	981	10,650	1,425,000	—	—	(1,300,000)	—	20,962	—	114,688
Emergency response facility	3581	983	149,707	—	—	—	—	—	—	149,707	—
Elmora Racquet Club	3615	984	384,028	—	—	—	—	—	—	384,028	—
Road resurfacing	3620	985	—	—	—	—	—	—	—	—	—
O'Donnell Dempsey Center	3633	988	179,833	—	—	—	—	—	—	179,833	—
Environment Engineering & Regulatory various properties	3635	989	763	—	—	—	—	—	—	763	—
Marina improvements	3637	990	4,084	—	—	—	—	—	—	4,084	—
City Hall Improvements	3654	991	—	277,326	—	—	—	—	—	—	277,326
Broad Street Streetscape	3661	992	49,741	1,900,000	—	—	(1,400,000)	—	4,919	44,822	500,000
60-90 Broadway	3662	993	82,407	—	—	—	—	—	—	82,407	—
Iron Oxide Property improvements	3667	994	—	669,003	—	—	—	—	—	—	669,003
Leasing UCIA Ord. 2004	3647	995	408,049	—	—	—	—	—	214,398	193,651	—
Police and Fire communications equipment	3697	997	8,719	—	—	—	—	—	—	8,719	—
Library Renovations	3757	998	24,474	590,000	—	—	—	—	48,744	—	565,730
Mack Building - E'Port	3778	X01	1,360,938	2,110,000	—	—	—	—	—	1,360,938	2,110,000
Miller- Evans- Logan Recreation Center	3779	X02	3,253	—	—	—	—	—	—	3,253	—
Hazardous Material Response Vehicle	3792	X03	57,502	—	—	—	—	—	—	57,502	—
Bike, Hike, Roll Multipurpose Throughway	3793	X04	39,459	—	—	—	—	—	—	39,459	—
Road Improvements	3847	X08	369,310	—	—	—	—	—	313,457	55,853	—
Acquistion of bus - reappropriation	3848	X09	150,000	—	—	—	—	—	—	150,000	—
60 - 90 Broadway - supplemental	3854	X10	40,413	—	—	—	—	—	—	40,413	—
Acquistion of Saxony Motel	3914	X11	100,000	—	—	—	—	—	—	100,000	—
Mack Building Improvements, supplemental	3915	X12	100,000	1,900,000	—	—	—	—	—	100,000	1,900,000
Recreation Improvements	3916	X13	—	463,393	—	—	—	—	26,149	—	437,244
Acquisition of property, Equipment and Vehicles	3925	X14	—	201,157	—	—	—	—	37,629	—	163,528
Acquisition of N. Elizabeth Little League Field	3929	X15	—	—	—	—	—	—	—	—	—
Spray Fountain for Kellog Park	3940	X16	120,013	—	—	—	—	—	—	120,013	—
Police headquarters reappropriation		X17	29,744	—	—	—	—	—	25,850	3,894	—
Police headquarters renovation	3980	X18	487,258	1,800,000	—	—	—	—	665,255	—	1,622,003
Various recreation facility improvements	3981	X19	—	764,370	—	—	—	—	—	—	764,370

(Continued)

CITY OF ELIZABETH

Schedule of Improvement Authorizations

General Capital Fund

Year ended June 30, 2012

Improvement description	Ordinance number	Account number	Balance, June 30, 2011 Funded	Balance, June 30, 2011 Unfunded	2012 Authorizations Down Payment	2012 Authorizations Deferred Charges to Future Taxation Unfunded	(Cancellation)/ Reappropriation	Adjustments	Expended	Balance, June 30, 2012 Funded	Balance, June 30, 2012 Unfunded
Acquisition of 60-90 Broadway	4005	X20	$ 196,254	—	—	—	—	—	72,138	124,116	—
Union Street	4092	X21	—	—	—	—	—	—	—	—	—
Acquisition Grimmauld Place	4122	X22	—	28,820	—	—	—	—	11,151	—	17,669
Resurfacing Various Roads	4123	X23	1,758,140	—	—	—	—	—	1,203,740	554,400	—
Roof replacements	4124	X24	135,632	590,000	—	—	—	—	52,855	82,777	590,000
Synthetic Turf Soccer Fields	4125	X25	2,073,729	600,000	—	—	—	—	2,335,907	—	337,822
Waterfront Park Improvements	4126	X26	—	725,980	—	—	—	—	125,950	—	600,030
Rehabilitation of Parks	4137	X27	300,000	—	—	—	—	—	130,593	169,407	—
Guslavage Judgement	4156	X28	15,000	—	—	—	—	—	—	15,000	—
Environmental Engineering - various properties	4165	X29	83,661	1,900,000	—	—	—	—	754,002	—	1,229,659
Traffic Lights and Road Resurfacing	4166	X30	771,308	200,000	—	—	—	—	356,536	614,772	—
Mechanical Street Sweepers	4167	X31	20,000	380,000	—	—	—	—	348,000	—	52,000
Water Park - Mickey Walker Center	4169	X32	—	624,006	—	—	—	—	473,116	—	150,890
Refunding Bonds	4173	X49	—	3,000,000	—	—	(285,000)	—	2,715,000	—	—
Elizabeth River Walkway	4193	X36	60,000	1,140,000	—	—	—	—	802,683	—	397,317
Resurfacing Various Roads	4195	X33	250,000	4,750,000	—	—	—	—	2,504,309	—	2,495,691
Traffic Lights	4196	X34	30,000	570,000	—	—	—	—	—	30,000	570,000
Environmental Engineering - various properties	4197	X35	150,000	2,850,000	—	—	—	—	186,723	—	2,813,277
Environmental Engineering - various properties	4209	X37	20,000	380,000	—	—	—	—	97,486	—	302,514
Solar Panels	4225	X38	—	—	50,000	950,000	—		—	50,000	950,000
Vehicles Public Works	4251	X39	—	—	100,000	1,900,000	—		686,895	—	1,313,105
Vehicles and Equipment Public Works	4252	X40	—	—	1,000,000	—	—		502	999,498	
911 Sentinel System	4262	X41	—	—	1,500,000	—	—		502	1,499,498	
Streetscape (reapprop ord 3560)	4223	X42	—	—	—	—	1,300,000		12,400	—	1,287,600
Streetscape (reapprop ord 3661)	4224	X43	—	—	—	—	1,400,000		—	—	1,400,000
O,Brien Field Synthetic Turf	4282	X44	—	—	110,000	2,090,000	—		—	110,000	2,090,000
Resurfacing Various Roads	4302	X45	—	—	150,000	2,850,000	—		—	150,000	2,850,000
Holland Playground and Skate Park	4303	X46	—	—	75,000	1,425,000	—		—	75,000	1,425,000
Acquistion of Fire Equipment	4306	X47	—	—	125,000	2,375,000	—		—	125,000	2,375,000
City Hall Improvements	4305	X48	—	—	300,000	—	—		—	300,000	—
			$ 13,915,146	30,861,788	3,410,000	11,590,000	(285,000)	—	14,318,380	11,806,168	33,367,386

Capital Improvement Fund	$ 3,110,000	Transfer to Reserve for Bond expense	100,000
Capital Surplus	300,000	Disbursed	11,503,380
		Refunding expenses	2,715,000
	$ 3,410,000		14,318,380

Exhibit C-12

CITY OF ELIZABETH

Schedule of Capital Improvement Fund

General Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	3,422,171
Increased by:		
Budget appropriation		2,500,000
		5,922,171
Decreased by improvement Authorizations funded		3,110,000
Balance, June 30, 2012	$	2,812,171

Exhibit C-13

CITY OF ELIZABETH

Schedule of Reserve for
Retirement of Debt

General Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	3,167,874
Increased by:		
State aid (Traffic Lights and Road Resurfacing) Ord. 4166		62,133
		3,230,007
Decreased by:		
Disbursement to Current Fund revenue		467,237
Balance, June 30, 2012	$	2,762,770

Exhibit C-14

CITY OF ELIZABETH

Schedule of Due from Department
of Environmental Protection

General Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	267,196
Increased by:		
Grants awarded (Elizabeth River Walkway)		250,000
Loans awarded		250,000
Transferred		267,196
		767,196
		1,034,392
Decreased by:		
Collections		165,494
Balance, June 30, 2012	$	868,898

Analysis of Balance

Elizabeth River Walkway (2004-91-056)	$	500,000
Elizabeth River Walkway (2004-91-056)		368,898
	$	868,898

Exhibit C-15

CITY OF ELIZABETH

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended June 30, 2012

Ordinance number	Account number	General improvements	Year of ordinance	Balance, June 30, 2011	2012 authori-zations	Reductions	Balance, June 30, 2012
3118	965	Underground storage tanks	1999	47,000	—	—	47,000
3313	973	Various Capital Improvements	2001	275,000	—	—	275,000
3314	974	Midtown Streetscape-Pedestrian Plaza	2001	10,307	—	—	10,307
3357	976	Various improvements and acquisition of equipment	2002	1,215,000	—	—	1,215,000
3560	981	Broad Street Streetscape	2004	1,425,000	(1,300,000)	—	125,000
3654	991	City Hall Improvements	2004	475,000	—	—	475,000
3661	992	Broad Street Streetscape	2004	1,900,000	(1,400,000)	—	500,000
3667	994	Iron Oxide	2004	950,000	—	—	950,000
3757	998	Library Renovations	2005	590,000	—	—	590,000
3778	X01	Mack Building - E'Port	2006	2,110,000	—	—	2,110,000
3915	X12	Mack Building Improvements, supplemental	2008	1,900,000	—	—	1,900,000
3916	X13	Recreation Improvements	2008	1,090,000	—	—	1,090,000
3925	X14	Acquisition of property, Equipment and Vehicles	2008	900,000	—	—	900,000
3980	X18	Police headquarters renovation	2009	1,800,000	—	—	1,800,000
3981	X19	Various recreation facility improvements	2009	1,140,000	—	—	1,140,000
4122	X22	Acquisition Grimmauld Place	2010	1,330,000	—	—	1,330,000
4124	X24	Roof replacements	2010	590,000	—	—	590,000
4125	X25	Synthetic Turf Soccer Fields	2010	600,000	—	—	600,000
4126	X26	Waterfront Park Improvements	2010	950,000	—	—	950,000
4165	X29	Environmental Engineering - various properties	2011	1,900,000	—	—	1,900,000
4166	X30	Traffic Lights and Road Resurfacing	2011	200,000	—	200,000	—
4167	X31	Mechanical Street Sweepers	2011	380,000	—	—	380,000
4169	X32	Water Park - Mickey Walker Center	2011	1,235,000	—	—	1,235,000
4173		Refunding Bonds	2011	3,000,000	—	3,000,000	—
4193	X36	Elizabeth River Walkway	2011	1,140,000	—	250,000	890,000
4195	X33	Resurfacing Various Roads	2011	4,750,000	—	354,040	4,395,960
4196	X34	Traffic Lights	2011	570,000	—	—	570,000
4197	X35	Environmental Engineering - various properties	2011	2,850,000	—	—	2,850,000
4209	X37	Environmental Engineering - various properties	2011	380,000	—	—	380,000
4225	X38	Solar Panels	2012	—	950,000	—	950,000
4251	X39	Vehicles Public Works	2012	—	1,900,000	—	1,900,000
4223	X42	Streetscape (reapprop ord 3560)	2012	—	1,300,000	—	1,300,000
4224	X43	Streetscape (reapprop ord 3661)	2012	—	1,400,000	—	1,400,000
4282	X44	O'Brien Field Synthetic Turf	2012	—	2,090,000	—	2,090,000
4302	X45	Resurfacing Various Roads	2012	—	2,850,000	—	2,850,000
4303	X46	Holland Playground and Skate Park	2012	—	1,425,000	—	1,425,000
4306	X47	Acquistion of Fire Equipment	2012	—	2,375,000	—	2,375,000
				$ 35,702,307	11,590,000	3,804,040	43,488,267

Sale of bonds	$ 2,715,000
Grant received	554,040
Grant awarded	250,000
Cancellations	285,000
	$ 3,804,040

Exhibit C-16

CITY OF ELIZABETH

Schedule of Due from Union County
Improvement Authority

General Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	889,693
Decreased by reimbursements		240,908
Balance, June 30, 2012	$	648,785

Analysis of Balance

1997 lease	$	131,073
1999 lease		13,405
2001 lease		246,703
2004 lease		257,604
	$	648,785

CITY OF ELIZABETH

Schedule of Loans Payable

General Capital Fund

Year ended June 30, 2012

Loan number	Improvement description	Amount of original issue	Date of original issue	Interest rate	Principal Payments outstanding June 30, 2012 Date	Principal Payments outstanding June 30, 2012 Amount	Balance June 30, 2011	Increased by new loan proceeds	Decreased by	Balance June 30, 2012
2004-92-103	Land for public parking	$ 217,700	4/18/1997	2.00%	7/22/2012	$ 6,128				
					1/22/2013	6,189				
					7/22/2013	6,251				
					1/22/2014	6,313				
					7/22/2014	6,376				
					1/22/2015	6,440				
					7/22/2015	6,505				
					1/22/2016	6,569				
					7/22/2016	6,634				
					1/22/2017	6,703	76,182	—	12,074	64,108
2004-90-080	Ball field - Westfield Ave.	75,000	5/14/1997	2.00%	8/14/2012	2,111				
					2/14/2013	2,132				
					8/14/2013	2,153				
					2/14/2014	2,175				
					8/14/2014	2,197				
					2/14/2015	2,219				
					8/14/2015	2,241				
					2/14/2016	2,263				
					8/14/2016	2,286				
					2/14/2017	2,310	26,246	—	4,159	22,087
—	NJ Department of Transportation	5,000,000	7/13/1998	various	10 years	500,000	5,000,000	—	—	5,000,000

(Continued)

CITY OF ELIZABETH

Schedule of Loans Payable

General Capital Fund

Year ended June 30, 2012

Loan number	Improvement description	Amount of original issue	Date of original issue	Interest rate	Principal Payments outstanding June 30, 2012 Date	Amount	Balance June 30, 2011	Increased by new loan proceeds	Decreased by	Balance June 30, 2012
2004-95-130	Ball field - Westfield Ave.	$ 337,599	5/1/2005	2.00%	10/29/2012	$ 12,078				
					4/30/2013	12,199				
					10/29/2013	12,321				
					4/30/2014	12,444				
					10/29/2014	12,569				
					4/30/2015	12,694				
					10/29/2015	12,821				
					4/30/2016	12,949				
					10/29/2016	13,079				
					4/30/2017	13,210				
					10/29/2017	13,342				
					4/30/2018	13,475				
					10/29/2018	13,610				
					4/30/2019	13,746	204,336	—	23,799	180,537
2004-92-105	Kenah Center Acquisitions	70,000	12/2/1998	2.00%	9/2/2012	1,912				
					3/2/2013	1,931				
					9/2/2013	1,951				
					3/2/2014	1,970				
					9/2/2014	1,990				
					3/2/2015	2,010				
					9/2/2015	2,030				
					3/2/2016	2,050				
					9/2/2016	2,071				
					3/2/2017	2,092				
					9/2/2017	2,112				
					3/2/2018	2,134				
					9/2/2018	2,155	30,176	—	3,768	26,408

(Continued)

CITY OF ELIZABETH

Schedule of Loans Payable

General Capital Fund

Year ended June 30, 2012

Loan number	Improvement description	Amount of original issue	Date of original issue	Interest rate	Principal Payments outstanding June 30, 2012 Date	Principal Payments outstanding June 30, 2012 Amount	Balance June 30, 2011	Increased by new loan proceeds	Decreased by	Balance June 30, 2012
105229	Underground storage tanks	$ 877,200	5/1/2002	0.00%			87,720	—	87,720	—
00-2019-02	Demolition Loan Payable	825,000	10/9/2003	4.00%	10/9/2011	$ 82,500	82,500	—	82,500	—
2004-03-081	Elmora Raquet Club	$ 400,000	8/1/2008	2.00%	11/7/2012	9,045				
					5/7/2013	9,136				
					11/7/2013	9,227				
					5/7/2014	9,319				
					11/7/2014	9,412				
					5/7/2015	9,507				
					11/7/2015	9,602				
					5/7/2016	9,698				
					11/7/2016	9,795				
					5/7/2017	9,896				
					11/7/2017	9,991				
					5/7/2018	10,091				
					11/7/2018	10,192				
					5/7/2019	10,294				
					11/7/2019	10,397				
					5/7/2020	10,501				
					11/7/2020	10,606				
					5/7/2021	10,712				
					11/7/2021	10,819				
					5/7/2022	10,927				

(Continued)

CITY OF ELIZABETH

Schedule of Loans Payable

General Capital Fund

Year ended June 30, 2012

Loan number	Improvement description	Amount of original issue	Date of original issue	Interest rate	Principal Payments outstanding June 30, 2012 Date	Amount	Balance June 30, 2011	Increased by new loan proceeds	Decreased by	Balance June 30, 2012
2004-03-081	Elmora Raquet Club	$ 400,000	8/1/2008	2.00%	11/7/2022	$ 11,037				
					5/7/2023	11,147				
					11/7/2023	11,259				
					5/7/2024	11,371				
					11/7/2024	11,485				
					5/7/2025	11,600				
					11/7/2025	11,716				
					5/7/2026	11,833				
					11/7/2026	11,951				
					5/7/2027	12,071				
					11/7/2027	12,192				
					5/7/2028	12,313	356,965	—	17,823	339,142
2004-97-018	Kenah Field Expansion	$ 280,938	12/22/2008	2.00%	9/24/2012	6,290				
					3/24/2013	6,353				
					9/24/2013	6,416				
					3/24/2014	6,481				
					9/24/2014	6,545				
					3/24/2015	6,611				
					9/24/2015	6,677				
					3/24/2016	6,744				
					9/24/2016	6,811				
					3/24/2017	6,879				
					9/24/2017	6,948				
					3/24/2018	7,018				
					9/24/2018	7,088				
					3/24/2019	7,159				
					9/24/2019	7,230				
					3/24/2020	7,302				
					9/24/2020	7,375				
					3/24/2021	7,449				
					9/24/2021	7,524				
					3/24/2022	7,599				
					9/24/2022	7,675				

(Continued)

CITY OF ELIZABETH

Schedule of Loans Payable

General Capital Fund

Year ended June 30, 2012

Loan number	Improvement description	Amount of original issue	Date of original issue	Interest rate	Principal Payments outstanding June 30, 2012 Date	Amount	Balance June 30, 2011	Increased by new loan proceeds	Decreased by	Balance June 30, 2012
2004-97-018	Kenah Field Expansion	$ 280,938	12/22/2008	2.00%	3/24/2023	$ 7,752				
					9/24/2023	7,829				
					3/24/2024	7,907				
					9/24/2024	7,986				
					3/24/2025	8,066				
					9/24/2025	8,147				
					3/24/2026	8,229				
					9/24/2026	8,311				
					3/24/2027	8,394				
					9/24/2027	8,478				
					3/24/2028	8,563				
					9/24/2028	8,648	256,878	—	12,394	244,484
N/A	Water front Park Project	250,000	N/A	0.00%	N/A	N/A	821,796	—	821,796	—
2004-91-056	Elizabeth River Walkway	267,196		0.00%	2013	6,851				
	Semi annual (on Apr. 27 and oct. 27)				2014	13,702				
					2015	13,703				
					2016	13,702				
					2017	13,702				
					2018	13,702				
					2019	13,702				
					2020	13,702				
					2021	13,703				
					2022	13,702				
					2023	13,703				
					2024	13,702				
					2025	13,703				
					2026	13,702				
					2027	13,703				
					2028	13,702				
					2029	13,703				
					2030	13,702				
					2031	13,703				
					2032	13,702	—	267,196	—	267,196
							$ 6,942,799	267,196	1,066,033	6,143,962

Payments	$ 244,237
Loan reduction	821,796
	$ 1,066,033

Exhibit D-3

CITY OF ELIZABETH

Schedule of Cash

Water Utility Funds

Year ended June 30, 2012

		Operating Fund	Trust Fund	Capital Fund
Balance, June 30, 2011	$	829,257	157,472	1,471,638
Increased by receipts:				
Due to Liberty Water		258,785	—	—
Reserve for capital expenditures		—	—	931,338
Interest earned		7,141	—	—
Interfund receipts		6,072	—	5,665
Total receipts		271,998	—	937,003
Subtotal		1,101,255	157,472	2,408,641
Decreased by disbursements:				
Interfund disbursements		5,665	—	6,072
Payment to Liberty Water for Improvements		258,785	—	966,943
Total disbursements		264,450	—	973,015
Balance, June 30, 2012	$	836,805	157,472	1,435,626
Cash	$	836,805	157,472	1,435,626
Investments		—	—	—
	$	836,805	157,472	1,435,626

Exhibit D-4

CITY OF ELIZABETH

Schedule of Analysis of Capital Cash

Water Utility Capital Fund

June 30, 2012

Description		Amount
Capital Improvement Fund	$	697,239
Reserve for capital expenditures		738,387
	$	1,435,626

Exhibit D-5

CITY OF ELIZABETH

Schedule of Reserve for Customer Deposits

Water Utility Trust Fund

Year ended June 30, 2012

Balance, June 30, 2011 and 2012	$ 157,472

Exhibit D-6

CITY OF ELIZABETH

Reserve for Capital Expenditures

Water Utility Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	773,992
Increased by collections from Liberty Water		931,338
		1,705,330
Decreased by expenditures		966,943
Balance, June 30, 2012	$	738,387

Exhibit D-7

CITY OF ELIZABETH

Schedule of Interfund Accounts Receivable (Payable)

Water Utility Operating Fund

Year ended June 30, 2012

		Total	Water Capital Fund
Balance, June 30, 2011, Due from (to)	$	407	407
Increased by:			
Interest earned		5,665	5,665
		6,072	6,072
Decreased by:			
Cash receipts		6,072	6,072
Balance, June 30, 2012, Due from (to)	$	—	—

Exhibit D-8

CITY OF ELIZABETH

Schedule of Capital Improvement Fund

Water Utility Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011 and 2012	$ 697,239

Exhibit D-9

CITY OF ELIZABETH

Schedule of Water Liens Receivable

Water Utility Operating Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	41,351
Increased by new liens		20,977
		62,328
Decreased by:		
Collections due to Liberty Water		18,889
Balance, June 30, 2012	$	43,439

Exhibit D-10

CITY OF ELIZABETH

Due to Liberty Water

Water Utility Operating Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	—
Increased by collections for Liberty Water		258,785
		258,785
Decreased by expenditures		258,785
Balance, June 30, 2012	$	—

Exhibit D-11

CITY OF ELIZABETH

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$ 16,441,271
Balance, June 30, 2012	$ 16,441,271

Exhibit D-12

CITY OF ELIZABETH

Schedule of Fixed Capital

Water Utility Capital Fund

Year ended June 30, 2012

Description		Balance, June 30, 2011	Balance, June 30, 2012
Capital acquisitions	$	1,092,716	1,092,716
Land		14,013	14,013
General structures		350,250	350,250
Distributions mains and accessories		9,023,984	9,023,984
Meters, meter boxes and vaults		987,199	987,199
Service pipe and stops		1,896,542	1,896,542
Hydrants		136,929	136,929
General equipment		2,172,691	2,172,691
Miscellaneous service not distributed		445,555	445,555
Engineering and supervision		79,059	79,059
Computer equipment		6,949	6,949
Maintenance of City roads		235,384	235,384
	$	16,441,271	16,441,271

Exhibit E-5

CITY OF ELIZABETH

Schedule of Cash - Treasurer

Sewer Utility Funds

Year ended June 30, 2012

		Operating Fund	Capital Fund
Balance, June 30, 2011	$	5,759,980	5,257,377
Increased by receipts:			
Consumers' accounts receivable		18,233,271	—
Miscellaneous revenues		1,272,642	—
Notes issued		—	6,000,000
Premium on sale of notes		—	84,362
Environmental Infrastructure Loan		—	702,661
Bonds issued			2,555,000
Capital Reimbursement		806,425	—
Total receipts		20,312,338	9,342,023
Subtotal		26,072,318	14,599,400
Decreased by disbursements:			
Budget appropriations		15,778,620	—
Appropriation reserves		302,659	—
Accounts payable		16,443	—
Interest on bonds and notes		681,442	—
Bond sale expenses		—	14,820
Interfund disbursements		—	300,258
Improvement authorizations		—	11,846,386
Total disbursements		16,779,164	12,161,464
Balance, June 30, 2012	$	9,293,154	2,437,936

Exhibit E-6

CITY OF ELIZABETH

Schedule of Analysis of Sewer Utility Capital Cash

Sewer Utility Capital Fund

Year ended June 30, 2012

	Balance June 30, 2011	Receipts		Disbursements		Transfer		Balance June 30, 2012
		Debt issued	Miscellaneous	Improvement authorizations	Miscellaneous	From	To	
Due from NJ Wastewater Treatment Trust	$ (508,053)	—	—	—	—	—	—	(508,053)
Stormwater grant receivable	(5,155)		—	—	—	—	—	(5,155)
Bond sale expense payable	4,994	—	—	—	14,820	—	108,165	98,339
Reserve for renewal and replacement	364,000	—	—	—	—	—	—	364,000
Capital Improvement Fund	788,338	—	—	—	—	—	—	788,338
EITF receivable	(1,256,347)	—	702,661	—	—	6,862,215	—	(7,415,901)
Due to Sewer Operating Fund	—	—	—	—	300,258	—	—	(300,258)
Appropiated reserve for grants	20,619		—	—	—	—	—	20,619
Fund Balance	977,656	—	84,362	—	—	—	—	1,062,018
Improvement authorizations:								
Ordinance number		—						
1848	(332,000)	—	—	—	—	—	—	(332,000)
2340	(105,686)	—	—	—	—	—	—	(105,686)
2481	(101,766)	—	—	—	—	—	—	(101,766)
2834	(219,876)	—		—	—	—	—	(219,876)
2909	656,083	—	—	—	—	—	—	656,083
3245	2,045,928	—	—	—	—	—	—	2,045,928
3119	38,925	—	—	—	—	—	—	38,925
3634	(991,658)	—	—	—	—	—	—	(991,658)
3636	938,262	—	—	—	—	—	—	938,262
3652	(59,964)	—	—	—	—	—	—	(59,964)
3653	(475,000)	—	—	—	—	—	—	(475,000)
3720	483,545	—	—	—	—	—	—	483,545
3748	(262,593)	—	—	—	—	—	—	(262,593)
3795	(364,854)	—	—	—	—	—	—	(364,854)
3878	(1,941,335)	—	—	14,091	—	—	—	(1,955,426)
3982	2,904,213	—	—	240,960	—	—	—	2,663,253
3992	233,930	—	—	—	—	—	—	233,930
3993	23,267	—	—	—	—	—	—	23,267
4035	(650,000)	—	—	371,121	—	50,000	6,854,050	5,782,929
4036	(10,000)	—	—	464,637	—	—	—	(474,637)
4093	3,096,584	6,000,000	—	7,487,055	—	20,000	—	1,589,529
4170	(34,680)	—	—	96,249	—	—	—	(130,929)
4174	—	2,555,000	—	2,555,000	—	—	—	—
4198	—	—	—	—	—	15,000	—	(15,000)
4199	—	—	—	—	—	15,000	—	(15,000)
4200	—	—	—	617,273	—	—	—	(617,273)
	$ 5,257,377	8,555,000	787,023	11,846,386	315,078	6,962,215	6,962,215	2,437,936

Exhibit E-7

CITY OF ELIZABETH

Schedule of Consumers' Accounts Receivable

Sewer Utility Operating Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	10,843
Increased by:		
Rents levied		18,249,098
		18,259,941
Decreased by:		
Transfer to Liens		15,828
Collections		18,233,271
		18,249,099
Balance, June 30, 2012	$	10,842

Exhibit E-8

CITY OF ELIZABETH

Schedule of Appropriated Reserve for State Grants

Sewer Utility Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$ 20,619
Balance, June 30, 2012	$ 20,619

Exhibit E-9

CITY OF ELIZABETH

Schedule of Fixed Capital

Sewer Utility Capital Fund

Year ended June 30, 2012

		Balance, June 30, 2011	Increases	Balance, June 30, 2012
Sewer pumps	$	1,335,787	—	1,335,787
Computer equipment		47,728	—	47,728
Transportation equipment		263,450	—	263,450
General equipment		734,495	—	734,495
Joint Meeting Dewatering Plant		15,775,548	—	15,775,548
Sewer lines		8,890,510	—	8,890,510
Sanitary sewer system		22,883,241	—	22,883,241
Refunding bond issuance costs		235,000	80,000	315,000
Overflow pollution abatement program		256,000	—	256,000
	$	50,421,759	80,000	50,501,759

Exhibit E-10

CITY OF ELIZABETH

Schedule of Fixed Capital Authorized and Uncompleted

Sewer Utility Capital Fund

Year ended June 30, 2012

Ordinance number	Improvement description	Ordinance authori-zation	Balance, June 30, 2011	Balance June 30, 2012
	Pollution abatement program	$ 4,550,000	4,550,000	4,550,000
2287	Joint Meeting Dewatering Plant	3,200,000	3,200,000	3,200,000
2386	Fiscal year adjustment bonds	1,425,000	1,425,000	1,425,000
2525	Joint Meeting Dewatering Plant	4,775,000	4,775,000	4,775,000
2812	Sewer jet and catch basin	85,000	85,000	85,000
2909	Infiltration and inflow reduction	3,210,000	1,589,582	1,589,582
3119	Overflow pollution abatement program	840,000	584,000	584,000
3245	NJ environmental infrastructure trust	14,920,000	14,920,000	14,920,000
3340	Sewer refunding bonds	2,875,000	125,000	125,000
3462	Combined Sewer System	1,200,000	1,200,000	1,200,000
3634	CSO Characterization study	1,400,000	1,400,000	1,400,000
3636	Various Storm and Sewer Improvements	5,500,000	5,500,000	5,500,000
3652	Storm sewer Improvements	400,000	400,000	400,000
3653	Construction Harding Road Storm sewer	500,000	500,000	500,000
3720	Joint Meeting capital construction	3,600,000	3,600,000	3,600,000
3748	Harding Rd. Supplement Ord. 3653	300,000	300,000	300,000
3795	Harding Rd. Storm Sewer	500,000	500,000	500,000
3878	Verona Ave. - Gebhardt Storm Sewer	4,000,000	4,000,000	4,000,000
3982	Verona Ave. - Gebhardt Storm Sewer - Supplemental	3,500,000	3,500,000	3,500,000
3992	Summer St. Storm Sewer Improvements	1,000,000	1,000,000	1,000,000
3993	Joint Meeting Capital Projects	4,500,000	306,931	306,931
4035	Midtown sewer improvements	14,000,000	14,000,000	14,000,000
4036	Verona Ave. - Gebhardt Storm Sewer	1,000,000	1,000,000	1,000,000
4037	Summer St. Storm Sewer Improvements	200,000	200,000	200,000
4093	Infrastructure Upgrades Phase I	12,000,000	12,000,000	12,000,000
4170	North Ave. sewer modification	1,500,000	1,500,000	1,500,000
4198	Western Ave. sewer system improvement	12,000,000	12,000,000	12,000,000
4199	Third Ave. sewer modification	2,600,000	2,600,000	2,600,000
4200	South St. sewer modification	1,500,000	1,500,000	1,500,000
			$ 98,260,513	98,260,513

Exhibit E-11

CITY OF ELIZABETH

Schedule of Reserve for Renewal and Replacement of
Property, Plant, and Equipment

Sewer Utility Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011 and 2012	$ 364,000

Exhibit E-12

CITY OF ELIZABETH

Schedule of 2011 Appropriation Reserves

Sewer Utility Operating Fund

Year ended June 30, 2012

	Balance, June 30, 2011	Encumbrance payable cancelled	Balance after modification	Paid	Balance lapsed
Operating:					
Management fee	47,960	—	47,960	9,941	38,019
Joint meeting	285,056	10,386	295,442	150,850	144,592
Capital improvements:					
Capital outlay	1,567,194	—	1,567,194	142,485	1,424,709
	$ 1,900,210	10,386	1,910,596	303,276	1,607,320

Cash	$ 302,659
Accounts payable	617
	$ 303,276

Exhibit E-13

CITY OF ELIZABETH

Schedule of Accounts Payable

Sewer Utility Operating Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	764,840
Increased by:		
2011 budget appropriation		617
		765,457
Decreased by:		
Disbursements		16,443
Balance, June 30, 2012	$	749,014

Exhibit E-14

CITY OF ELIZABETH

Schedule of Bond Anticipation Notes

Sewer Utility Capital Fund

Year ended June 30, 2012

Ordinance number	Improvement description	Date of original issue	Issue Date	Date of maturity	Interest rate	Balance, June 30, 2011	Increased	Decreased	Balance, June 30, 2012
4093	Infrastructure Upgrades Phase I	6/30/2010	4/13/2012	4/12/2013	1.500%	$ 3,000,000	3,000,000	3,000,000	3,000,000
		6/10/2011	4/13/2012	4/12/2013	1.500%	3,000,000	3,000,000	3,000,000	3,000,000
		4/13/2012	4/13/2012	4/12/2013	1.500%	—	6,000,000	—	6,000,000
						$ 6,000,000	12,000,000	6,000,000	12,000,000
					Renewed		$ 6,000,000	6,000,000	
					Issued		6,000,000	—	
							$ 12,000,000	6,000,000	

Exhibit E-15

CITY OF ELIZABETH

Schedule of Accrued Interest on Bonds and Notes

Sewer Utility Operating Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	255,310
Increased by budget appropriation		677,164
		932,474
Decreased by:		
Cash disbursements		681,442
Cancellation		19,031
		700,473
Balance, June 30, 2012	$	232,001

Exhibit E-16

CITY OF ELIZABETH

Schedule of Due from Trustee
Environmental Infrastructure Trust and Fund Loans

Sewer Utility Capital Fund

Year ended June 30, 2012

Loan Description	Balance June 30, 2011	Increase	Decrease	Balance June 30, 2012
NJEIT fund loan - Ord. 3636 -06ST 06Sf	$ 34,655	—	—	34,655
NJEIT fund loan - Ord. 3720 -06STJ 06SFJ	488,545	—	—	488,545
NJEIT Verona Ave. ORD. 3878/3982/4036	694,496	8,165	702,661	—
Due from State Ord. 4035	—	4,259,050	—	4,259,050
NJEIT Loan Ord. 4035	—	2,595,000	—	2,595,000
Due from State Ord. 3992/4037 Summer St.	4,914	—	—	4,914
	$ 1,222,610	6,862,215	702,661	7,382,164

Collected	$ 702,661
	$ 702,661

CITY OF ELIZABETH

Schedule of Serial Bonds

Sewer Utility Capital Fund

Year ended June 30, 2012

Purpose of issue	Date of issue	Original issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Interest rate	Balance, June 30, 2011	Increased by Bonds Issued	Paid by	Balance, June 30, 2012
Sewer improvements	7/15/1998	$ 2,924,000	7/15/2012-13	$ 145,000	5.000				
			7/15/2014-18	150,000	5.000	$ 1,185,000	—	145,000	1,040,000
Sewer Utility Bonds	11/1/2001	4,030,000				2,212,000	—	2,212,000	—
Sewer refunding bonds	12/1/2001	2,875,000				465,000	—	465,000	—
Sewer Refunding Bonds	7/6/2011	2,555,000	11/1/2012	450,000	3.000				
			11/1/2013	215,000	3.000				
			11/1/2014	210,000	3.000				
			11/1/2015	210,000	3.000				
			11/1/2016	90,000	3.000				
			11/1/2016	115,000	2.250				
			11/1/2017	205,000	2.500				
			11/1/2018	80,000	4.000				
			11/1/2018	120,000	3.000				
			11/1/2019	195,000	4.000				
			11/1/2020	75,000	5.000				
			11/1/2020	120,000	3.500				
			11/1/2021	195,000	3.750	—	2,555,000	275,000	2,280,000
						$ 3,862,000	2,555,000	3,097,000	3,320,000

Budget appropriation	$ 622,000
Refunding	2,475,000
	$ 3,097,000

Exhibit E-18

CITY OF ELIZABETH

Schedule of Local Unit Bonds

Sewer Utility Capital Fund

Year ended June 30, 2012

Purpose of issue	Bond number	Original issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Interest rate	Balance, June 30, 2011	Paid by budget appropriations	Balance, June 30, 2012
Wastewater Treatment Bonds -	97L	$ 1,600,000	9/1/2012	$ 72,903	Non-interest			
Wastewater Treatment Fund			3/1/2013	7,561	bearing			
Trust Loan (Ord. 2909)			9/1/2013	74,264				
			3/1/2014	5,810				
			9/1/2014	75,545				
			3/1/2015	3,979				
			9/1/2015	76,746				
			3/1/2016	2,069				
			9/1/2016	83,965		$ 483,536	80,695	402,841
Wastewater Treatment Bonds -	97T	1,610,000	9/1/2012	105,000	5.25			
Wastewater Treatment Trust Loan			9/1/2013	110,000	5.25			
(Ord. 2909)			9/1/2014	115,000	5.25			
			9/1/2015	120,000	5.25			
			9/1/2016	130,000	5.25	680,000	100,000	580,000
						$ 1,163,536	180,695	982,841

Exhibit E-19

CITY OF ELIZABETH

Schedule of Improvement Authorizations

Sewer Utility Capital Fund

Year ended June 30, 2012

Improvement description	Ordinance Number	Ordinance Date	Ordinance Amount	Balance, June 30, 2011 Funded	Balance, June 30, 2011 Unfunded	Capital improvement funded	Bonds and notes authorized not issued	Paid or charged	Cancelled	Balance, June 30, 2012 Funded	Balance, June 30, 2012 Unfunded
Reconstruction of sanitary/storm sewer - infiltration and inflow reduction	2909	8/28/1996	$ 3,210,000	656,083	—	—	—	—	—	656,083	—
Combined Sewer System	3119	11/24/1998	840,000	38,925	—	—	—	—	—	38,925	—
Combined sewer outflow system	3245	10/1/2000	14,920,000	2,045,928	248,870	—	—	—	—	2,045,928	248,870
Combined Sewer System	3462	3/25/2003	1,200,000	—	1,200,000	—	—	—	—	—	1,200,000
CSO Characterization study	3634	8/24/2004	1,400,000	—	75,555	—	—	—	—	—	75,555
Various Storm and Sewer Improvements	3636	8/24/2004	5,500,000	938,262	2,308,966	—	—	—	—	938,262	2,308,966
Storm sewer Improvements	3652	9/28/2004	400,000	—	320,036	—	—	—	—	—	320,036
Joint Meeting Capital Construction	3720	5/24/2005	3,600,000	483,545	196,665	—	—	—	—	483,545	196,665
Harding Rd. Supplement Ord. 3653	3748	8/23/2005	300,000	—	22,407	—	—	—	—	—	22,407
Harding Rd. Storm Sewer	3795	2/26/2006	500,000	—	110,146	—	—	—	—	—	110,146
Verona Ave. - Gebhardt Storm Sewer	3878	2/1/2007	4,000,000	—	95,500	—	—	14,091	—	—	81,409
Verona Ave. - Gebhardt Storm Sewer - Supple	3982	8/26/2008	3,500,000	—	939,717	—	—	240,960	—	—	698,757
Summer St. Storm Sewer Improvements	3992	10/28/2008	1,000,000	—	294,710	—	—	—	—	—	294,710
Joint Meeting Capital Projects	3993	10/28/2008	4,500,000	—	330,198	—	—	—	—	—	330,198
Midtown sewer improvements	4035	4/14/2009	14,000,000	—	13,350,000	—	—	421,121	—	—	12,928,879
Verona Ave. - Gebhardt Storm Sewer	4036	4/14/2009	1,000,000	—	990,000	—	—	464,637	—	—	525,363
Summer St. Storm Sewer Improvements	4037	4/14/2009	200,000	—	200,000	—	—	—	—	—	200,000
Infrastructure Upgrades Phase I	4093	1/12/2010	12,000,000	—	9,096,584	—	—	7,507,055	—	—	1,589,529
North Ave. sewer modification	4170	11/10/2010	1,500,000	—	1,465,320	—	—	96,249	—	—	1,369,071
Refunding Bonds	4174	12/14/2010	2,800,000	—	—	—	2,800,000	2,555,000	245,000	—	—
Western Ave. sewer system improvement	4198	3/22/2011	12,000,000	—	12,000,000	—	—	15,000	—	—	11,985,000
Third Ave. sewer modification	4199	3/22/2011	2,600,000	—	2,600,000	—	—	15,000	—	—	2,585,000
South St. sewer modification	4200	3/22/2011	1,500,000	—	1,500,000	—	—	617,273	—	—	882,727
				$ 4,162,743	47,344,674	—	2,800,000	11,946,386	245,000	4,162,743	37,953,288

Transferred to reserve for bond expenses	$ 100,000
Disbursements	11,846,386
	$ 11,946,386

Exhibit E-20

CITY OF ELIZABETH

Schedule of Reserve for Amortization

Sewer Utility Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$ 61,193,827
Increased by:	
Local Unit bonds paid by operating budget	180,695
Environmental infrastructure Loans payable	1,355,907
NJEIT forgiveness	1,419,683
Serial bonds paid by operating budget	622,000
	3,578,285
Balance, June 30, 2012	$ 64,772,112

Exhibit E-21

CITY OF ELIZABETH

Schedule of Reserve for Deferred Amortization

Sewer Utility Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$ 8,796,766
Balance, June 30, 2012	$ 8,796,766

Exhibit E-22

CITY OF ELIZABETH

Schedule of Bonds and Notes Authorized but not Issued

Sewer Utility Capital Fund

Year ended June 30, 2012

Ordinance number	Improvement description	Balance, June 30, 2011	Improvement authori-zations	Decreased By	Balance, June 30, 2012
1848	Trenton Ave. pumping station	$ 332,000	—	—	332,000
2340	Purchase of equipment	105,686	—	—	105,686
2481	Water/storm sanitary sewer	101,766	—	—	101,766
2834	Reconstruction and rehabilitation of combined sewer system - overflow pollution abatement program	219,876	—	—	219,876
3245	Combined sewer outflow system	248,870	—	—	248,870
3462	CSO Characterization study	1,200,000	—	—	1,200,000
3634	CSO Characterization study	1,330,000	—	—	1,330,000
3636	Various Storm and Sewer Improvements	2,308,966	—	—	2,308,966
3652	Storm sewer Improvements	380,000	—	—	380,000
3653	Construction Harding Road Storm sewer	475,000	—	—	475,000
3720	Joint Meeting Capital Projects	196,665	—	—	196,665
3748	Harding Rd. Supplement Ord. 3653	285,000	—	—	285,000
3795	Harding Rd. Storm Sewer	475,000	—	—	475,000
3878	Verona Ave. - Gebhardt Storm Sewer	—	—	—	—
3982	Verona Ave. - Gebhardt Storm Sewer - Supplemental	80,502	—	—	80,502
3992	Summer St. Storm Sewer Improvements	63,085	—	—	63,085
3993	Joint Meeting Capital Projects	330,200	—	—	330,200
4035	Midtown sewer improvements	14,000,000	—	6,854,050	7,145,950
4036	Verona Ave. - Gebhardt Storm Sewer	1,000,000	—	—	1,000,000
4037	Summer St. Storm Sewer Improvements	200,000	—	—	200,000
4093	Infrastructure Upgrades Phase I	6,000,000	—	6,000,000	—
4170	North Ave. sewer modification	1,500,000	—	—	1,500,000
4174	Refunding Bonds	—	2,800,000	2,800,000	—
4198	Western Ave. sewer system improvement	12,000,000	—	—	12,000,000
4199	Third Ave. sewer modification	2,600,000	—	—	2,600,000
4200	South St. sewer modification	1,500,000	—	—	1,500,000
		$ 46,932,616	2,800,000	15,654,050	34,078,566

Bond anticipation notes	$ 6,000,000
Canceled	245,000
Due from NJEIT/ State	6,854,050
Bonds Issued	2,555,000
	$ 15,654,050

CITY OF ELIZABETH

Schedule of Environmental Infrastructure Loans Payable

Sewer Utility Capital Fund

Year ended June 30, 2012

Purpose of issue	Date of issue	Original issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Interest rate	Balance, June 30, 2011	Increased by Bonds Issued	Paid by budget appropriations	Balance, June 30, 2012
NJ Environmental Trust Loan	10/1/2000	$ 2,635,000	8/1/2012	$ 140,000	5.00				
(Ord. 3245)			8/1/2013	145,000	5.00				
			8/1/2014	155,000	5.00				
			8/1/2015	160,000	5.13				
			8/1/2016	170,000	5.13				
			8/1/2017	180,000	5.25				
			8/1/2018	190,000	5.25				
			8/1/2019	200,000	5.25				
			8/1/2020	210,000	5.25	$ 1,685,000	—	135,000	1,550,000
NJ Environmental Fund Loan	Semi-annual	2,548,815	8/1/2012	133,902	Non-interest				
(Ord. 3245)	payments on		8/1/2013	132,587	bearing				
	8/1and 2/1		8/1/2014	134,134					
			8/1/2015	132,293					
			8/1/2016	133,249					
			8/1/2017	133,817					
			8/1/2018	133,996					
			8/1/2019	133,849					
			8/1/2020	133,377		1,336,267	—	135,063	1,201,204
NJ Environmental Fund Loan	Semi-annual	$ 3,130,000	8/1/2012	165,000	5.50				
2001A - 11/8/2001	payments on		8/1/2013	175,000	5.50				
(Ord. 3245)	8/1and 2/1		8/1/2014	185,000	5.00				
			8/1/2015	190,000	5.00				
			8/1/2016	200,000	5.00				
			8/1/2017	210,000	5.00				
			8/1/2018	220,000	5.00				
			8/1/2019	235,000	5.00				
			8/1/2020	245,000	4.75				
			8/1/2021	255,000	4.75	2,235,000	—	155,000	2,080,000

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Schedule of Environmental Infrastructure Loans Payable

Sewer Utility Capital Fund

Year ended June 30, 2012

Purpose of issue	Date of issue	Original issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Interest rate	Balance, June 30, 2011	Increased by Bonds Issued	Paid by budget appropriations	Balance, June 30, 2012
NJ Environmental Fund Loan	8/1/2002	$ 1,945,000	8/1/2012	$ 100,000	5.00				
2002A - 03ST			8/1/2013	105,000	5.25				
(Ord. 3428)			8/1/2014	110,000	5.25				
			8/1/2015	115,000	5.00				
			8/1/2016	125,000	5.00				
			8/1/2017	130,000	5.00				
			8/1/2018	135,000	5.00				
			8/1/2019	145,000	5.00				
			8/1/2020	150,000	5.00				
			8/1/2021	155,000	5.00				
			8/1/2022	165,000	4.75	$ 1,530,000	—	95,000	1,435,000
NJ Environmental Fund Loan	Semi-annual	$ 1,775,000	2013	102,627	Non-interest				
2002A	payments on		2014	102,471	bearing				
(Ord. 3428)	8/1and 2/1		2015	102,082					
			2016	101,620					
			2017	104,043					
			2018	103,210					
			2019	102,225					
			2020	104,043					
			2021	102,603					
			2022	101,013					
			2023	102,349		1,230,837	—	102,551	1,128,286
NJ Environmental Fund Loan	11/8/2001	3,084,896	8/1/2012	138,568	Non-interest				
2001A			2/1/2013	30,420	bearing				
(Ord. 3245)			8/1/2013	142,053					
			2/1/2014	27,350					
			8/1/2014	145,362					
			2/1/2015	24,400					
			8/1/2015	145,601					
			2/1/2016	21,370					
			8/1/2016	148,950					
			2/1/2017	18,180					
			8/1/2017	152,139					
			2/1/2018	14,831					
			8/1/2018	155,169					
			2/1/2019	11,323					
			8/1/2019	161,229					
			2/1/2020	7,575					
			8/1/2020	163,861					
			2/1/2021	3,863					
			8/1/2021	166,528		1,846,994	—	168,222	1,678,772

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CITY OF ELIZABETH

Schedule of Environmental Infrastructure Loans Payable

Sewer Utility Capital Fund

Year ended June 30, 2012

Purpose of issue	Date of issue	Original issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Interest rate	Balance, June 30, 2011	Increased by Bonds Issued	Paid by budget appropriations	Balance, June 30, 2012
NJ Environmental Fund Loan	11/29/2006	755,000	8/1/2012	$ 30,000	5.000				
2006A	Semi-annual		8/1/2013	35,000	5.000				
(Ord. 3636)	interest payments		8/1/2014	35,000	5.000				
	on 8/1and 2/1		8/1/2015	35,000	5.000				
			8/1/2016	40,000	5.000				
			8/1/2017	40,000	4.000				
			8/1/2018	40,000	4.000				
			8/1/2019	40,000	4.000				
			8/1/2020	45,000	4.000				
			8/1/2021	45,000	4.125				
			8/1/2022	50,000	4.125				
			8/1/2023	50,000	4.250				
			8/1/2024	50,000	5.000				
			8/1/2025	55,000	4.250				
			8/1/2026	55,000	4.250	675,000	—	30,000	645,000
NJ Environmental Fund Loan	11/29/2006	$ 2,161,034	8/1/2012	83,005	Non-interest				
2006A (07SF)			2/1/2013	25,368	bearing				
			8/1/2013	90,971					
			2/1/2014	23,728					
			8/1/2014	89,331					
			2/1/2015	22,088					
			8/1/2015	87,691					
			2/1/2016	20,448					
			8/1/2016	95,422					
			2/1/2017	18,574					
			8/1/2017	93,548					
			2/1/2018	17,074					
			8/1/2018	92,048					
			2/1/2019	15,575					
			8/1/2019	90,549					
			2/1/2020	14,075					
			8/1/2020	98,421					
			2/1/2021	12,389					
			8/1/2021	96,734					
			2/1/2022	10,649					
			8/1/2022	104,366					
			2/1/2023	8,716					
			8/1/2023	102,434					
			2/1/2024	6,724					
			8/1/2024	100,442					
			2/1/2025	4,381					
			8/1/2025	107,471					
			2/1/2026	2,191					
			8/1/2026	105,280		$ 1,750,877	—	111,184	1,639,693

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CITY OF ELIZABETH

Schedule of Environmental Infrastructure Loans Payable

Sewer Utility Capital Fund

Year ended June 30, 2012

Purpose of issue	Date of issue	Original issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Interest rate	Balance, June 30, 2011	Increased by Bonds Issued	Paid by budget appropriations	Balance, June 30, 2012
NJ Environmental Fund Loan	11/29/2006	880,000	8/1/2012	35,000	5.000				
2006A (07STJ)	Semi-annual		8/1/2013	40,000	5.000				
(Ord. 3720)	interest payments		8/1/2014	40,000	5.000				
	on 8/1and 2/1		8/1/2015	40,000	5.000				
			8/1/2016	45,000	5.000				
			8/1/2017	45,000	4.000				
			8/1/2018	45,000	4.000				
			8/1/2019	50,000	4.000				
			8/1/2020	50,000	4.000				
			8/1/2021	55,000	4.125				
			8/1/2022	55,000	4.125				
			8/1/2023	60,000	4.250				
			8/1/2024	60,000	5.000				
			8/1/2025	65,000	4.250				
			8/1/2026	65,000	4.250	$ 785,000	—	35,000	750,000
NJ Environmental Fund Loan	11/29/2006	$ 2,523,335	8/1/2012	$ 96,829	Non-interest				
2006A (07SFJ)			2/1/2013	29,516	bearing				
(Ord. 3720)			8/1/2013	104,568					
			2/1/2014	27,641					
			8/1/2014	102,692					
			2/1/2015	25,764					
			8/1/2015	100,816					
			2/1/2016	23,888					
			8/1/2016	108,321					
			2/1/2017	21,777					
			8/1/2017	106,210					
			2/1/2018	20,088					
			8/1/2018	104,522					
			2/1/2019	18,399					
			8/1/2019	112,214					
			2/1/2020	16,524					
			8/1/2020	110,338					
			2/1/2021	14,647					
			8/1/2021	117,843					
			2/1/2022	12,518					
			8/1/2022	115,715					
			2/1/2023	10,390					
			8/1/2023	122,968					
			2/1/2024	7,998					
			8/1/2024	120,576					
			2/1/2025	5,183					
			8/1/2025	127,143					
			2/1/2026	2,592					
			8/1/2026	124,551		$ 2,041,860	—	129,629	1,912,231

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CITY OF ELIZABETH

Schedule of Environmental Infrastructure Loans Payable

Sewer Utility Capital Fund

Year ended June 30, 2012

Purpose of issue	Date of issue	Original issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Interest rate	Balance, June 30, 2011	Increased by Bonds Issued	Paid by budget appropriations	Balance, June 30, 2012
NJ Environmental Fund Loan	12/1/2009	1,755,000	8/1/2012	65,000	3.00				
(Ord. 3878) (09ST)	Semi-annual		2/1/2013		3.00				
	payments on		8/1/2013	65,000	5.00				
	8/1and 2/1		2/1/2014		5.00				
			8/1/2014	70,000	5.00				
			2/1/2015		5.00				
			8/1/2015	70,000	5.00				
			2/1/2016		5.00				
			8/1/2016	75,000	5.00				
			2/1/2017		5.00				
			8/1/2017	80,000	5.00				
			2/1/2018		5.00				
			8/1/2018	85,000	5.00				
			2/1/2019		5.00				
			8/1/2019	90,000	4.00				
			2/1/2020		4.00				
			8/1/2020	90,000	4.00				
			2/1/2021		4.00				
			8/1/2021	95,000	4.00				
			2/1/2022		4.00				
			8/1/2022	100,000	3.50				
			2/1/2023		3.50				
			8/1/2023	100,000	4.00				
			2/1/2024		4.00				
			8/1/2024	105,000	4.00				
			2/1/2025		4.00				
			8/1/2025	110,000	3.75				
			2/1/2026		3.75				
			8/1/2026	115,000	4.00				
			2/1/2027		4.00				
			8/1/2027	120,000	4.00				
			2/1/2028		4.00				
			8/1/2028	125,000	4.00				
			2/1/2029		4.00				
			8/1/2029	130,000	4.00	$ 1,755,000	—	65,000	1,690,000

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CITY OF ELIZABETH

Schedule of Environmental Infrastructure Loans Payable

Sewer Utility Capital Fund

Year ended June 30, 2012

Purpose of issue	Date of issue	Original issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Interest rate	Balance, June 30, 2011	Increased by Bonds Issued	Paid by budget appropriations	Balance, June 30, 2012
NJ Environmental Fund Loan	12/1/2009	$ 1,763,165	8/1/2012	$ 59,768	Non-interest				
(Ord. 3878) (09SF)	Semi-annual		2/1/2013	29,884	bearing				
	payments on		8/1/2013	59,768					
	8/1and 2/1		2/1/2014	29,885					
			8/1/2014	59,768					
			2/1/2015	29,884					
			8/1/2015	59,768					
			2/1/2016	29,885					
			8/1/2016	59,768					
			2/1/2017	29,884					
			8/1/2017	59,768					
			2/1/2018	29,885					
			8/1/2018	59,768					
			2/1/2019	29,884					
			8/1/2019	59,768					
			2/1/2020	29,885					
			8/1/2020	59,768					
			2/1/2021	29,885					
			8/1/2021	59,768					
			2/1/2022	29,884					
			8/1/2022	59,768					
			2/1/2023	29,884					
			8/1/2023	59,768					
			2/1/2024	29,884					
			8/1/2024	59,768					
			2/1/2025	29,885					
			8/1/2025	59,768					
			2/1/2026	29,884					
			8/1/2026	59,768					
			2/1/2027	29,885					
			8/1/2027	59,768					
			2/1/2028	29,884					
			8/1/2028	59,768					
			2/1/2029	29,885					
			8/1/2029	59,768		$ 1,673,513	—	89,652	1,583,861

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Schedule of Environmental Infrastructure Loans Payable

Sewer Utility Capital Fund

Year ended June 30, 2012

Purpose of issue	Date of issue	Original issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Interest rate	Balance, June 30, 2011	Increased by Bonds Issued	Paid by budget appropriations	Balance, June 30, 2012
NJ Environmental Fund Loan	12/1/2009	$ 1,025,000	8/1/2012	$ 35,000	5.00				
(Ord. 3993) (09STJ)	Semi-annual		2/1/2013						
Series 2010 A (CW-ARRA)	payments on		8/1/2013	40,000	5.00				
	8/1and 2/1		2/1/2014						
			8/1/2014	40,000	5.00				
			2/1/2015						
			8/1/2015	40,000	5.00				
			2/1/2016						
			8/1/2016	45,000	5.00				
			2/1/2017						
			8/1/2017	45,000	5.00				
			2/1/2018						
			8/1/2018	50,000	5.00				
			2/1/2019						
			8/1/2019	50,000	4.00				
			2/1/2020						
			8/1/2020	55,000	5.00				
			2/1/2021						
			8/1/2021	55,000	3.00				
			2/1/2022						
			8/1/2022	60,000	4.00				
			2/1/2023						
			8/1/2023	60,000	4.00				
			2/1/2024						
			8/1/2024	60,000	4.00				
			2/1/2025						
			8/1/2025	65,000	4.00				
			2/1/2026						
			8/1/2026	70,000	3.50				
			2/1/2027						
			8/1/2027	70,000	4.00				
			2/1/2028						
			8/1/2028	75,000	4.00				
			2/1/2029						
			8/1/2029	75,000	4.00	$ 1,025,000	—	35,000	990,000

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CITY OF ELIZABETH

Schedule of Environmental Infrastructure Loans Payable

Sewer Utility Capital Fund

Year ended June 30, 2012

Purpose of issue	Date of issue	Original issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Interest rate	Balance, June 30, 2011	Increased by Bonds Issued	Paid by budget appropriations	Balance, June 30, 2012
NJ Environmental Fund Loan	12/1/2009	$ 1,048,267	8/1/2012	$ 35,534	Non-interest				
(Ord. 3993) (09SFJ)	Semi-annual		2/1/2013	17,768	bearing				
	payments on		8/1/2013	35,534					
	8/1and 2/1		2/1/2014	17,767					
			8/1/2014	35,534					
			2/1/2015	17,768					
			8/1/2015	35,534					
			2/1/2016	17,768					
			8/1/2016	35,534					
			2/1/2017	17,767					
			8/1/2017	35,534					
			2/1/2018	17,768					
			8/1/2018	35,534					
			2/1/2019	17,768					
			8/1/2019	35,534					
			2/1/2020	17,768					
			8/1/2020	35,534					
			2/1/2021	17,768					
			8/1/2021	35,534					
			2/1/2022	17,768					
			8/1/2022	35,534					
			2/1/2023	17,768					
			8/1/2023	35,534					
			2/1/2024	17,767					
			8/1/2024	35,534					
			2/1/2025	17,768					
			8/1/2025	35,534					
			2/1/2026	17,768					
			8/1/2026	35,534					
			2/1/2027	17,768					
			8/1/2027	35,534					
			2/1/2028	17,768					
			8/1/2028	35,534					
			2/1/2029	17,767					
			8/1/2029	35,534		$ 994,965	—	53,302	941,663

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Sewer Utility Capital Fund

Year ended June 30, 2012

Purpose of issue	Date of issue	Original issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Interest rate	Balance, June 30, 2011	Increased by Bonds Issued	Paid by budget appropriations	Balance, June 30, 2012
NJ Environmental Fund Loan	12/1/2009	$ 220,000	8/1/2012	10,000	5.00				
(Ord. 3992) (09STJ)	Semi-annual		2/1/2013						
Series 2010 A (CW-ARRA)	payments on		8/1/2013	10,000	5.00				
	8/1and 2/1		2/1/2014						
			8/1/2014	10,000	5.00				
			2/1/2015						
			8/1/2015	10,000	5.00				
			2/1/2016						
			8/1/2016	10,000	5.00				
			2/1/2017						
			8/1/2017	10,000	5.00				
			2/1/2018						
			8/1/2018	10,000	5.00				
			2/1/2019						
			8/1/2019	10,000	4.00				
			2/1/2020						
			8/1/2020	10,000	4.00				
			2/1/2021						
			8/1/2021	10,000	3.00				
			2/1/2022						
			8/1/2022	10,000	4.00				
			2/1/2023						
			8/1/2023	15,000	4.00				
			2/1/2024						
			8/1/2024	15,000	4.00				
			2/1/2025						
			8/1/2025	15,000	4.00				
			2/1/2026						
			8/1/2026	15,000	3.50				
			2/1/2027						
			8/1/2027	15,000	4.00				
			2/1/2028						
			8/1/2028	15,000	4.00				
			2/1/2029						
			8/1/2029	15,000	4.00	$ 220,000	—	5,000	215,000

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Schedule of Environmental Infrastructure Loans Payable

Sewer Utility Capital Fund

Year ended June 30, 2012

Purpose of issue	Date of issue	Original issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Interest rate	Balance, June 30, 2011	Increased by Bonds Issued	Paid by budget appropriations	Balance, June 30, 2012
NJ Environmental Fund Loan	12/1/2009	$ 222,305	8/1/2012	$ 7,536	Non-interest				
(Ord. 3992) (09SFJ)	Semi-annual		2/1/2013	3,768	bearing				
	payments on		8/1/2013	7,536					
	8/1and 2/1		2/1/2014	3,767					
			8/1/2014	7,536					
			2/1/2015	3,768					
			8/1/2015	7,536					
			2/1/2016	3,767					
			8/1/2016	7,536					
			2/1/2017	3,768					
			8/1/2017	7,536					
			2/1/2018	3,768					
			8/1/2018	7,536					
			2/1/2019	3,768					
			8/1/2019	7,536					
			2/1/2020	3,767					
			8/1/2020	7,536					
			2/1/2021	3,768					
			8/1/2021	7,536					
			2/1/2022	3,767					
			8/1/2022	7,536					
			2/1/2023	3,768					
			8/1/2023	7,536					
			2/1/2024	3,767					
			8/1/2024	7,536					
			2/1/2025	3,768					
			8/1/2025	7,536					
			2/1/2026	3,768					
			8/1/2026	7,536					
			2/1/2027	3,768					
			8/1/2027	7,536					
			2/1/2028	3,767					
			8/1/2028	7,536					
			2/1/2029	3,768					
			8/1/2029	7,536		$ 211,001	—	11,304	199,697

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Sewer Utility Capital Fund

Year ended June 30, 2012

Purpose of issue	Date of issue	Original issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Interest rate	Balance, June 30, 2011	Increased by Bonds Issued	Paid by budget appropriations	Balance, June 30, 2012
NJ Environmental Fund Loan (12SF)	5/3/2012	2,839,367	8/1/2012	$ 96,250	Non-interest bearing				
			2/1/2013	48,125					
			8/1/2013	96,250					
			2/1/2014	48,125					
			8/1/2014	96,250					
			2/1/2015	48,125					
			8/1/2015	96,250					
			2/1/2016	48,125					
			8/1/2016	96,250					
			2/1/2017	48,125					
			8/1/2017	96,250					
			2/1/2018	48,125					
			8/1/2018	96,250					
			2/1/2019	48,125					
			8/1/2019	96,250					
			2/1/2020	48,125					
			8/1/2020	96,250					
			2/1/2021	48,125					
			8/1/2021	96,250					
			2/1/2022	48,125					
			8/1/2022	96,250					
			2/1/2023	48,125					
			8/1/2023	96,250					
			2/1/2024	48,125					
			8/1/2024	96,250					
			2/1/2025	48,125					
			8/1/2025	96,250					
			2/1/2026	48,125					
			8/1/2026	96,250					
			2/1/2027	48,125					
			8/1/2027	96,250					
			2/1/2028	48,125					
			8/1/2028	96,250					
			2/1/2029	48,125					
			8/1/2029	96,250					
			2/1/2030	48,125					
			8/1/2030	96,250					
			2/1/2031	48,125					
			8/1/2031	96,250		$ —	2,839,367	—	2,839,367

(Continued)

Exhibit E-23

CITY OF ELIZABETH

Schedule of Environmental Infrastructure Loans Payable

Sewer Utility Capital Fund

Year ended June 30, 2012

Purpose of issue	Date of issue	Original issue	Maturities of bonds outstanding June 30, 2012 Date	Amount	Interest rate	Balance, June 30, 2011	Increased by Bonds Issued	Paid by budget appropriations	Balance, June 30, 2012
NJ Environmental Fund Loan (12ST)	5/3/2012	$ 2,595,000	8/1/2012	$ —					
			2/1/2013	—					
			8/1/2013	90,000	2.00				
			2/1/2014	—					
			8/1/2014	95,000	3.00				
			2/1/2015	—					
			8/1/2015	95,000	4.00				
			2/1/2016	—					
			8/1/2016	100,000	5.00				
			2/1/2017	—					
			8/1/2017	105,000	5.00				
			2/1/2018	—					
			8/1/2018	110,000	5.00				
			2/1/2019	—					
			8/1/2019	115,000	5.00				
			2/1/2020	—					
			8/1/2020	120,000	5.00				
			2/1/2021	—					
			8/1/2021	125,000	5.00				
			2/1/2022	—					
			8/1/2022	135,000	5.00				
			2/1/2023	—					
			8/1/2023	140,000	5.00				
			2/1/2024	—					
			8/1/2024	150,000	5.00				
			2/1/2025	—					
			8/1/2025	155,000	5.00				
			2/1/2026	—					
			8/1/2026	160,000	5.00				
			2/1/2027	—					
			8/1/2027	170,000	5.00				
			2/1/2028	—					
			8/1/2028	175,000	5.00				
			2/1/2029	—					
			8/1/2029	180,000	5.00				
			2/1/2030	—					
			8/1/2030	185,000	5.00				
			2/1/2031	—					
			8/1/2031	190,000	5.00	—	2,595,000	—	2,595,000
						$ 20,996,314	5,434,367	1,355,907	25,074,774

Exhibit E-24

CITY OF ELIZABETH

Schedule of Sewer Liens Receivable

Sewer Utility Operating Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	30,632
Increased by:		
Transfer from accounts receivable		15,828
Penalties and costs		2,355
		18,183
		48,815
Decreased by collections		13,629
Balance, June 30, 2012	$	35,186

Exhibit E-25

CITY OF ELIZABETH

Schedule of Capital Improvement Fund

Sewer Utility Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$ 788,338
Balance, June 30, 2012	$ 788,338

Exhibit E-26

CITY OF ELIZABETH

Schedule of Encumbrances Payable

Sewer Utility Operating Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	10,386
Increased by budget appropriation		45,150
		55,536
Decreased by cancellation to appropriation reserve		10,386
Balance, June 30, 2012	$	45,150

Exhibit E-27

CITY OF ELIZABETH

Schedule of Due from State of New Jersey -
Wastewater Treatment Trust Fund

Sewer Utility Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	508,053
Balance, June 30, 2012	$	508,053

Analysis of balance

Grant due from State	$	15,535
Wastewater trust loan		241,259
Wastewater trust loan		251,259
	$	508,053

Exhibit E-28

CITY OF ELIZABETH

Schedule of Miscellaneous Rents Receivable

Sewer Utility Operating Fund

Year ended June 30, 2012

Balance, June 30, 2011 and 2012	$ 5,342

Exhibit E-29

CITY OF ELIZABETH

Schedule of Bond Sale Expense Payable

Sewer Utility Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$	4,994
Increased by transfer from Ordinances		108,165
		113,159
Decreased by disbursements		14,820
Balance, June 30, 2012	$	98,339

Exhibit E-30

CITY OF ELIZABETH

Schedule of State Grant Receivable

Sewer Utility Capital Fund

Year ended June 30, 2012

Balance, June 30, 2011	$ 5,155
Balance, June 30, 2012	$ 5,155

Exhibit E-31

CITY OF ELIZABETH

Schedule of Interfund Accounts Payable

Sewer Utility Operating Fund

Year ended June 30, 2012

		Total	Sewer Capital Fund
Balance, June 30, 2011, Due to	$	—	—
Increased by:			
Disbursements on behalf of Operating Fund		300,258	300,258
Balance, June 30, 2012, Due to	$	300,258	300,258

Exhibit F-1

CITY OF ELIZABETH

Schedule of Changes in General Fixed Assets

General Fixed Assets Account Group

Year ended June 30, 2012

	Balance June 30, 2011	Additions	Dispositions	Balance June 30, 2012
General fixed assets:				
Land and buildings	$ 43,478,500	4,401,356	692,700	47,187,156
Equipment	11,865,236	—	243,751	11,621,485
Vehicles	18,539,278	1,057,223	1,089,076	18,507,425
	$ 73,883,014	5,458,579	2,025,527	77,316,066

SUPPLEMENTARY DATA

CITY OF ELIZABETH

Supplementary Data

Comparative Schedule of Tax Rate Information

Calendar Year		2012	2011	2010
Tax Rate	$	22.640	22.780	21.170
Apportionment of tax rate:				
Municipal		13.670	13.790	12.170
County		3.550	3.620	3.630
Local school		5.420	5.370	5.370

Tax rates are based on municipal assessed valuations.

Assessed valuations:

2012	$	901,140,000
2011		906,866,041
2010		906,491,116
2009		906,472,825
2008		903,721,608

Comparison of Tax Levies and Collection Currently

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

			Currently	
Year		**Tax levy**	**Cash collections**	**Percentage of collection**
2012	$	207,091,742	198,728,844	95.96%
2011		203,243,054	195,373,014	96.13%
2010		187,074,906	180,090,169	96.27%
2009		180,163,786	171,494,369	95.19%
2008		167,407,269	160,768,228	96.03%

Delinquent Taxes and Tax Title Liens

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

		Amount of tax title liens	**Amount of delinquent taxes**	**Total delinquent**	**Percentage of tax levy**
2012	$	2,195,010	7,680,893	9,875,903	4.77%
2011		1,661,478	7,276,211	8,937,689	4.40%
2010		1,302,040	6,533,596	7,835,636	4.19%
2009		805,208	7,892,898	8,698,106	4.83%
2008		636,488	6,061,979	6,698,467	4.00%

(Continued)

CITY OF ELIZABETH

Supplementary Data

Property Acquired by Tax Title Lien Liquidation

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

Year		Amount
2012	$	2,504,200
2011		2,504,200
2010		2,504,200
2009		2,469,200
2008		2,469,200

Comparison of Sewer Utility Levies

Year		Levy	Cash collections
2012	$	18,249,098	18,233,271
2011		17,853,803	17,997,698
2010		16,192,166	16,320,832
2009		14,520,570	14,625,593
2008		14,892,736	14,892,736

Comparative Schedule of Fund Balances

	Year		Balance, June 30,	Utilized in budget of succeeding year
Current Fund	2012	$	30,388,549	26,000,000
	2011		25,046,861	22,000,000
	2010		22,361,355	20,000,000
	2009		19,112,187	17,000,000
	2008		23,510,361	20,000,000
Water Utility	2012		836,805	—
	2011		829,664	—
	2010		782,406	—
	2009		762,661	—
	2008		2,661,124	—
Sewer Utility	2012		6,267,923	1,500,000
	2011		2,829,234	1,500,000
	2010		1,120,359	1,000,000
	2009		4,048,660	3,500,000
	2008		9,318,894	6,500,000

(Continued)

CITY OF ELIZABETH

Supplementary Data

Officials in Office and Surety Bonds

The following officials were in office at June 30, 2012:

Name	Office	Bond Amount	
J. Christian Bollwage	Mayor		
Nelson Gonzalez	Councilman- Second Ward, President of City Council		
Frank J. Cuesta	Councilman-at-Large		
Patricia Perkins-Auguste	Councilwoman-at-Large		
Edward Jackus	Councilman-at-Large		
Manny Grova, Jr.	Councilman- First Ward		
Joseph Keenan	Councilman- Third Ward		
Carlos Cedeno	Councilman- Fourth Ward		
William Gallman, Jr	Councilman- Fifth Ward		
Frank O. Mazza	Councilman- Sixth Ward		
Yolanda M. Roberts	City Clerk		
Bridget S. Zellner	Business Administrator		
Anthony M. Zengaro	Comptroller, Chief Financial Officer		
Paul Lesniak	City Treasurer, Collector of Taxes	$ 500,000	
William R. Holzapfel	City Attorney		
William Reyes	Director of Policy and Planning		
Onofrio Vitullo	Director of Fire Department		
Charlene W. Mason-Reese	Director of Health, Welfare & Housing		
James Cosgrove	Director of Police Department		
John F Papetti, Jr	Director of Public Works		
Paul M. Addessa	Director of Recreation Department		
Roman Montes	Presiding Judge	125,000	blanket bond
Carl L. Marshall	Municipal Court Judge	125,000	blanket bond
Daniel J. Russell	Acting Municipal Court Judge	125,000	blanket bond
Teresa Iturralde Estrada	Municipal Court Director	125,000	blanket bond
Margaret Gonzalez	Court Administrator	125,000	blanket bond

CITY OF ELIZABETH

General Comments and Recommendations

Year ended June 30, 2012

CITY OF ELIZABETH

General Comments and Recommendations

General Comments

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

N.J.S.A. 40A:-11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law."

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

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements that exceeded the bid threshold, that may have been negotiated and awarded without public advertising for bids and bidding per N.J.S.A. 40A:11-5.

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

Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory bid limit "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those for which bids had been previously sought by public advertisement or for which a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on March 13, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes:

> "RESOLVED, that in accordance with N.J.S.A. 54:4-67, as amended and supplemented by Chapter 435 of the Laws of 1979 and Chapter 75 of the Laws of 1991, the Tax Collector is hereby authorized to accept payment of taxes without interest charges provided said payment is made within the tenth calendar day following the date upon which the same became payable; and be it
>
> FURTHER RESOLVED, that when a Saturday, Sunday or legal holiday occurs on the tenth day period referred to above, an extra day or days grace be given for said holiday (s); and be it

FURTHER RESOLVED, that the governing body does hereby fix as the rate of interest to be charged for delinquent taxes, assessments, water, and sewer charges at eight per centum (8%) per annum for the first $1,500 of the delinquency, and eighteen per centum (18%) per annum on amounts in excess of $1,500, to be calculated from the date the tax was payable until the date of actual payment: and be it

FURTHER RESOLVED, by the City Council of the City of Elizabeth to add an additional penalty of six per centum (6%) on delinquent taxes in excess of $10,000 that are not paid prior to the end of the fiscal year."

It appears from the audit that interest was collected in accordance with the foregoing resolution.

Status of Prior Year Statutory Comments Recommendations:

All prior year recommendations are resolved except the following.

Dog License Fund

Recommendation - that the Division of Licensing transfer all money collected within two business days of receipt to the custody of the Treasury Department and that all licenses be dated properly.

Data Processing Center

Recommendation – that a disaster recovery plan be completed to include all components.

Fire Department

Recommendation – The list of open invoices should be investigated for collection.

Finance Department

Recommendation – Differences between the finance reconciliation of the general ledger cash balances and treasury bank reconciliations should be investigated and necessary adjustments made.

Sewer Utility

Recommendation – The City should obtain from the Sewer Utility service organization details of the activity and an aged schedule of receivables.

Recommendation – The City should obtain from the service organization SSAE No. 16 (SAS 70) report on its internal controls.

Trust Funds

Recommendation – Receivables that are unchanged during the year should be reviewed for disposition.

Fixed Assets

Recommendation – There should be a formal procedure manual for accounting for fixed assets and an current fixed asset list should be distributed to each department to verify the information is accurate.

Current Year Comments and Recommendations:
*Repeat of Prior Year

Data Processing Center:*

1. Comment - In addition to remote storage of data and programs, the disaster recovery plan should also include a remote operating agreement and identification of individual recovery responsibilities.

   Recommendation - The disaster recovery plan should be completed to include remote storage of data and programs, a remote operating agreement and identification of individual recovery responsibilities.

Dog License Fund*

1. Comment - Three out of the eleven deposits tested were not transferred to Treasury within two business days of receipt.

   Recommendation - All transfers should be made within two business days of receipt.

Fire Department*

1. Comment – There exists a list of open invoices that are old and outstanding.

   Recommendation – The list of open invoices should be investigated for final disposition.

Finance*

1. Comment – Differences between the finance reconciliation of the general ledger cash accounts and the treasury bank reconciliations are not investigated and resolved.

   Recommendation – Differences between finance general ledger cash balances and treasury bank reconcilations should be investigated and necessary adjustments made.

Planning and Zoning

1. Comment – Money received with incomplete applications are not transferred to Treasury within two business days of receipt.

   Recommendation - All collections should be transferred to treasury within two business days of receipt.

Sewer Utility *

1. Comment – The service organization which is responsible for billing and collections of sewer user charges has not provided the City with details of the activity or an aged receivable schedule.

   Recommendation – The City should obtain from the Sewer Utility service organization details of the activity and an aged schedule of receivables.

2. Comment – The City has not obtained from the Sewer Utility service organization a “Statement on Standards for Attestations Engagement No. 16” report, formerly SAS 70, on their internal controls related to the billing collection and accounting processes.

   Recommendation – The City should obtain from the service organization SSAE No. 16 (SAS 70) report on its internal controls.

Trust Funds*

1. Comment – Various trust funds have receivables that remain unchanged during the year.

   Recommendation – Receivables that are unchanged during the year should be reviewed for disposition.

Fixed Assets

1. Comment – The City does not have a formal procedure manual for accounting for fixed assets and their disposition.

   Recommendation – There should be a formal procedure manual for accounting for fixed assets and their disposition and an current fixed asset list should be distributed to each department to verify the information is accurate.

Police Department

1. Comment – An individual was reimbursed for tuition without substantiation of payment.

   Recommendation – Tuition should not be reimbursed if net payment by the student is not documented.

SINGLE AUDIT SECTION

LOUIS C. MAI CPA & ASSOCIATES

P.O. Box 624
Pompton Plains, N.J. 07444

Phone: 973-492-2524
Fax: 973-492-9515

Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by OMB Circular A-133

Mayor and Council
City of Elizabeth:

Report on Compliance for Each Major Federal Program

We have audited the City of Elizabeth, New Jersey's compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect each of its major Federal programs for the year ended June 30, 2012. The City's major Federal 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 programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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 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 consider necessary in the circumstances.

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

Basis for Qualified Opinion on CFDA# 14.241, Housing Opportunities for Persons with Aids

As described in the accompanying schedule of findings and questioned costs, the City did not comply with the requirements regarding CFDA #14.241, Housing Opportunities for Persons with Aids as described in finding numbers F 12-01 for Eligibility and F 12-02 Housing Quality Standards. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Basis for Qualified Opinion on CFDA# 14.218 Community Development Block Grant

As described in the accompanying schedule of findings and questioned costs, the City did not comply with the requirements regarding CFDA #14.218, Community Development Block Grant as described in finding numbers F 12-10 for Allowable Costs. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Qualified Opinion on Housing Opportunities for Persons with Aids and Community Development Block Grant.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraphs, the City of Elizabeth complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Housing Opportunities for Persons with Aids and Community Development Block Grant major Federal programs for the year ended June 30, 2012.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City of Elizabeth, New Jersey, 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 other major Federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2012.

Other Matters

The results of our auditing procedures also disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items F12-03, F12-04, F12-05, F12-06, F12-07, F12-08, F12-09 and F12-11. Our opinion on each major Federal program is not modified with respect to these matters.

The City's responses to the noncompliance findings identified in our audit are described in the accompanying corrective action plan. The City's responses were 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 each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal over compliance, such that there is 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item F12-01, F12-02, and F12-10 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet is important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items F12-03 to F12-09 and F12-11 to be significant deficiencies.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the responses.

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

Louis C. Mai CPA & Associates
Louis C. Mai

Louis C. Mai, Registered Municipal Accountant
No. CR00217

March 18. 2013

CITY OF ELIZABETH

Schedule of Findings and Questioned Costs

Year ended June 30, 2012

(1) Summary of Auditor's Results

FINANCIAL STATEMENTS

(a) The type of report issued on the financial statements:
Adverse opinion in accordance with accounting principles generally accepted in the United States of America.

Unqualified opinion on the basis of accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

(b) Significant deficiencies in internal control were disclosed by the audit of the Financial Statements: **None reported** Material weaknesses: **No**

(c) Noncompliance which is material to the financial statements: **No**

FEDERAL AWARDS

(d) Significant deficiencies in internal control over Federal major programs:
Federal **F 12-03 through F 12-09 and F 12-11**
Material weaknesses: **F 12-01 to F 12-02 and F 12-10**

(e) The type of report issued on compliance for Federal major programs:
Unqualified opinion for Federal programs except for a qualified opinion for HOPWA and CDBG.

(f) Any audit findings which are required to reported under Section 510(a) of OMB Circular A-133 : **Yes**

(g) Major programs:

Federal:

#10.559	**Summer Food Service Program for Children**
#14.218	**Community Development Block Grant (CDBG)**
#14.253	**Community Development Block Grant (ARRA)**
#14.228	**Community Development Block Grants/State's Program and Non Entitlement Grants in Hawaii**
#14.239	**Home Investment Partnership**
#14.241	**Housing Opportunities for People with Aids (HOPWA)**
#16.710	**Public Safety Partnership and Community Policing ARRA (COPS Hiring)**
#16.710	**Public Safety Partnership and Community Policing (COPS Tech)**
#16.738	**Edward Bryne Memorial Justice Grant Program (JAG)**
#16.804	**Edward Byrne Memorial Justice Grant Program (JAG)/Grants to Units of Local Government**
#16.922	**Equitable Sharing Program**
#97.036	**Disaster Grants – Public Assistance (Presidentially Declared Disasters)**

(h) Dollar threshold used to distinguish between Type A and Type B programs:
Federal: **$314,000**

(i) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: **No**

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards:*
None

(3) Findings and Questioned Costs Relating to Federal Awards:
Federal Awards –**F 12-01 to F 12-11**

See the following Federal findings.

City of Elizabeth

Schedule of Federal Award Findings and Questioned Costs

June 30, 2012

F 12-01 (Repeat of Prior Year)
Eligibility (Material Weakness) (E)
Federal Program:
Department of Housing and Urban Development
Housing Opportunities for Persons with AIDS (14.241)

Criteria: A person eligible for assistance under this program is one with AIDS or a related disease who is a low-income individual and the person's family including persons important to their care or well being, as defined in 24 CFR section 574.3. The eligibility of those tenants who are admitted to the program should be determined by (1) obtaining a signed application that contained all the information needed to determine eligibility, income, rent and order of selection; and (2) obtaining third-party verifications or documentation of expected income, assets, unusual medical expenses and any other pertinent information.

Except for persons in short-term supportive housing, each person receiving rental assistance under the HOPWA Program must pay as rent the higher of: (1) 30 percent of the family's monthly adjusted gross income; (2) 10 percent of the family's monthly gross income; or (3) the portion of the payments that is designated if the family is receiving payments for welfare assistance from a public agency and a part of the payments, adjusted in accordance with the family's actual housing costs, is specifically designated by the agency to meet the family's housing costs (C24 CFR section 574.310)

Condition: Twenty-five (25) out of forty-seven (47) files were incomplete.

Effect: The grantee could not document compliance with the grant requirement.

Cause:

- Documentation was not available to satisfy the participant's eligibility (i.e. birth certificate, social security card, proof of HIV status, signed applications, rental receipts and proof of rental receipt calculations)
- The grantee miscalculated the amount provided for rental assistance for the participants of the program by not using the correct income, misapplying the deduction for children and not including all of the family members income in the calculation.
- The grantee did not receive third party income verification of all members of the household.
- The grantee did not have signed applications.

Questioned Costs: $822.00

Recommendation: That the grantee should maintain all information to prove the participant's eligibility (i.e. signed application, income determination, rent stubs etc…) and the information should support the current database.

Client Response: Included in the client prepared corrective action plan.

City of Elizabeth

Schedule of Federal Award Findings and Questioned Costs

June 30, 2012

F 12-02
Housing Quality Standards (N) (Material Weakness)
Federal Program:
Department of Housing and Urban Development
Housing Opportunities for Persons with AIDS (14.241)

Criteria: All housing that involves acquisition, rehabilitation, conversion, lease, repair of facilities, new construction, project – or tenant-based rental assistance (including assistance for shared housing arrangements, and operating costs must meet various housing quality standards listed in 24 CFR sections 574.310(b)(1)-(2).

Condition: The grantee did not inspect eight (8) out of forty-seven (47) tenant based rental units tested on an semi-annual basis.

Effect: The grantee was not in compliance with the grant agreement.

Cause: The grantee does not maintain a list of all units that are due for inspections or a list of which units have been inspected.

Questioned Costs: None

Recommendation: That the grantee maintain a list of all units including the date of last inspection, date of required next inspection and the results of the inspection

Client Response: Included in the client prepared corrective action plan.

City of Elizabeth

Schedule of Federal Award Findings and Questioned Costs

June 30, 2012

F 12-03 (Repeat of Prior Year)
Reporting
Federal Program:
Department of Housing and Urban Development
Housing Opportunities for Persons with AIDS (14.241)

Criteria: The grantee is required to submit monthly programmatic and expenditure reports to the pass-through entity by the 15th of the subsequent month. These reports should be reconciled to the original books of account.

Condition: All twelve reports filed with the pass through entity were tested for compliance with the requirements of reporting and noted the following deficiencies:

1. Salaries recorded in the general ledger do not agree to the amount recorded in the payroll journal on seven reports.

Effect: The grantee is not in compliance with the requirements for reporting.

Cause: The grantee does not reconcile salaries recorded on the report to the amounts recorded in the general ledger

Questioned Costs: None

Recommendation: The grantee should direct charge salaries to the general ledger when paid.

Client Response: Included in the client prepared corrective action plan.

City of Elizabeth

Schedule of Federal Award Findings and Questioned Costs

June 30, 2012

F 12-04
Allowable Costs/Cost Principles (A)
Federal Program:
Department of Justice
Public Safety Partnership and Community Policing Grants ARRA, COPS Hiring (16.710)

Criteria: According to the grant agreement salaries per officer are to be charged in accordance with the budget approved in the grant agreement.

Condition: The grantee did not charge salaries per officer in accordance with the approved budget, which details the salaries to be paid to the officers each year of their contract.

Effect: The grantee under charged the grant for the salaries paid to each officer hired under the grant agreement.

Cause: The City did not charge the grant for the correct amount per the approved Police Benevolent Association Contract included in the grant agreement for two quarters.

Questioned Costs: $(32,203.56) (undercharged)

Recommendation: The grantee should only charge the grant for salaries in accordance with the approved Police Benevolent Association contract included in the grant agreement.

Client Response: Included in the client prepared corrective action plan.

City of Elizabeth

Schedule of Federal Award Findings and Questioned Costs

June 30, 2012

F 12-05
Activities Allowed or Unallowed (A)
Federal Program:
Department of Justice
Equitable Sharing Program (16.922)

Criteria: According to the "Guide to Equitable Sharing for State and Local Law Enforcement Agencies" equitably shared funds can be used for the support of community-based programs. State or local law enforcement agencies for the costs associated with drug abuse treatment, drug and crime prevention education, housing and job skills programs, or other nonprofit community-based programs or activities that are formally approved by the chief law enforcement officer. All expenditures must be supportive of and consistent with a law enforcement effort, policy, and/or initiative. (Appendix C Part 1B of the Guide to Equitable Sharing")

Condition: The grantee charged grant expenses for non approved community based programs.

Effect: The grantee charged the grant for expenditures that were not allowed per the Guide to Equitable Sharing.

Cause: The City charged the grant for expenditures for a fishing derby, national night out and block watch meeting refreshments and participant incentives which are unapproved community based programs administered by the City of Elizabeth Police Department.

Questioned Costs: $19,070

Recommendation: The grantee should only charge the grant for approved community-based program expenses.

Client Response: Included in the client prepared corrective action plan.

City of Elizabeth

Schedule of Federal Award Findings and Questioned Costs

June 30, 2012

F 12-06
Allowable Costs/Cost Principles (B)
Federal Program:
Department of Justice
Equitable Sharing Program (16.922)

Criteria: According to the Guide to Equitable Sharing for State and Local Law Enforcement Agencies Part IX A 9, the Police Department needs to obtain approval for expenditures from the governing body, such as the City Council.

Condition: The expenditures to fund the separate checking account maintained by the Police Department were approved by the City Council but the individual purchases of the account are not subject to the approval of the City Council.

Effect: The City was not in compliance with the requirements of the Equitable Sharing Program.

Cause: The expenditures that were made from the separate checking account maintained by the Police Department were not approved by the City Council.

Questioned Costs: None

Recommendation: The grantee should close the separate checking account and have all purchases go through the City's purchasing process.

Client Response: Included in the client prepared corrective action plan.

City of Elizabeth

Schedule of Federal Award Findings and Questioned Costs

June 30, 2012

F 12-07
Reporting (L)
Federal Program:
Department of Justice
Equitable Sharing Program (16.922)

Criteria: The grantee is required to file a yearly expenditure report to the Department of Justice. These reports should be reconciled to the original books of account.

Condition: The expenditures reported included funds still maintained in a subsidiary checking account and the purchase of pedestrian signs was recorded as a community-based activity.

Effect: The report did not agree to the actual expenditures recorded and there was a misclassification of an expenditure.

Cause: Expenditures were abstracted from the general accounting system which included the funding of the separate checking account. The misclassification of the sign purchase was related to lack of knowledge of the guide to Equitable Sharing.

Questioned Costs: $3,798

Recommendation: The grantee should close the separate checking account and have all purchases go through the City's purchasing process and review the Equitable Sharing Guide.

Client Response: Included in the client prepared corrective action plan.

City of Elizabeth

Schedule of Federal Award Findings and Questioned Costs

June 30, 2012

F 12-08
Earmarking (G)
Federal Program:
Department of Justice
Equitable Sharing Program (16.922)

Criteria: According to the Guide to Equitable Sharing for State and Local Law Enforcement Agencies Part VII 8 m, a state or local law enforcement agency or prosecutor's office may use up to 15% of the total of shared monies received by the agency in the last two fiscal years for the cost associated with drug abuse treatment, drug and crime prevention education, housing and job skills programs, or other nonprofit community-based programs or activities that are formally approved by the chief law enforcement officer. All expenditures must be supportive of and consistent with a law enforcement effort, policy, and/or initiative.

Condition: The City received a total of $387,716 over the last two fiscal years and was allowed to spend $58,157 for support of community-based programs. The City recorded and spent $64,519 on support of community-based programs.

Effect: The City expended $6,362 in excess of the allowable expenditures for this category.

Cause: The grantee was not aware of the earmarking requirements of the grant.

Questioned Costs: $6,362

Recommendation: The grantee should become aware of the earmarking requirements of the grant.

Client Response: Included in the client prepared corrective action plan.

City of Elizabeth

Schedule of Federal and State Award Findings and Questioned Costs

June 30, 2012

F 12-09
Subrecipient Monitoring (M)
Federal Program:
Department of Housing and Urban Development
Community Development Block Grant (14.218)
Community Development Block Grant ARRA Entitlement Grants (14.253)

Criteria: A-102 Common Rule requires that non-federal entities receiving Federal Awards establish and maintain internal control designed to ensure compliance with Federal laws, regulations and program compliance requirements.

Condition: The grantee does have written standards and procedures for subrecipient monitoring but did not document monitoring that may have taken place.

Context: There is no documentation of any monitoring that was done on the sub-recipients.

Effect: The grantee has not documented the compliance with the Federal laws, regulations and program compliance requirements as it relates to sub-recipients and $1,110 of expenditures that exceeded the subrecipients budget line item and $18,651 of reimbursements not included in the subrecipients' budget.

Cause: The written standards and procedures were not in sufficient detail to ensure compliance.

Questioned Costs: 19,751

Recommendation: The grantee should prepare detailed written procedures for monitoring sub-recipients and specific compliance requirements related to construction sub-awards should be included on all sub-award contracts. In addition the grantee should document any monitoring that is done.

Client Response: Included in the client prepared corrective action plan.

City of Elizabeth

Schedule of Federal and State Award Findings and Questioned Costs

June 30, 2012

F 12-10
Activities Allowed or Unallowed (A) and Allowable Costs (B) (Material Weakness)
Federal Program:
Department of Housing and Urban Development
Community Development Block Grant (14.218)

Criteria: Common practice would require that individuals with intimate knowledge of the grant compliance and budget status only approve disbursements for these programs that meet the program requirements.

Condition: Vouchers were initially approved with only the initials of purchasing personnel and signatures of the Department Director and the Business Administrator. Subsequent to March 2012, vouchers are also approved by supervisory, grant budgetary review and IDIS reporting CDBG personnel.

Context: There were 33 subrecipients, out of the 17 tested there was 11 subrecipients files that had questioned costs. There was $74,490 in soft costs without adequate supporting documentation, an unallowed $75,000 developer's fee, $13,332 with no support and $70,286 for invoicing prior to award year.

Effect: The grantee reimbursed subrecipients for items that were not included in the approved budget and for items that did not have adequate supporting documentation. In addition a subrecipient was paid a developers fee of $75,000 and adequate supporting documentation for this subrecipient was not always submitted to match the requested reimbursement.

Cause: The approval process does not include documentation of review by persons with intimate knowledge of the grant compliance, contract and budget status that are appropriately trained for that task.

Questioned Costs: $233,107.

Recommendation: The CDBG personnel responsible for authorizing payment of vouchers be trained as to their responsibility with respect to their review.

Client Response: Included in the client prepared corrective action plan.

City of Elizabeth

Schedule of Federal and State Award Findings and Questioned Costs

June 30, 2012

F 12-11
Reporting (L)
Federal Program:
Department of Housing and Urban Development
Community Development Block Grant (14.218)

Criteria: The program requires that the grantee report subawards with awards of $25,000 or more in accordance with the Open Government Directive – Federal Spending Transparency and Subaward and Compensation Data Reporting Act.

Condition: The grantee did not report subawards.

Context: The grantee had three of three subawards not reported

Effect: The grantee did not comply with the reporting requirement.

Cause: The grantee was not aware of this requirement.

Questioned Costs: None.

Recommendation: That the grantee report all subawards of $25,000 or more on the Federal Spending Reporting System.

Client Response: Included in the client prepared corrective action plan.

CITY OF ELIZABETH

Summary Schedule of Prior Year federal and State
Single Audit Findings

June 30, 2012

FEDERAL

F04-01 ELIGIBILITY (HOPWA)

Cleared due to inaction by awarding agency.

F05-04 ELIGIBILITY (HOPWA)

Cleared due to inaction by awarding agency.

F06-01 ELIGIBILITY (HOPWA)

Cleared due to inaction by awarding agency.

F07-01 ELIGIBILITY (HOPWA)

Cleared due to inaction by awarding agency.

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F08-01 ELIGIBILITY (HOPWA)

Cleared due to inaction by awarding agency.

F09-01 ALLOWABLE COSTS/COST PRINCIPLES (HOPWA)

Partially resolved for time and effort reporting for current year salaries. Amounts questioned for fiscal year ended June 30, 2009 were not addressed by the awarding agency.

F09-03 ELIGIBILITY (HOPWA)

Cleared due to inaction by awarding agency.

F09-04 EARMARKING (HOPWA)

Partially resolved for the current year. Amounts questioned for fiscal year ended June 30, 2009 were not addressed by the awarding agency.

F09-05 REPORTING (HOPWA)

Partially resolved, parts 1 & 2 are repeated.

F10-01 ELIGIBILITY (HOPWA)

A similar finding is included in the SFY 2012 summary of findings and questioned costs.

F10-04 ALLOWABLE COSTS/COST PRINCIPLES (COPS HIRING)

A similar finding is included in the SFY 2012 summary of findings and questioned costs.

F11-01 ELIGIBILITY (HOPWA)

A similar finding is included in the SFY 2012 summary of findings and questioned costs.

F11-02 HOUSING QUALITY STANDARDS (HOPWA)

A similar finding is included in the SFY 2012 summary of findings and questioned costs.

F11-03 ALLOWABLE COSTS/COST PRINCIPLES (COPS HIRING)

A similar finding is included in the SFY 2012 summary of findings and questioned costs.

F11-04 REPORTING (COPS HIRING)

Resolved

F11-05 EQUIPMENT AND REAL PROPERTY MANAGEMENT (PORT SECURITY)

Resolved

F11-06 CITIZEN PARTICIPATION (CDBG)

Resolved

F11-07 SUBRECIPEINT MONITORING (CDBG, CDBG-R, HPRP)

Resolved as to HPRP, however, similar finding is included in the SFY 2012 summary of findings and questioned costs as it related to CDBG and CDBG-R.

F11-08 ACTIVITIES ALLOWED OR UNALLOWED & ALLOWABLE COSTS (CDBG, HPRP)

Resolved

F11-09 REPORTING (HPRP)

Resolved

CITY OF ELIZABETH

Schedule of Expenditures of Federal Awards

Year ended June 30, 2012

Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	(Unaudited) Total Expenditures	State Funds Received	Funds Available 06/30/11	Grant Awarded	Net Disbursement Charges	Transfers and Adjustments	Funds Available 06/30/12	Pass through Number	Grant Period From	Grant Period To
Department of Health and Human Services												
(Passed through the NJ Department of Health and Senior Services)												
Maternal and Child Health Services Block Grant to the States	93.994									4220-100-046-4535-315-J002-6140		
LEAD Paint Analyzer		25,000	13,390	—	11,610	—	—	—	11,610		5/1/2002	6/30/2002
Pandemic Flu Grant	93.283											
Phase III		16,408	9,161	—	7,247	—	—	—	7,247			
			—	—	7,247	—	—	—	7,247			
Total Department of Health and Human Services			13,390	—	18,857	—	—	—	18,857			
Department of Housing and Urban Development:												
Community Development Block Grant:	14.218									N/A		
Unallocated				—	(88,098)	65,011	—	(24,707)	1,620		4/1/2001	3/31/2002
Program Income				—	2,130	31,211	—	27,894	5,447			
2002-03		2,793,000	2,758,747	—	34,253	—	—	—	34,253		4/1/2002	3/31/2003
2004-05		2,493,794	2,484,994	—	8,800	—	—	—	8,800		4/1/2004	3/31/2005
2005-06		2,353,936	2,290,931	—	93,005	—	20,000	10,000	63,005		4/1/2005	3/31/2006
2006-07		2,106,146	2,089,790	—	16,356	—	—	—	16,356		4/1/2006	3/31/2007
2007-08		2,185,737	2,104,217	—	242,247	—	39,455	121,272	81,520		4/1/2007	3/31/2008
2008-09		2,021,606	1,997,766	—	36,311	—	1,129	11,342	23,840		4/1/2008	3/31/2009
2009-10		2,083,270	1,763,870	—	714,468	—	286,982	108,086	319,400		4/1/2009	3/31/2010
2010-11		2,270,945	2,074,719	—	860,235	—	838,598	(174,589)	196,226		4/1/2010	3/31/2011
2011-12		1,901,126	1,505,524	—	—	1,901,126	1,584,822	(79,298)	395,602		4/1/2011	3/31/2012
			19,070,559	—	1,917,576	1,997,348	2,770,986	—	1,146,068			
Community Development Block Grant ARRA Entitlement Grants	14.253	548,608	511,501	—	80,631	—	43,524	—	37,107			
(Passed through the State of New Jersey Department of Community Affairs)												
Neighborhood Stabilization	14.228											
2009-02293-1746-00		500,000	500,000	50,000	50,000	—	50,000	—	—	2009-02293-1746-00	5/8/2009	9/9/2010
2009-02293-1747-00		240,000	240,000	24,000	24,000	—	24,000	—	—	2009-02293-1747-00	5/8/2009	9/9/2010
2009-02293-1748-00		349,317	332,540	8,679	25,456	—	8,679	—	16,777	2009-02293-1748-00	5/8/2009	9/9/2010
2009-02293-1749-00		447,139	390,535	293,205	349,989	—	293,385	—	56,604	2009-02293-1749-00	5/8/2009	9/9/2010
2009-02293-1752-00		203,000	203,000	203,000	203,000	—	203,000	—	—	2009-02293-1752-00	5/8/2009	9/9/2010
2009-02293-1757-00		600,000	—	—	600,000	—	—	—	600,000	2009-02293-1757-00	5/8/2009	9/9/2010
			1,666,075	578,884	1,252,445	—	579,064	—	673,381			
(Passed through the County of Union)												
Neighborhood Stabilization Emma Street	14.228	300,000	300,000	—	300,000	—	300,000	—	—			

(Continued)

CITY OF ELIZABETH

Schedule of Expenditures of Federal Awards

Year ended June 30, 2012

Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	(Unaudited) Total Expenditures	State Funds Received	Funds Available 06/30/11	Grant Awarded	Net Disbursement Charges	Transfers and Adjustments	Funds Available 06/30/12	Pass through Number	Grant Period From	Grant Period To
HOME Investment Partnership:	14.239									N/A		
2003-2004		1,545,595	1,535,752	—	9,843	—	—	—	9,843		4/1/2003	3/31/2004
2011-2012		1,325,212	—	—	—	1,325,212	—	—	1,325,212		4/1/2011	3/31/2012
2008-2009		1,356,283	1,356,283	—	43,717	—	43,717	—	—		4/1/2008	3/31/2009
2009-2010		1,510,695	1,487,066	—	1,510,695	—	1,487,066	—	23,629		4/1/2009	3/31/2010
2010-2011		1,501,323	—	—	1,501,323	—	—	—	1,501,323		4/1/2010	3/31/2011
			4,379,101	—	3,065,578	1,325,212	1,530,783	—	2,860,007			
Emergency Shelter Grant	14.231									N/A		
2011-2012		92,006	50,408	—	—	92,006	50,408	—	41,598		4/1/2011	3/31/2012.
2010-2011		91,292	91,292	—	35,861	—	35,861	—	—		4/1/2010	3/31/2011
			141,700	—	35,861	92,006	86,269	—	41,598			
Homeless Prevention & Rapid Re-Housing Program (ARRA)	14.257	839,604	838,929	—	7,888	—	7,213	—	675			
Housing Opportunity for Persons with AIDS	14.241											
(Passed through the City of Newark)												
2011-12		969,000	457,597	—	—	969,000	457,597	—	511,403		1/1/2011	12/31/2011
2009-10		783,186	783,186	—	26,393	—	—	26,393	—		1/1/2009	12/31/2009
2010-11		931,200	931,200	—	553,309	—	494,628	58,681	—		1/1/2010	12/31/2010
			2,171,983	—	579,702	969,000	952,225	85,074	511,403			
Lead Based Paint Hazard Control in Privately Owned Housing	14.900	305,700	305,700	—	46,039	—	7,737	38,302	—			
Total Department of Housing and Urban Development:			29,385,547	578,884	7,285,720	4,383,566	6,277,801	123,376	5,270,240			
Department of Transportation												
(Passed through the State of New Jersey Department of Transportation)												
Highway Planning and Construction	20.205									100-078-6100-030		
Elizabeth River Trail		359,960	359,960	—	—	359,960	359,960	—	—		1/1/2012	12/31/2014
Safe Streets to Transit		150,000	74,122	—	150,000	—	74,122	—	75,878		1/1/2011	12/31/2013
Elizabeth Ave Streetscape Project		500,000	—	264,523	500,000	—	—	—	500,000		1/1/2011	12/31/2013
			434,082	264,523	650,000	359,960	434,082	—	575,878			
Highway Planning and Construction (ARRA)	20.205											
Transportation Enhancement - Broad Street Streetscape (ARRA)		400,000	393,468	—	6,532	—	—	—	6,532	100-078-6100-030		
			393,468	—	6,532	—	—	—	6,532			
(Passed through NJ Department of Law and Public Safety)												
Drunk Driver Prevention	20.601	8,500	8,500	8,500	—	8,500	8,500	—	—			
(Passed through NJ Department of Law and Public Safety)												
Occupant Protection Grant	20.602	4,000	4,000	4,000	—	4,000	4,000	—	—			

(Continued)

CITY OF ELIZABETH

Schedule of Expenditures of Federal Awards

Year ended June 30, 2012

Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	(Unaudited) Total Expenditures	State Funds Received	Funds Available 06/30/11	Grant Awarded	Net Disbursement Charges	Transfers and Adjustments	Funds Available 06/30/12	Pass through Number	Grant Period From	Grant Period To
(Passed through NJ Department of Law and Public Safety)												
State and Community Highway Safety	20.609											
Pedestrian Safety Education and Enforcement		20,000	20,000	—	300	—	—	300	—	RS07-46-01-02	10/01/2006	9/30/2007
Highway Safety Program		4,550	4,500	—	50	—	—	—	50	`	11/1/2008	12/31/2008
			24,500	—	350	—	—	300	50			
Total Department of Transportation			864,550	277,023	656,882	372,460	446,582	300	582,460			
Department of Justice												
(Passed through the County of Union)												
Edward Byrne Memorial Justice Assistance (ARRA)	16.804											
2009-DJ-BX-1319		125,904	125,904	—	11,559	—	11,559	—	—		9/1/2009	8/31/2011
2009-H0624-NJ-SB		519,164	356,056	—	519,164	—	356,056	—	163,108		9/1/2009	8/31/2011
			481,960	—	530,723	—	367,615	—	163,108			
(Passed through the State of New Jersey)												
Edward Byrne Discretionary Grant - TVCA	16.580	138,000	89,081	43,081	—	138,000	89,081	—	48,919		9/1/2011	8/31/2012
Edward Byrne Memorial Justice Grant Program	16.738	500,000	301,192	—	—	500,000	301,192	—	198,808		9/1/2011	8/31/2012
Bulletproof Vest Partnership Program	16.607											
FY2012		13,149	13,149	—	—	13,149	13,149	—	—		9/1/2011	8/31/2012
Equitable Sharing Program	16.922	876,694	572,963		676,887	199,807	572,963	—	303,731		7/1/2011	6/30/2012
Public Safety Partnership and Community Policing Grants	16.710									N/A		
COPS Hiring Recovery Program (ARRA)		4,961,943	3,302,165	—	3,214,443	—	1,554,665	—	1,659,778		7/1/2009	6/30/2012
Law Enforcement Technology		355,414	355,414	—	5,266	—	5,266	—	—		12/26/2007	12/25/2010
			3,657,579	—	3,219,709	—	1,559,931	—	1,659,778			
(Passed through the County of Union)												
State Domestic Preparedness Equipment Support Program	16.007	250,000	243,175	—	6,825	—	—	—	6,825	N/A	1/1/2004	12/31/2004
Total Department of Justice			5,359,099	43,081	4,434,144	850,956	2,903,931	—	2,381,169			
Department of Environmental Protection												
Brownfield's Assessment and Clean up Cooperative Agreement	66.818											
Community Wide Petroleum Assessment		200,000	—	—	—	200,000	—	—	200,000		7/1/2011	6/30/2012
Community Wide Hazardous Substance Assessment		200,000	—	—	—	200,000	—	—	200,000		7/1/2011	6/30/2012
Community Wide Clean Up		200,000	200,000	—	4,422	—	4,422	—	—		7/1/2010	6/30/2011
			200,000	—	4,422	400,000	4,422	—	400,000			
Total Department of Environmental Protection			200,000	—	4,422	400,000	4,422	—	400,000			(Continued)

Schedule 1

CITY OF ELIZABETH

Schedule of Expenditures of Federal Awards

Year ended June 30, 2012

Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	(Unaudited) Total Expenditures	State Funds Received	Funds Available 06/30/11	Grant Awarded	Net Disbursement Charges	Transfers and Adjustments	Funds Available 06/30/12	Pass through Number	Grant Period From	Grant Period To
Department of Homeland Security												
Assistance to Firefighters Grant	97.044	64,000	—	—	—	64,000	—	—	64,000		9/1/2011	8/31/2012
Buffer Zone Protection Program	97.068	200,000	16,368	—	—	200,000	16,368	—	183,632		9/1/2011	8/31/2012
(Passed through the N.J. Department of Law and Public Safety)												
Disaster Grants - Public Assistance	97.036											
Hurricane Irene		548,595	548,595	49,385	—	548,595	548,595	—	—	PA-039-21000-00	10/29/2011	3/31/2012
(Passed through the New Jersey Office of Homeland Security)												
Urban Areas Security Initiative	97.008	25,000	—	—	25,000	—	—	—	25,000	1200-100-975	9/1/2010	8/31/2012
			—	—	25,000	—	—	—	25,000			
(Passed through the Port of Authority of New York and New Jersey)												
American Recovery and Reinvestment Act Port Security (ARRA)	97.116	198,995	—	—	—	198,995	—	—	198,995		7/1/2011	8/31/2013
American Recovery and Reinvestment Act Port Security (ARRA)	97.116	1,041,176	—	—	—	1,041,176	—	—	1,041,176		7/1/2011	8/31/2013
			—	—	—	1,240,171	—	—	1,240,171			
American Recovery and Reinvestment Act Port Security (ARRA)	97.116	1,850,000	1,814,310	—	113,385	—	77,695	—	35,690		9/1/2009	8/31/2012
Total Department of Homeland Security			2,379,273	49,385	138,385	2,052,766	642,658	—	1,548,493			
Department of Energy												
Energy Efficiency and Conservation Block Grant (ARRA)	81.128	1,176,700	742	—	1,175,958	—	—	—	1,175,958		7/1/2011	6/30/2013
Renewable Energy Research and Development (ARRA)	81.087	1,000,000	—	—	1,000,000	—	—	—	1,000,000		7/1/2011	6/30/2013
Total Department of Energy			742	—	2,175,958	—	—	—	2,175,958			
Department of Agriculture												
(Passed through the NJ Department of Agriculture)												
Summer Food Service Program for Children	10.559											
2012		206,469	206,469	184,767	206,469	—	206,469	—	—	3360-100-010-3360-078-CCCC-6130	7/1/2008	6/30/2009
2011		260,996	260,996	—	124,507	—	12,247	112,260	—	3360-100-010-3360-078-CCCC-6130	7/1/2009	6/30/2010
Total Department of Agriculture			124,507	124,507	124,507	—	218,716	112,260	—			
			38,327,108	1,072,880	$ 13,861,988	8,059,748	10,494,110	235,936	12,377,177			

See accompanying notes to schedule of expenditures of awards.

CITY OF ELIZABETH

Notes to Schedules of Expenditures of Awards

June 30, 2012

(1) General

The accompanying schedules of expenditures of Federal and State of New Jersey awards present the activity of Federal and State of New Jersey awards programs of the City of Elizabeth. The City is defined in Note 1 to the City's financial statements. Federal awards received directly from Federal agencies, as well as Federal awards passed through other government agencies are included on the schedule of expenditures of Federal awards.

(2) Basis of Accounting

The accompanying schedules of expenditures awards are presented using the budgetary basis of accounting. The basis of accounting is described in Note 1 to the City's financial statements.

(3) Relationship to General Purpose Financial Statements

Amount reported in the accompanying schedule agrees with or is reconcilable to amount reported in the City's financial statements. Expenditures of awards are reported in the City's financial statements as follows:

	Federal
Current/ Grant Fund	$5,469,872
Trust Funds	5,011,738
	$10,481,610

(4) Relationship to Federal and State of New Jersey Financial Reports

The regulations and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports do not necessarily agree with the amounts reported in the accompanying Schedule which is prepared on the cash basis.

(5) Subrecipient programs

The Community Development Block Grant program has subrecipients. The City expended $1,687,410 with subrecipients during the year ended June 30, 2012 .

(6) Urban Enterprise Zone Program (UEZ).

The State of New Jersey for the year ended June 30, 2012 removed the UEZ program from requiring a single audit. It disbursed the unexpended UEZ proceeds for the City to expend. The City has established a trust fund to account for the expenditure of these funds.

(7) Community Development Block Grant Subsequent Event

On August 15, 2012 the Department of Housing and Urban Development (HUD), Office of Inspector General issued an audit of the City's Community Development Program. The audit had findings and questioned costs related to operations and monitoring of sub recipients for prior years. The City has submitted additional documentation to HUD for review in response to several of the findings. The complete audit is available on HUD's OIG web site.

Corrective Action Plan
2012 SFY Audit

Municipality: City of Elizabeth
County: Union **Date Audit Received: June 5, 2013**

Description:
F-12-01 **Eligibility (Repeat of Prior Year)**
Federal Program: Department of Housing and Urban Development-Housing Opportunities for Persons with AIDS (CFDA 14.241)

A person eligible for assistance under this program is one with AIDS or related disease who is a low-income individual, as defined in 24 CFR section 574.3 and the person's family. The eligibility of those tenants who are admitted to the program should be determined by (1) obtaining a signed application that contained all the information needed to determine eligibility, income, rent and order of selection; and (2) obtaining 3rd party verifications or documentation of expected income, assets, unusual medical expenses and any other pertinent information.

Questioned Costs: $822.00

Recommendation:
That the grantee should maintain all information to prove the participant's eligibility (i.e. application, income determination, rent stubs, etc...) and the information should support the current database.

Corrective Action:
The program's current checklist reflects the required documentation for a all clients in the program mandated collectively by the Newark Department of Health and Human Services and United States Department of Housing Urban Development to prove the participant's eligibility. The checklist is further supported by the individual client account files. A responsible member of the staff shall test sample and ensure the completion of the checklist and supporting documentation and indicate its status by initials and date.

The grantee strives for proper record-keeping and effective controls to achieve compliance at all levels.

Implementation Date:
To be resolved in 2013 SFY.

Corrective Action Plan
2012 SFY Audit

Municipality: City of Elizabeth
County: Union **Date Audit Received: June 5, 2013**

Description:
F-12-02 **Housing Quality Standards**
Federal Program: Department of Housing and Urban Development – Housing Opportunities for Persons with AIDS (14.241).

The grantee did not inspect eight (8) out of forty-seven (47) tenant based rental units on a semi-annual basis.

Questioned Costs: $0.00

Recommendation:
That the grantee maintain a list of all units including the date of last inspection, date of required next inspection and the results of the inspections.

Corrective Action:
The grantee shall ensure that the inspection's checklist shall be maintained by the case workers and monitored in order to determine if each rental unit receiving subsidies meets the housing qualified standards as required by the Program and if each unit has been subject to the required inspections per program year and the result thereof.

The grantee strives for proper record-keeping and effective controls to achieve compliance at all levels.

Implementation Date:
To be resolved in 2013 SFY.

Corrective Action Plan
2012 SFY Audit

Municipality: City of Elizabeth
County: Union **Date Audit Received: June 5, 2013**

Description:
F-12-03 **Reporting**
Federal Program: Department of Housing and Urban Development – Housing Opportunities for Persons with AIDS (14.241).

The grantee is required to submit monthly programmatic and expenditure reports to the pass-through entity by the 15th of the subsequent month. These reports should be reconciled to the original books of account.

Questioned Costs: $0.00

Recommendation:
The grantee should charge salaries directly to the general ledger when paid.

Corrective Action:
The grantee shall ensure that the payroll portion subsidized by the grant and charged to the general ledger shall be reconciled to the source documentation (i.e. expense report). Therefore, the same amount requested for reimbursement shall be comparable to the amount charged to the general ledger ensuring accuracy and timeliness. Only qualified expenditures which have initially been paid by the grantee shall be included for reimbursement.

The grantee strives for proper record-keeping and effective controls to achieve compliance at all levels.

Implementation Date:
To be resolved in 2013 SFY.

Corrective Action Plan
2012 SFY Audit

Municipality: City of Elizabeth
County: Union **Date Audit Received: June 5, 2013**

Description:
F-12-04 **Allowable Costs/Cost Principles**
Federal Program: Department of Justice – Public Safety Partnership and Community Policing Grants ARRA, COPS Hiring (16.710).

The grantee did not charge salaries per officer in accordance with the approved budget, which details the salaries to be paid to the officers each year of the contract.

Questioned Costs: ($32,203.56) (undercharged)

Recommendation:
The grantee should only charge the grant for salaries in accordance with the approved Police Benevolent Association contract included in the grant agreement.

Corrective Action:
The grantee shall ensure that the grant budget shall be completely adhered to and that the budget line items including that for salaries shall be charged appropriately in accordance with the approved Police Benevolent Association contract. Therefore, the expenditures shall be restricted to the itemized budget per line item and the grantee shall receive the full monetary benefit. Only qualified expenditures which have initially been paid by the grantee shall be included for reimbursement.

The grantee strives for proper record-keeping and effective controls to achieve compliance at all levels.

Implementation Date:
To be resolved in 2013 SFY.

Corrective Action Plan
2012 SFY Audit

Municipality: City of Elizabeth
County: Union **Date Audit Received: June 5, 2013**

Description:
F-12-05 **Activities Allowed or Unallowed.**
Federal Program: Department of Justice Equitable Sharing Program (16.922).

The grantee charged grant expenses for non approved community based programs.

Questioned Costs: $19,070

Recommendation:
The grantee charged the grant expenditures that were not allowed per the Guide to Equitable Sharing.

Corrective Action:
The grantee shall familiarize itself with the allowable costs per the Guide to Equitable Sharing for State and Local Law Enforcement Agencies for equitably shared funds to be used for community-based programs.

The grantee strives for proper record-keeping and effective controls to achieve compliance at all levels.

Implementation Date:
To be resolved in 2012 SFY.

Corrective Action Plan
2012 SFY Audit

Municipality: City of Elizabeth
County: Union **Date Audit Received: June 5, 2013**

Description:
F-12-06 **Allowable Costs/Cost Principles**
Federal Program: Department of Justice – Equitable Sharing Program (16.922).

The expenditures to fund the separate checking account maintained by the Police Department were approved by the City Council but the individual purchases of the account are not subject to the approval of the City Council.

Questioned Costs: None

Recommendation:
The grantee should close the separate checking account and have all purchases go through the City's purchasing process.

Corrective Action:
The grantee shall ensure that all purchases made by the Police Department specific to the checking account in question shall be subject to City Council approval. The checking account shall partially be maintained similar to a petty cash account for some of the more sensitive operations conducted by the police department requiring a cash outlay. Therefore, all vouchers shall be approved by the various levels of authority.

The grantee strives for proper record-keeping and effective controls to achieve compliance at all levels.

Implementation Date:
To be resolved in 2013 SFY.

Corrective Action Plan
2012 SFY Audit

Municipality: City of Elizabeth
County: Union **Date Audit Received: June 5, 2013**

Description:
F-12-07 **Reporting**
Federal Program: Department of Justice – Equitable Sharing Program (16.922).

The grantee is required to file a yearly expenditure report to the Department of Justice. The reports should be reconciled to the original books of account.

Questioned Costs: $3,798

Recommendation:
The grantee should close the separate checking account and have all purchases go through the City's purchasing process.

Corrective Action:
The grantee shall ensure that all purchases made by the Police Department specific to the checking account in question shall be closed and merged with the existing checking account subject to City Council approval. Therefore, all vouchers shall be approved by the various levels of authority.

The grantee strives for proper record-keeping and effective controls to achieve compliance at all levels.

Implementation Date:
To be resolved in 2013 SFY.

Corrective Action Plan
2012 SFY Audit

Municipality: City of Elizabeth
County: Union **Date Audit Received: June 5, 2013**

Description:
F-12-08 **Earmarking**
Federal Program: Department of Justice – Equitable Sharing Program (16.922).

The grantee received a total of $387,716 over the last two fiscal years and was allowed to spend $58,157 for support of community-based programs. The City recorded and spent $64,519 on support of community-based programs.

Questioned Costs: $6,362

Recommendation:
The grantee should become aware of the earmarking requirements of the grant.

Corrective Action:
The grantee shall ensure that all purchases subject to the requirements of the grant shall be allocated accordingly per the budgetary restraints including for support of community-based programs set at 15% of shared monies received by the agency.

The grantee strives for proper record-keeping and effective controls to achieve compliance at all levels.

Implementation Date:
To be resolved in 2013 SFY.

Corrective Action Plan
2012 SFY Audit

Municipality: City of Elizabeth
County: Union **Date Audit Received: June 5, 2013**

Description:
F-12-09 **Sub-recipient Monitoring**
Federal Program: Department of Housing and Urban Development –
Community Development Block Grant (14.218)
Community Development Block Grant ARRA Entitlement Grants (14.253)

The grantee does not have written standards and procedures for sub-recipient monitoring but did not documents monitoring that may have taken place.

Questioned Costs: $19,751

Recommendation:
The grantee should prepare detailed written procedures for monitoring sub-recipients and specific compliance requirements related to construction sub-awards should be included on all sub-award contracts. In addition the grantee should documents any monitoring that is done.

Corrective Action:
Per OMB A-102 the grantee shall prepare written procedures for monitoring sub-recipients and include specific compliance requirements related to construction sub-awards. In addition, the grantee shall document any monitoring that has been performed within the sub-recipient file during the program year in an effort to satisfy the compliance requirements.

The grantee strives for proper record-keeping and effective controls to achieve compliance at all levels.

Implementation Date:
To be resolved in 2013 SFY.

Corrective Action Plan
2012 SFY Audit

Municipality: City of Elizabeth
County: Union **Date Audit Received: June 5, 2013**

Description:
F-12-10 **Activities Allowed or Unallowed and Allowable Costs -**
Department of Housing and Urban Development –
Community Development Block Grant (14.218)

Common practice would require that individuals with intimate knowledge of the grant compliance and budget status only approve disbursements for these programs that meet the program requirements.

Questioned Costs: $233,107

Recommendation:
The CDBG personnel responsible for authorizing payment of vouchers be trained to their responsibility with respect to their review.

Corrective Action:
The CDBG personnel responsible for authorizing payment of vouchers shall be trained to their responsibility regarding what the review process entails representative of the signature approval with respect to each voucher submitted for reimbursement.

The grantee strives for proper record-keeping and effective controls to achieve compliance at all levels.

Implementation Date:
To be resolved in 2013 SFY.

Corrective Action Plan
2012 SFY Audit

Municipality: City of Elizabeth
County: Union **Date Audit Received: June 5, 2013**

Description:
F-12-11 **Reporting –**
Department of Housing and Urban Development –
Community Development Block Grant (14.218)

The program requires that the grantee report sub-awards with the awards of $25,000 or more in accordance with the Open Government Directive – Federal Spending Transparency and Subaward and Compensation Data Reporting Act.

Questioned Costs: None

Recommendation:
That the grantee reports all sub-awards of $25,000 or more on the Federal Spending Reporting System.

Corrective Action:
The grantee shall consult with the proper regulatory agency in order to allow the grantee access to the Federal Spending Reporting System to satisfy the reporting requirement that all sub-awards of $25,000 or more be reported.

The grantee strives for proper record-keeping and effective controls to achieve compliance at all levels.

Implementation Date:
To be resolved in 2013 SFY.