

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkocz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

January 7, 2011

Mr. Arch Liston,
Business Administrator
City of Hoboken
94 Washington Street
Hoboken, New Jersey 07030

Re: Temporary Budget

Dear Mr. Liston:

You have inquired as to the ability of the City of Hoboken to pay bills and payroll prior to the City Council's adoption of a Temporary Budget. Pursuant to State statutes N.J.S.A. 40A:4-10, "The Government Body may and, if any contracts, commitments or payments are to be made prior to January 31 of the fiscal year, make appropriations to provide for the period between the beginning of the fiscal year and the adoption of the budget." The maximum amount of said Temporary Budget is 26.25% of the prior year appropriations, exclusive of debt service, Capital Improvement Fund and public assistance.

Further, N.J.S.A. 40A:4-57, Expenditures Void Without Appropriation, "No officer, board, body or commission shall, during any fiscal year, expend any money (except to pay notes, bonds or interest, thereon) incur any liability or enter into any contract which by its terms involve the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such purposes." "Any contract made in violation hereof shall be null and void, and no moneys shall be paid thereon."

What this means is that no expenditures may be made for the Current Fund or Parking Utility Operating Fund until such time as sufficient appropriations are put in place by the City Council.

If you require any additional information, please do not hesitate to contact me.

Very truly yours,



Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant

SDW:ms

