

CITY OF PATERSON  
NEW JERSEY

REPORT OF AUDIT

FOR THE YEARS ENDED  
JUNE 30, 2014 AND 2013



DONOHUE, GIRONDA & DORIA  
*Certified Public Accountants*

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**CITY OF PATERSON**  
**AUDIT OF FINANCIAL STATEMENTS**  
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# REPORT OF AUDIT

## FINANCIAL SECTION

City of Paterson  
FY 2014

# DONOHUE, GIRONDA & DORIA

*Certified Public Accountants*

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## **INDEPENDENT AUDITOR'S REPORT**

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

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

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

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

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

### ***Auditor’s Responsibility***

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

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

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

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

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

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

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

***Basis for Qualified Opinion***

As described in Note H, the City did not conduct a biennial actuarial valuation of its other post employment benefits (OPEB) in accordance with Government Accounting Standards Board Statement Number 45 (GASB 45). In addition, the Division requires the results of such valuation be disclosed in the notes to financial statements only. The amount by which this departure would affect the City is not reasonably determinable, however it is presumed to be material.



### ***Qualified Opinion on Regulatory Basis Accounting***

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion” paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the comparative financial position – regulatory basis, of each fund and general fixed assets of the City as of June 30, 2014 and 2013 and each fund’s respective operations and changes in fund balance – regulatory basis, and the Current Fund’s respective revenues – regulatory basis and appropriations – regulatory basis, for the years then ended, on the basis of the financial reporting provisions of the Division as described in Note A.

### ***Emphasis of Matter Regarding Dependence on State Aid***

The City is a recipient of State Aid, the amount of which is material to funding the operations of the City. The aid is dependent on the ability of the State of New Jersey to continue to appropriate such funds. Significant reductions of State Aid, coupled with legislation capping the maximum allowable increase in tax levy, would have a material impact on the City’s operations. This aid is appropriated in the City’s fiscal 2015 and 2014 budgets.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

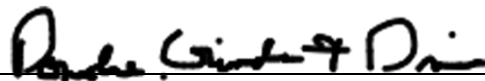
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The statistical section and schedule of expenditures of other financial assistance is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary data section and general section are presented for purposes of additional analysis as required by the Division. The schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by the U.S. Office of Management and budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and N.J. Office of Management and Budget Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively. The supplementary data section, general section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are also not required parts of the basic financial statements.

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

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

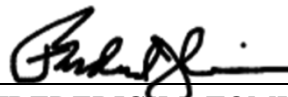
#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



DONOHUE, GIRONDA & DORIA

Certified Public Accountants



FREDERICK J. TOMKINS

Registered Municipal Accountant #327

Bayonne, New Jersey

October 9, 2015

# REPORT OF AUDIT

## FINANCIAL SECTION

Current Fund Financial Statements  
[with Federal and State Grants Fund]

City of Paterson  
FY 2014

**CITY OF PATERSON  
CURRENT FUND  
AS OF JUNE 30, 2014 AND 2013**

**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

|   |             | <u>2014</u>          | <u>2013</u>          |
|---|-------------|----------------------|----------------------|
| <u>Assets</u>                                     | <u>Ref.</u> |                      |                      |
| Current Fund:                                     |             |                      |                      |
| Cash and Cash Equivalents                         | A-4         | \$ 16,967,371        | \$ 14,895,328        |
| Change Fund                                       | A-6         | 685                  | 685                  |
|   |             | <u>16,968,056</u>    | <u>14,896,013</u>    |
| Intergovernmental Receivables:                    |             |                      |                      |
| Due from State of NJ -                            |             |                      |                      |
| Sr. Citizens' and Veterans' Deductions            | A-8         | <u>152,875</u>       | <u>158,625</u>       |
| Receivables and Other Assets with Full Reserves:  |             |                      |                      |
| Property Taxes Receivable                         | A-7         | 123,987              | 39,397               |
| Tax Title Liens Receivable                        | A-9         | 12,285,926           | 9,933,237            |
| Sewer Charges Receivable                          | A-10        | 595,458              | 450,041              |
| Sewer Liens Receivable                            | A-11        | 1,049,087            | 958,665              |
| Demolition Liens Receivable                       | A-12        | 962,820              | 746,175              |
| Property Acquired for Taxes at Assessed Valuation | A-13        | 5,107,360            | 5,107,360            |
| Sales Contracts Receivable                        | A-14        | 25,000               | 25,000               |
|   | sheet 2     | <u>20,149,638</u>    | <u>17,259,875</u>    |
| Deferred Charges                                  |             |                      |                      |
| Revaluation                                       |             | 1,680,000            | 2,100,000            |
| Snow Removal                                      |             | 800,000              | -                    |
| Special Emergency - Accrued Sick and Vacation     |             | 6,782,000            | 6,960,000            |
|   | A-16        | <u>9,262,000</u>     | <u>9,060,000</u>     |
| Total Current Fund Assets                         |             | <u>46,532,569</u>    | <u>41,374,513</u>    |
| Federal and State Grant Fund:                     |             |                      |                      |
| Cash and Cash Equivalents                         | A-4         | 1,139,580            | 930,677              |
| Federal and State Grants Receivable               | A-35        | <u>18,170,916</u>    | <u>25,076,657</u>    |
| Total Federal and State Grant Fund Assets         |             | <u>19,310,496</u>    | <u>26,007,334</u>    |
| Total Assets                                      |             | <u>\$ 65,843,065</u> | <u>\$ 67,381,847</u> |

**CITY OF PATERSON  
CURRENT FUND  
AS OF JUNE 30, 2014 AND 2013**

**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

|   |             | <u>2014</u>          | <u>2013</u>          |
|---|-------------|----------------------|----------------------|
|   | <u>Ref.</u> |                      |                      |
| <u>Liabilities and Reserves</u>                             |             |                      |                      |
| Current Fund:   |             |                      |                      |
| Appropriation Reserves                                      | A-3, A-18   | \$ 3,019,682         | \$ 2,009,711         |
| Interfunds Payable  | A-17        | 122,425              | -                    |
| Requisitions and Accounts Payable                           | A-19        | 5,755,160            | 6,734,076            |
| Prepaid Taxes   | A-20        | 130,774              | 129,230              |
| Tax Overpayments  | A-21        | 2,582,072            | 1,939,969            |
| Property Tax Suspense                                       | A-22        | 36,372               | 22,948               |
| Prepaid Sewers  | A-23        | 2,672                | 3,492                |
| Sewer Overpayments  | A-24        | 48,199               | 82,723               |
| Special Emergency Notes Payable                             | A-27        | 8,462,000            | 9,060,000            |
| Reserve for:  |             |                      |                      |
| Accrued Sick and Vacation Time                              | A-28        | 613,163              | 525,837              |
| Deposits on Sale of City Property                           | A-29        | 6,250                | 6,250                |
| State Library Aid   | A-30        | 30,850               | 54,987               |
| Library Fines and Donations                                 | A-31        | 2,977                | 4,166                |
| ABC License Surcharge                                       | A-32        | 235,000              | 206,800              |
| State Tax Appeals   | A-33        | 497,164              | 500,000              |
| Revaluation   | A-34        | 2,074,619            | 2,099,600            |
|   |             | <u>23,619,379</u>    | <u>23,379,789</u>    |
| Reserve for Receivables and Other Assets                    | sheet 1     | 20,149,638           | 17,259,875           |
| Fund Balance  | A-1         | <u>2,763,552</u>     | <u>734,849</u>       |
| Total Current Fund Liabilities, Reserves and Fund Balance   |             | <u>46,532,569</u>    | <u>41,374,513</u>    |
| Federal and State Grant Fund:                               |             |                      |                      |
| Requisitions and Accounts Payable                           | A-37        | 2,073,448            | 7,402,782            |
| Reserve for:  |             |                      |                      |
| Federal and State Grants - Appropriated                     | A-38        | 17,172,122           | 18,520,389           |
| Federal and State Grants - Unappropriated                   | A-39        | 711                  | 19,948               |
| Grant Overpayments  | A-40        | <u>64,215</u>        | <u>64,215</u>        |
| Total Federal and State Grant Fund Liabilities and Reserves |             | <u>19,310,496</u>    | <u>26,007,334</u>    |
| Total Liabilities, Reserves and Fund Balance                |             | <u>\$ 65,843,065</u> | <u>\$ 67,381,847</u> |

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -  
REGULATORY BASIS**

|   |             | 2014               | 2013               |
|---|-------------|--------------------|--------------------|
|   | <u>Ref.</u> |                    |                    |
| <u>Revenue and Other Income Realized:</u>                   |             |                    |                    |
| Miscellaneous Revenue Anticipated                           | A-2a        | \$ 100,222,011     | \$ 97,395,521      |
| Receipts from Delinquent Taxes                              | A-2a        | 2,075,152          | 2,521,065          |
| Receipts from Current Taxes (net of State Appeals Reserved) | A-2a        | 223,205,397        | 210,293,532        |
| Non-Budget Revenues   | A-2b        | 1,127,591          | 1,287,969          |
| <u>Other Credits to Income:</u>                             |             |                    |                    |
| Unexpended Appropriation Reserves                           | A-18        | 584,553            | 583,982            |
| Cancellation of Accounts Payable                            | A-19        | -                  | 221,635            |
| <u>Credit Write-Offs:</u>                                   |             |                    |                    |
| Current Taxes   | A-2a        | 229                | 156                |
| Delinquent Taxes  | A-7         | -                  | 22                 |
| Sewer Charges   | A-10        | 437                | 827                |
| Interfunds Credited to Operations                           | A-17        | 1,728              | 73,315             |
| Prepaid Taxes Refunded                                      | A-20        | -                  | 206                |
| Other Reserves  | A-22        | -                  | 2,121              |
| Sewer Overpayments Cancelled                                | A-24        | 51,987             | 2,480              |
|   |             | <u>327,269,085</u> | <u>312,382,831</u> |
| <u>Expenditures</u>   |             |                    |                    |
| <u>Budgetary and Emergency Appropriations:</u>              |             |                    |                    |
| <u>Appropriations within "CAPS"</u>                         |             |                    |                    |
| <u>Operations</u>   |             |                    |                    |
| Salaries and Wages  |             | 95,653,691         | 90,582,379         |
| Other Expenses  |             | 80,246,199         | 77,387,014         |
| Deferred Charges and Statutory Expenditures                 |             | 22,896,709         | 26,966,657         |
| <u>Appropriations Excluded from "CAPS"</u>                  |             |                    |                    |
| <u>Operations</u>   |             |                    |                    |
| Salaries and Wages  |             | 1,269,521          | 1,269,521          |
| Other Expenses  |             | 26,026,733         | 28,544,652         |
| Capital Improvements  |             | 340,000            | 340,000            |
| Municipal Debt Service                                      |             | 8,578,557          | 7,333,209          |
| Deferred Charges  |             | 2,289,918          | 1,415,917          |
| Judgments   |             | -                  | 25,000             |
| Type 1 School District Debt                                 |             | 616,232            | 622,962            |
|   | A-3a        | <u>237,917,560</u> | <u>234,487,311</u> |
| Local District School Tax                                   | A-25        | 39,460,570         | 39,360,759         |
| County Taxes  | A-26        | 47,321,704         | 39,869,872         |
| Amount Due County for Added and Omitted Taxes               | A-26        | 158,548            | 43,780             |
| Refund of Prior Year's Revenue                              | A-4         | 327,529            | 4,643              |

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -  
REGULATORY BASIS**

|  |             | <u>2014</u>         | <u>2013</u>        |
|--|-------------|---------------------|--------------------|
|  | <u>Ref.</u> |                     |                    |
| <u>Expenditures - continued</u>                                    |             |                     |                    |
| Interfunds Charged to Operations                                   | A-17        | \$ -                | \$ 65,330          |
| Sr. Citizens & Veterans Deductions Disallowed by State             | A-8         | 51,533              | 307,275            |
| Sr. Citizens & Veterans Deductions - Other Adjustments             | A-8         | -                   | 625                |
| Tax Overpayment Refunds  | A-21        | 322,535             | 65,283             |
| Other Reserves   | A-22        | 170,341             | 546,521            |
| State Tax Appeals  | A-33        | 1,960,062           | 1,493,784          |
|  |             | <u>327,690,382</u>  | <u>316,245,183</u> |
| Deficit in Revenue   |             | 421,297             | 3,862,352          |
| Adjustments to Income before Fund Balance:                         |             |                     |                    |
| Expenditures Included Above Which are by Statute                   |             |                     |                    |
| Deferred Charges to Budget of Succeeding Year                      |             |                     |                    |
| Special Emergency Appropriations                                   |             |                     |                    |
| Revaluation  |             | -                   | 2,100,000          |
| Snow Removal   | A-16        | 800,000             | -                  |
| Accrued Sick and Vacation Time                                     | A-16        | 1,650,000           | 2,270,000          |
| Statutory Excess to Fund Balance                                   |             | 2,028,703           | 507,648            |
| Deficit in Operations to be Raised<br>in Budget of Succeeding Year |             |                     |                    |
| Fund Balance, July 1   | A           | <u>734,849</u>      | <u>227,201</u>     |
| Fund Balance, June 30  | A           | <u>\$ 2,763,552</u> | <u>\$ 734,849</u>  |

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
  
STATEMENT OF REVENUES - REGULATORY BASIS**

**MISCELLANEOUS REVENUES:**

**LOCAL REVENUES**

Licenses:

Alcoholic Beverages

Other Licenses

Fines and Costs:

Municipal Court

Interest and Costs on Taxes

Interest on Investments and Deposits

Interest on Delinquent Sewer Charges

Department of Public Works

Division of Health

City-Wide Recycling Revenues

Board of Adjustment

Sale of Copies of Public Records

Ambulance Fees

Municipal Towing Contract Fees

Municipal Sewer Use Charges

Current Year

Prior Year

Fire Department Combustibles Inspection Revenues

Livery and Taxi License Fees

|    | Anticipated          |                     | Realized   | Excess or<br>(Deficit) |
|----|----------------------|---------------------|------------|------------------------|
|    | Budget as<br>Adopted | N.J.S.A<br>40A:4-87 |            |                        |
| \$ | 198,500              | \$ -                | \$ 205,843 | \$ 7,343               |
|    | 145,900              | -                   | 145,044    | (856)                  |
|    | 4,108,800            | -                   | 4,813,964  | 705,164                |
|    | 2,000,000            | -                   | 2,009,903  | 9,903                  |
|    | 26,000               | -                   | 24,976     | (1,024)                |
|    | 189,500              | -                   | 234,282    | 44,782                 |
|    | 180,200              | -                   | 113,523    | (66,677)               |
|    | 817,400              | -                   | 753,478    | (63,922)               |
|    | 295,900              | -                   | 362,363    | 66,463                 |
|    | 112,900              | -                   | 112,849    | (51)                   |
|    | 30,400               | -                   | 30,074     | (326)                  |
|    | 2,689,300            | -                   | 3,133,853  | 444,553                |
|    | 79,700               | -                   | 105,178    | 25,478                 |
|    | 7,449,300            | -                   | 8,759,711  | 1,310,411              |
|    | 412,800              | -                   | 758,850    | 346,050                |
|    | 284,600              | -                   | 482,331    | 197,731                |
|    | 115,300              | -                   | 128,025    | 12,725                 |
|    | 19,136,500           | -                   | 22,174,247 | 3,037,747              |

See Accompanying Notes to Financial Statements



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

**STATEMENT OF REVENUES - REGULATORY BASIS**

|  | Anticipated       |          |                   | Excess or      |
|--|-------------------|----------|-------------------|----------------|
|  | Budget as         | N.J.S.A  | Realized          | (Deficit)      |
|  | Adopted           | 40A:4-87 |                   |                |
| <b>MISCELLANEOUS REVENUES: (continued)</b>         |                   |          |                   |                |
| <b>STATE AID WITHOUT OFFSETTING APPROPRIATIONS</b> |                   |          |                   |                |
| Consolidated Municipal Property Tax Relief         | \$ 11,847,272     | \$ -     | \$ 11,847,272     | \$ -           |
| Energy Receipts Tax                                | 20,875,528        | -        | 20,875,528        | -              |
| Supplemental Energy Receipts Tax                   | 262,651           | -        | 262,651           | -              |
| Open Space PILOT Aid (Garden State Trust)          | 6,088             | -        | 6,088             | -              |
| Building Aid Allowance for Schools                 | 377,176           | -        | 377,176           | -              |
| Watershed Moratorium Offset Aid                    | 329               | -        | 329               | -              |
| Transitional Aid                                   | 23,000,000        | -        | 23,000,000        | -              |
|  | <u>56,369,044</u> | <u>-</u> | <u>56,369,044</u> | <u>-</u>       |
| <b>DEDICATED UNIFORM CONSTRUCTION</b>              |                   |          |                   |                |
| <b>CODE FEES OFFSET WITH APPROPRIATIONS</b>        |                   |          |                   |                |
| Uniform Construction Code Fees                     |                   |          |                   |                |
| Fees and Permits:                                  |                   |          |                   |                |
| Construction Code Official                         | 708,500           | -        | 1,143,262         | 434,762        |
| Other  | 576,700           | -        | 575,608           | (1,092)        |
|  | <u>1,285,200</u>  | <u>-</u> | <u>1,718,870</u>  | <u>433,670</u> |
| <b>SHARED SERVICE AGREEMENTS</b>                   |                   |          |                   |                |
| Life Hazard Use Fees                               | 263,584           | -        | 263,584           | -              |
|  | <u>263,584</u>    | <u>-</u> | <u>263,584</u>    | <u>-</u>       |

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
STATEMENT OF REVENUES - REGULATORY BASIS**

|   | Anticipated          |                     | Realized     | Excess or<br>(Deficit) |
|---|----------------------|---------------------|--------------|------------------------|
|   | Budget as<br>Adopted | N.J.S.A<br>40A:4-87 |              |                        |
| <u>MISCELLANEOUS REVENUES: (continued)</u>                |                      |                     |              |                        |
| PUBLIC AND PRIVATE REVENUES OFFSET<br>WITH APPROPRIATIONS |                      |                     |              |                        |
| US Department of Justice                                  |                      |                     |              |                        |
| COPS Hiring Program Grant                                 | \$ 1,672,510         | \$ -                | \$ 1,672,510 | \$ -                   |
| Body Armor Grant  | 3,285                | -                   | 3,285        | -                      |
| US Department of Health and Human Services                |                      |                     |              |                        |
| HIV Ryan White Program 3/1/13-2/28/14                     | 2,238,346            | -                   | 2,238,346    | -                      |
| HIV Ryan White Program 3/1/14-2/28/15                     | 1,111,342            | -                   | 1,111,342    | -                      |
| 2014 SPNS Grant US 9/1/14-8/31/17                         | 68,204               | -                   | 68,204       | -                      |
| NACCHO MRC Grant  | 82,480               | -                   | 82,480       | -                      |
| NJ Department of Treasury                                 |                      |                     |              |                        |
| Alcoholic Education Enforcement Fund                      | 422                  | -                   | 422          | -                      |
| NJ Department of Health and Senior Services               |                      |                     |              |                        |
| Sexually Transmitted Disease Control Program              | 88,535               | -                   | 88,535       | -                      |
| Tuberculosis Control Program                              | 208,700              | -                   | 208,700      | -                      |
| Senior Farmers Market Nutrition Program                   | 500                  | -                   | 500          | -                      |
| 2014 Federal TB Control Grant                             | 97,254               | -                   | 97,254       | -                      |
| Public Health Preparedness / Bioterror Response           | 218,398              | -                   | 218,398      | -                      |
| Childhood Lead Poisoning Control Program                  | 230,846              | -                   | 230,846      | -                      |
| HIV Counseling, Testing and Referral                      | 243,400              | -                   | 243,400      | -                      |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF REVENUES - REGULATORY BASIS**

|   | Anticipated          |                     | Realized  | Excess or<br>(Deficit) |
|---|----------------------|---------------------|-----------|------------------------|
|   | Budget as<br>Adopted | N.J.S.A<br>40A:4-87 |           |                        |
| <u>MISCELLANEOUS REVENUES: (continued)</u>                            |                      |                     |           |                        |
| PUBLIC AND PRIVATE REVENUES OFFSET<br>WITH APPROPRIATIONS - continued |                      |                     |           |                        |
| New Jersey Department of Law & Public Safety:                         |                      |                     |           |                        |
| Emergency Management Assistance Funding                               | \$ 10,000            | \$ -                | \$ 10,000 | \$ -                   |
| Safe and Secure Communities Program                                   | 66,521               | -                   | 66,521    | -                      |
| Fire Urban Search and Rescue Grant                                    | 99,505               | -                   | 99,505    | -                      |
| Body Armor Grant  | 41,714               | -                   | 41,714    | -                      |
| New Jersey Department of Environmental Protection:                    |                      |                     |           |                        |
| Recycling Tonnage Grant   | 222,858              | -                   | 222,858   | -                      |
| New Jersey Department of Commerce and Economic Development:           |                      |                     |           |                        |
| UEZ - Administration Budget   | 198,800              | -                   | 198,800   | -                      |
| UEZ - Amenities - Receptacles   | 50,000               | -                   | 50,000    | -                      |
| New Jersey Department of Human Services:                              |                      |                     |           |                        |
| School Based Youth Services Program                                   | 304,690              | -                   | 304,690   | -                      |
| Teen Parenting Program  | 132,716              | -                   | 132,716   | -                      |
| County of Passaic:  |                      |                     |           |                        |
| Paterson Station House Adjustment Program                             | 19,021               | -                   | 19,021    | -                      |
| Municipal Alliance Program  | 19,840               | -                   | 19,840    | -                      |
| Open Space Eastside Park Concession Stand                             | 260,000              | -                   | 260,000   | -                      |
| CDBG-R Disaster Recovery Funds  | 2,075,000            | -                   | 2,075,000 | -                      |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF REVENUES - REGULATORY BASIS**

|   | Anticipated          |                     | Realized          | Excess or<br>(Deficit) |
|---|----------------------|---------------------|-------------------|------------------------|
|   | Budget as<br>Adopted | N.J.S.A<br>40A:4-87 |                   |                        |
| <u>MISCELLANEOUS REVENUES: (continued)</u>                            |                      |                     |                   |                        |
| PUBLIC AND PRIVATE REVENUES OFFSET<br>WITH APPROPRIATIONS - continued |                      |                     |                   |                        |
| Other:  |                      |                     |                   |                        |
| City of Passaic Byrne Memorial Equip. Grant                           | \$ 131,306           | \$ -                | \$ 131,306        | \$ -                   |
| PRC Comm. Improvement Tech. Grant                                     | 125,000              | -                   | 125,000           | -                      |
| Rutgers HUD Sustainable Comm. Planning<br>Added by NJSA 40A:4-87      | 10,000               | -                   | 10,000            | -                      |
| TDR Feasibility   | -                    | 50,000              | 50,000            | -                      |
| Medical Reserve Corp Grant  | -                    | 3,500               | 3,500             | -                      |
| Sr. Citizen and Disabled Transportation 2014                          | -                    | 222,000             | 222,000           | -                      |
| Station House Grant   |                      | 10,000              | 10,000            |                        |
| Cultural Heritage Council Local Art Grant                             |                      | 1,600               | 1,600             |                        |
| Cultural Heritage Council History Grant                               | -                    | 1,200               | 1,200             | -                      |
| Total Lifestyle Support Program 2014                                  | -                    | 82,633              | 82,633            | -                      |
| Youth Services Comm - Evening Reporting                               | -                    | 105,975             | 105,975           | -                      |
| Rogers Building Scaffolding   | -                    | 14,800              | 14,800            | -                      |
| Paterson Station House Program  | -                    | 18,869              | 18,869            | -                      |
| Clean Communities   | -                    | 159,203             | 159,203           | -                      |
| NJ State Police Fire Urban Search and Rescue                          | -                    | 29,536              | 29,536            | -                      |
|   | <u>10,031,193</u>    | <u>699,316</u>      | <u>10,730,509</u> | <u>-</u>               |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF REVENUES - REGULATORY BASIS**

|  | Anticipated          |                     | Realized  | Excess or<br>(Deficit) |
|--|----------------------|---------------------|-----------|------------------------|
|  | Budget as<br>Adopted | N.J.S.A<br>40A:4-87 |           |                        |
| <b>MISCELLANEOUS REVENUES: (continued)</b> |                      |                     |           |                        |
| <b>OTHER SPECIAL ITEMS</b>                 |                      |                     |           |                        |
| Payments in Lieu of Taxes                  |                      |                     |           |                        |
| Aspen Hamilton                             | \$ 83,208            | \$ -                | \$ 83,208 | \$ -                   |
| Colt Arms                                  | 209,289              | -                   | 209,289   | -                      |
| Federation Apartments                      | 170,446              | -                   | 185,026   | 14,580                 |
| Governor Paterson Towers                   | 549,799              | -                   | 593,781   | 43,982                 |
| 504 Madison Avenue                         | 141,758              | -                   | 146,158   | 4,400                  |
| Incca for Housing - Carroll Street         | 179,288              | -                   | 179,288   | -                      |
| Incca for Housing - North Triangle         | 165,783              | -                   | 182,470   | 16,687                 |
| Cooke Building Associates                  | 12,883               | -                   | 12,883    | -                      |
| Jackson Slater                             | 201,590              | -                   | 201,590   | -                      |
| Essex - Phoenix Mill                       | 198,879              | -                   | 198,879   | -                      |
| Brooke Sloate                              | 159,840              | -                   | 156,971   | (2,869)                |
| Rosa Park - 400 Broadway                   | 53,105               | -                   | 53,105    | -                      |
| Garret Heights                             | 59,737               | -                   | 74,065    | 14,328                 |
| Christopher Columbus Development           | 112,010              | -                   | 115,295   | 3,285                  |
| 446-460 E. 19th Street                     | 18,139               | -                   | 20,947    | 2,808                  |
| Belmont/McBride Apartments                 | 8,815                | -                   | 13,930    | 5,115                  |
| Sheltering Arms                            | 12,120               | -                   | 12,124    | 4                      |
| Hope 98 North Main Scattered Sites         | 23,416               | -                   | 24,646    | 1,230                  |
| Hope 98 Beech Street                       | 33,858               | -                   | 35,547    | 1,689                  |
| Hope 98 Van Houten Street                  | 12,853               | -                   | 12,853    | -                      |

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
STATEMENT OF REVENUES - REGULATORY BASIS**

|  | Anticipated          |                     | Realized  | Excess or<br>(Deficit) |
|--|----------------------|---------------------|-----------|------------------------|
|  | Budget as<br>Adopted | N.J.S.A<br>40A:4-87 |           |                        |
| <u>MISCELLANEOUS REVENUES: (continued)</u> |                      |                     |           |                        |
| OTHER SPECIAL ITEMS - continued            |                      |                     |           |                        |
| Payments in Lieu of Taxes - continued      |                      |                     |           |                        |
| Rising Dove Senior Housing                 | \$ 26,407            | \$ -                | \$ 26,407 | \$ -                   |
| Paterson Housing Authority                 | 107,883              | -                   | 171,780   | 63,897                 |
| 200 Godwin Avenue                          | 24,817               | -                   | 24,817    | -                      |
| Congdon Mill                               | 81,518               | -                   | 81,518    | -                      |
| Belmont Towers 2007 Audit Adjustment       | 20,120               | -                   | 21,707    | 1,587                  |
| Heritage - Alexander Hamilton              | 27,498               | -                   | 8,665     | (18,833)               |
| Brooke Sloate Audit Adjustment             | 3,063                | -                   | -         | (3,063)                |
| Cable Communication Third Party Rent       | 340,000              | -                   | 340,000   | -                      |
| US Cable of Paterson Franchise Fees        | 334,823              | -                   | 334,823   | -                      |
| Capital Surplus                            | 218,000              | -                   | 218,000   | -                      |
| Sewer Rent - Third Party                   | 62,005               | -                   | 65,571    | 3,566                  |
| Sewer Rent - Third Party Prior Year        | 46,914               | -                   | -         | (46,914)               |
| City of Paterson Parking Authority         |                      |                     |           |                        |
| Cooperative Agreement 7/1 - 12/31/13       | 200,000              | -                   | 204,000   | 4,000                  |
| Cooperative Agreement 1/1 - 6/30/14        | 200,000              | -                   | 204,000   | 4,000                  |
| PVWC Fire Hydrant Testing Reimbursement    | 196,300              | -                   | 196,100   | (200)                  |
| Trust Fund Surplus                         | 15,000               | -                   | 15,000    | -                      |
| PVSC Rebate Incentive Program              | 48,770               | -                   | 48,770    | -                      |
| Private Host Benefit Fees                  | 236,800              | -                   | 176,254   | (60,546)               |
| Private Host Benefit Fees Prior Year       | 20,866               | -                   | 20,866    | -                      |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF REVENUES - REGULATORY BASIS**

|  | Anticipated          |                     | Realized           | Excess or<br>(Deficit) |
|--|----------------------|---------------------|--------------------|------------------------|
|  | Budget as<br>Adopted | N.J.S.A<br>40A:4-87 |                    |                        |
| <u>MISCELLANEOUS REVENUES: (continued)</u>               |                      |                     |                    |                        |
| <u>OTHER SPECIAL ITEMS - continued</u>                   |                      |                     |                    |                        |
| Recycling Tire Fees                                      | \$ 8,158             | \$ -                | \$ 7,703           | \$ (455)               |
| Additional Ambulance Fees - Shared Service Agreement     | 182,800              | -                   | 215,415            | 32,615                 |
| Additional Fees - Municipal Court                        | 750,000              | -                   | -                  | (750,000)              |
| Verizon Franchise Fees                                   | 125,092              | -                   | 125,092            | -                      |
| Passaic County Community College Rent                    | 10,000               | -                   | 10,000             | -                      |
| Housing Authority Garbage Reimbursement                  | 95,000               | -                   | 95,000             | -                      |
| FEMA Reimbursements - 2011 Storms                        | 1,164,000            | -                   | 612,690            | (551,310)              |
| Classic Towing Prior Year                                | 6,910                | -                   | 6,910              | -                      |
| Motor Vehicle Agency Security Reimbursement - Prior Year | 47,998               | -                   | 47,998             | -                      |
| Motor Vehicle Agency Security Reimbursement              | 287,986              | -                   | 239,988            | (47,998)               |
| Additional Fire Inspection Fees                          | 428,000              | -                   | 44,290             | (383,710)              |
| Health Contracts - Prior Year                            | 39,710               | -                   | 40,180             | 470                    |
| Health Contracts - Current Year                          | 39,710               | -                   | 20,511             | (19,199)               |
| Health Premiums  | 2,170,000            | -                   | 2,580,831          | 410,831                |
| Additional Sewer Fees                                    | 1,000,000            | -                   | 248,816            | (751,184)              |
|  | <u>10,972,964</u>    | <u>-</u>            | <u>8,965,757</u>   | <u>(2,007,207)</u>     |
| Total Miscellaneous Revenues                             | 98,058,485           | 699,316             | 100,222,011        | 1,464,210              |
| <u>RECEIPTS FROM DELINQUENT TAXES:</u>                   |                      |                     |                    |                        |
|  | <u>2,365,000</u>     | <u>-</u>            | <u>2,075,152</u>   | <u>(289,848)</u>       |
| Subtotal - General Revenues                              | <u>100,423,485</u>   | <u>699,316</u>      | <u>102,297,163</u> | <u>1,174,362</u>       |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF REVENUES - REGULATORY BASIS**

AMOUNT TO BE RAISED BY TAXES FOR  
SUPPORT OF MUNICIPAL BUDGET:  
Local Tax Including Reserve for Uncollected Taxes  
Minimum Library Tax  
Total Amount to be Raised by Taxes

Total Budget Revenues  
Non-Budget Revenues  
Total General Revenues

| Anticipated           |                     | Realized              | Excess or<br>(Deficit) |
|-----------------------|---------------------|-----------------------|------------------------|
| Budget as<br>Adopted  | N.J.S.A<br>40A:4-87 |                       |                        |
| \$ 142,920,070        | \$ -                | \$ 144,804,863        | \$ 1,884,793           |
| 2,382,179             | -                   | 2,382,179             | -                      |
| 145,302,249           | -                   | 147,187,042           | 1,884,793              |
| 245,725,734           | 699,316             | 249,484,205           | 3,059,155              |
| -                     | -                   | 1,250,016             | 1,250,016              |
| <u>\$ 245,725,734</u> | <u>\$ 699,316</u>   | <u>\$ 250,734,221</u> | <u>\$ 4,309,171</u>    |
| Ref. A-3              | A-3                 |                       |                        |
| Budgeted              | Ref. A-2a           | \$ 249,475,580        |                        |
| Non-budgeted          | A-2b                | 1,250,016             |                        |
|                       |                     | <u>\$ 250,725,596</u> |                        |

See Accompanying Notes to Financial Statements



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

**STATEMENT OF REVENUES - REGULATORY BASIS  
ANALYSIS OF REALIZED REVENUES**

|  | <u>Ref.</u> |                |                              |
|--|-------------|----------------|------------------------------|
| Allocation of Current Tax Collections:                 |             |                |                              |
| Revenue from Collections                               |             |                |                              |
| Gross Cash Receipts                                    | A-5         | \$ 229,799,838 |                              |
| Refunded   | A-4         | (7,210,808)    |                              |
| Tax Overpayments                                       | A-21        | (1,535,646)    |                              |
| Credit Write-offs                                      | A-1         | (229)          |                              |
| Current Year Taxes Collected in Current Year           | A-7         | 221,053,155    |                              |
| Current Year Taxes Collected in Prior Year             | A-7         | 129,230        |                              |
| Unallocated Taxes                                      | A-7         | 2,217,551      |                              |
| State Share of Sr. Citizens' & Veterans' Deductions    | A-7         | 302,625        |                              |
| Current Taxes Realized in Cash                         |             |                | \$ 223,702,561               |
| Less: Reserved for State Tax Appeals                   | A-33        |                | (497,164)                    |
|  | A-1         |                | 223,205,397                  |
| Add: Appropriation for "Reserve for Uncollected Taxes" | A-3a        |                | 10,922,467                   |
|  |             |                | <u>\$ 234,127,864</u>        |
| Allocated to:  |             |                |                              |
| School Taxes   | A-25        | 39,460,570     |                              |
| County Taxes   | A-26        | 47,480,252     |                              |
|  |             |                | 86,940,822                   |
| Amount for Support of Municipal Budget Appropriations  | A-2         |                | <u><u>\$ 147,187,042</u></u> |
| Receipts from Delinquent Taxes:                        |             |                |                              |
| Delinquent Taxes Collected                             | A-7, A-5    |                | \$ 259,964                   |
| Senior Citizens' and Veterans' Deductions              | A-7         |                | 3,625                        |
| Tax Title Liens Collected                              | A-9         |                | 1,811,563                    |
| Total Receipts from Delinquent Taxes                   | A-1         |                | <u><u>\$ 2,075,152</u></u>   |
| Miscellaneous Revenues Anticipated:                    |             |                |                              |
| Current Sewer Charges:                                 |             |                |                              |
| Current Year Receipts                                  | A-10        | \$ 8,781,631   |                              |
| Unallocated Sewer                                      | A-10        | (7,708)        |                              |
| Overpayments   | A-10        | (17,274)       |                              |
| Credit Write-Off                                       | A-10        | (430)          |                              |
| Prepaid Applied  | A-10        | 3,492          |                              |
| Realized Revenue                                       | A-2         |                | <u><u>\$ 8,759,711</u></u>   |

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

**STATEMENT OF REVENUES - REGULATORY BASIS  
ANALYSIS OF REALIZED REVENUES**

|   | <u>Ref.</u> |            |                       |
|---|-------------|------------|-----------------------|
| Miscellaneous Revenues Anticipated (continued): |             |            |                       |
| Prior Year's Sewer Charges:                     |             |            |                       |
| Current Year Receipts                           | A-10        | \$ 515,898 |                       |
| Credit Write-Off                                | A-10        | (7)        |                       |
| Unallocated Sewer                               | A-10        | (983)      |                       |
| Sewer Lien Receipts                             | A-11        | 243,942    |                       |
|   | A-2         |            | \$ 758,850            |
| Additional Sewer Fees:                          |             |            |                       |
| Current Year Receipts                           | A-2, A-10   |            | 248,816               |
| Accrual per Revenue Accounts Receivable         | A-15        |            | 79,460,541            |
| Life Hazard Use Fees - Grants                   | A-17        |            | 263,584               |
| State and Federal Grants                        | A-17        |            | 10,730,509            |
| Total Miscellaneous Revenues Anticipated        | A-1         |            | <u>\$ 100,222,011</u> |
| Total Realized Budget Revenues                  | A-2         |            | <u>\$ 249,484,205</u> |

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

**STATEMENT OF REVENUES - REGULATORY BASIS  
ANALYSIS OF NON-BUDGET REVENUES**

|  |             |                  |                     |
|--|-------------|------------------|---------------------|
| Increased by Cash Received from:                           | <u>Ref.</u> |                  |                     |
| Insurance FEMA   |             | \$ 224,576       |                     |
| Board and Secure   |             | 193,700          |                     |
| Off-Duty Reimbursement - Use of Cars                       |             | 138,585          |                     |
| Redemption Fees  |             | 116,285          |                     |
| Forfeit Tax Sale Premium                                   |             | 93,700           |                     |
| Stale Dated Checks   |             | 85,459           |                     |
| DPW Cleanup Lien   |             | 60,450           |                     |
| School Board Election                                      |             | 37,942           |                     |
| Mercantile License Fees                                    |             | 30,375           |                     |
| DMV Inspection Fees  |             | 21,640           |                     |
| Premium on Notes   |             | 18,887           |                     |
| 2012 Election Reimbursement                                |             | 11,829           |                     |
| Inmate Phones  |             | 10,820           |                     |
| PILOT Audit Adjustment - Phoenix - Essex                   |             | 10,590           |                     |
| Garnishee Service Charges                                  |             | 8,387            |                     |
| Paterson Parking Authority Fuel Reimbursement              |             | 7,381            |                     |
| Tax Search Fees  |             | 6,670            |                     |
| Administrative Fees - Sr. Citizens and Veterans Deductions |             | 6,240            |                     |
| Police Car Auction   |             | 6,000            |                     |
| Filming Permits  |             | 5,950            |                     |
| DPW Auction  |             | 5,805            |                     |
| City Clerk - Loud Speaker Fee                              |             | 5,770            |                     |
| Bid Specifications   |             | 5,475            |                     |
| Child Care Service Charges                                 |             | 4,051            |                     |
| Bad Checks Fees  |             | 3,658            |                     |
| Long Distance Phone Calls                                  |             | 3,136            |                     |
| Restitution  |             | 2,503            |                     |
| Various Other Miscellaneous Revenues Not Anticipated       |             | <u>1,727</u>     |                     |
|  | A-1, A-2    |                  | <u>\$ 1,127,591</u> |
| 2% Administrative Fee                                      | A-8         | \$ 6,240         |                     |
| Cash Receipts  | A-4         | <u>1,136,022</u> |                     |
|  |             |                  | \$ 1,142,262        |
| Less:  |             |                  |                     |
| Other Reserves   | A-22        | 4,910            |                     |
| Interfunds   | A-17        | 1,000            |                     |
| Cash Disbursements   | A-4         | <u>8,761</u>     |                     |
|  |             |                  | <u>14,671</u>       |
|  |             |                  | <u>\$ 1,127,591</u> |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

|                                 | Appropriations    |                              | Paid or<br>Charged | Expended   |           | Unexpended<br>Balance<br>Canceled |
|---------------------------------|-------------------|------------------------------|--------------------|------------|-----------|-----------------------------------|
|                                 | Adopted<br>Budget | Budget After<br>Modification |                    | Encumbered | Reserved  |                                   |
| (A) Operations - Within "CAPS"  |                   |                              |                    |            |           |                                   |
| <u>GENERAL GOVERNMENT</u>       |                   |                              |                    |            |           |                                   |
| Office of the Mayor             |                   |                              |                    |            |           |                                   |
| Salaries and Wages              | \$ 343,605        | \$ 323,605                   | \$ 312,058         | -          | \$ 11,547 | \$ -                              |
| Other Expenses                  | 15,120            | 15,120                       | 10,972             | 361        | 3,787     | -                                 |
| City Council                    |                   |                              |                    |            |           |                                   |
| Salaries and Wages              | 645,836           | 585,836                      | 569,562            | -          | 16,274    | -                                 |
| Other Expenses                  | 178,890           | 178,890                      | 100,015            | 11,646     | 67,229    | -                                 |
| Office of the City Clerk        |                   |                              |                    |            |           |                                   |
| Salaries and Wages              | 428,162           | 378,162                      | 372,373            | -          | 5,789     | -                                 |
| Other Expenses                  | 130,705           | 130,705                      | 86,692             | 39,138     | 4,875     | -                                 |
| Elections                       |                   |                              |                    |            |           |                                   |
| Salaries and Wages              | 7,520             | 6,616                        | 6,616              | -          | -         | -                                 |
| Other Expenses                  | 547,050           | 437,050                      | 330,237            | 38,600     | 68,213    | -                                 |
| Insurance                       |                   |                              |                    |            |           |                                   |
| Salaries and Wages              | 95,192            | 87,040                       | 87,040             | -          | -         | -                                 |
| Other Expenses                  | 42,149,571        | 44,748,734                   | 43,181,821         | 1,095,571  | 471,342   | -                                 |
| Insurance - Worker Compensation | 4,700,000         | 4,900,000                    | 4,661,927          | 228,274    | 9,799     | -                                 |
| Insurance - Liability           | 4,220,600         | 3,520,600                    | 3,188,907          | 257,355    | 74,338    | -                                 |
| Auditing Services and Costs     |                   |                              |                    |            |           |                                   |
| Annual Audit                    | 41,000            | 41,000                       | -                  | -          | 41,000    | -                                 |
| Other Audits                    | 25,000            | 25,000                       | -                  | -          | 25,000    | -                                 |
| Cultural Affairs                |                   |                              |                    |            |           |                                   |
| Salaries and Wages              | 85,988            | 80,749                       | 80,749             | -          | -         | -                                 |
| Other Expenses                  | 75,940            | 75,940                       | 37,365             | 1,456      | 37,119    | -                                 |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

|                                      | Appropriations    |                              | Paid or<br>Charged | Expended   |           | Unexpended<br>Balance<br>Canceled |
|--------------------------------------|-------------------|------------------------------|--------------------|------------|-----------|-----------------------------------|
|                                      | Adopted<br>Budget | Budget After<br>Modification |                    | Encumbered | Reserved  |                                   |
| <b>DEPARTMENT OF ADMINISTRATION</b>  |                   |                              |                    |            |           |                                   |
| Office of the Business Administrator |                   |                              |                    |            |           |                                   |
| Salaries and Wages                   | \$ 594,683        | \$ 544,683                   | \$ 449,971         | \$ -       | \$ 94,712 | \$ -                              |
| Other Expenses                       | 53,000            | 53,000                       | 23,452             | 4,178      | 25,370    | -                                 |
| Division of Personnel                |                   |                              |                    |            |           |                                   |
| Salaries and Wages                   | 535,693           | 431,297                      | 431,297            | -          | -         | -                                 |
| Other Expenses                       | 32,650            | 38,650                       | 30,434             | 5,706      | 2,510     | -                                 |
| Division of Purchasing               |                   |                              |                    |            |           |                                   |
| Salaries and Wages                   | 254,788           | 261,490                      | 261,490            | -          | -         | -                                 |
| Other Expenses                       | 19,700            | 21,450                       | 19,259             | 1,441      | 750       | -                                 |
| Division of Data Processing          |                   |                              |                    |            |           |                                   |
| Salaries and Wages                   | 376,514           | 291,591                      | 291,591            | -          | -         | -                                 |
| Other Expenses                       | 457,119           | 397,119                      | 263,052            | 114,934    | 19,133    | -                                 |
| Surveys and General - Other Expenses | 98,000            | 98,000                       | 64,486             | 12,442     | 21,072    | -                                 |
| Public Defender (P.L. 1997, c. 256)  |                   |                              |                    |            |           |                                   |
| Salaries and Wages                   | 68,804            | -                            | -                  | -          | -         | -                                 |
| Other Expenses                       | 680               | -                            | -                  | -          | -         | -                                 |
| <b>DEPARTMENT OF FINANCE</b>         |                   |                              |                    |            |           |                                   |
| Office of the Director               |                   |                              |                    |            |           |                                   |
| Salaries and Wages                   | 186,141           | 186,141                      | 180,878            | -          | 5,263     | -                                 |
| Other Expenses                       | 36,550            | 34,550                       | 10,653             | 18,985     | 4,912     | -                                 |
| Division of Treasury                 |                   |                              |                    |            |           |                                   |
| Salaries and Wages                   | 360,712           | 362,774                      | 362,774            | -          | -         | -                                 |
| Other Expenses                       | 33,095            | 30,095                       | 20,186             | 5,035      | 4,874     | -                                 |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

|  | Appropriations    |                              | Paid or<br>Charged | Expended   |           | Unexpended<br>Balance<br>Canceled |
|--|-------------------|------------------------------|--------------------|------------|-----------|-----------------------------------|
|  | Adopted<br>Budget | Budget After<br>Modification |                    | Encumbered | Reserved  |                                   |
| <b>DEPARTMENT OF FINANCE - continued</b> |                   |                              |                    |            |           |                                   |
| Division of Accounts and Control         |                   |                              |                    |            |           |                                   |
| Salaries and Wages                       | \$ 455,465        | \$ 463,465                   | \$ 451,889         | -          | \$ 11,576 | \$ -                              |
| Other Expenses                           | 10,743            | 12,743                       | 7,764              | 1,466      | 3,513     | -                                 |
| Division of Sewer Collection             |                   |                              |                    |            |           |                                   |
| Salaries and Wages                       | 169,568           | 158,686                      | 158,686            | -          | -         | -                                 |
| Other Expenses                           | 32,600            | 32,600                       | 23,183             | 2,927      | 6,490     | -                                 |
| Division of Assessments                  |                   |                              |                    |            |           |                                   |
| Salaries and Wages                       | 411,052           | 371,052                      | 360,899            | -          | 10,153    | -                                 |
| Other Expenses                           | 37,560            | 45,560                       | 39,773             | 1,591      | 4,196     | -                                 |
| Division of Revenue Collection           |                   |                              |                    |            |           |                                   |
| Salaries and Wages                       | 726,741           | 731,319                      | 731,319            | -          | -         | -                                 |
| Other Expenses                           | 200,730           | 200,730                      | 161,758            | 4,663      | 34,309    | -                                 |
| Office of Internal Audit                 |                   |                              |                    |            |           |                                   |
| Salaries and Wages                       | 142,320           | 136,470                      | 136,470            | -          | -         | -                                 |
| Other Expenses                           | 5,708             | 4,708                        | 986                | 2,114      | 1,608     | -                                 |
| <b>DEPARTMENT OF LAW</b>                 |                   |                              |                    |            |           |                                   |
| Office of the Corporation Counsel        |                   |                              |                    |            |           |                                   |
| Salaries and Wages                       | 1,232,637         | 1,074,083                    | 1,074,083          | -          | -         | -                                 |
| Other Expenses                           | 113,770           | 116,770                      | 69,129             | 45,633     | 2,008     | -                                 |
| <b>DEPARTMENT OF PUBLIC SAFETY</b>       |                   |                              |                    |            |           |                                   |
| Taxicab Division                         |                   |                              |                    |            |           |                                   |
| Salaries and Wages                       | 96,984            | 45,665                       | 45,665             | -          | -         | -                                 |
| Other Expenses                           | 9,650             | 6,650                        | 4,324              | 206        | 2,120     | -                                 |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

|  | Appropriations    |                              | Paid or<br>Charged | Expended   |          | Unexpended<br>Balance<br>Canceled |
|--|-------------------|------------------------------|--------------------|------------|----------|-----------------------------------|
|  | Adopted<br>Budget | Budget After<br>Modification |                    | Encumbered | Reserved |                                   |
| <b>DEPARTMENT OF PUBLIC SAFETY - continued</b> |                   |                              |                    |            |          |                                   |
| Division of Fire                               |                   |                              |                    |            |          |                                   |
| Salaries and Wages                             | \$ 30,460,624     | \$ 29,786,624                | \$ 29,776,849      | \$ -       | \$ 9,775 | \$ -                              |
| Other Expenses                                 | 1,303,860         | 1,563,860                    | 1,402,111          | 116,640    | 45,109   | -                                 |
| Life Hazard Use Fees                           | 263,584           | 263,584                      | 263,584            | -          | -        | -                                 |
| Division of Police                             |                   |                              |                    |            |          |                                   |
| Salaries and Wages                             | 41,582,209        | 41,540,703                   | 41,533,393         | -          | 7,310    | -                                 |
| Other Expenses                                 | 1,653,529         | 1,710,529                    | 1,452,949          | 241,633    | 15,947   | -                                 |
| Animal Control                                 |                   |                              |                    |            |          |                                   |
| Salaries and Wages                             | 267,559           | 297,559                      | 297,559            | -          | -        | -                                 |
| Other Expenses                                 | 48,900            | 48,900                       | 48,900             | -          | -        | -                                 |
| <b>DEPARTMENT OF PUBLIC WORKS</b>              |                   |                              |                    |            |          |                                   |
| Office of the Director                         |                   |                              |                    |            |          |                                   |
| Salaries and Wages                             | 457,137           | 478,161                      | 478,161            | -          | -        | -                                 |
| Other Expenses                                 | 26,870            | 29,970                       | 26,744             | 2,343      | 883      | -                                 |
| Division of Engineering                        |                   |                              |                    |            |          |                                   |
| Salaries and Wages                             | 242,854           | 225,144                      | 225,144            | -          | -        | -                                 |
| Other Expenses                                 | 510,550           | 510,550                      | 353,619            | 50,949     | 105,982  | -                                 |
| Division of Traffic and Lighting               |                   |                              |                    |            |          |                                   |
| Salaries and Wages                             | 325,525           | 327,890                      | 327,203            | -          | 687      | -                                 |
| Other Expenses                                 | 169,650           | 202,650                      | 166,708            | 31,063     | 4,879    | -                                 |
| Division of Water and Sewers                   |                   |                              |                    |            |          |                                   |
| Salaries and Wages                             | 358,775           | 346,647                      | 346,647            | -          | -        | -                                 |
| Other Expenses                                 | 584,900           | 584,900                      | 498,894            | 69,763     | 16,243   | -                                 |
| Sewer Repairs                                  | 15,000            | -                            | -                  | -          | -        | -                                 |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

|   | Appropriations    |                              | Paid or<br>Charged | Expended   |          | Unexpended<br>Balance<br>Canceled |
|---|-------------------|------------------------------|--------------------|------------|----------|-----------------------------------|
|   | Adopted<br>Budget | Budget After<br>Modification |                    | Encumbered | Reserved |                                   |
| <b>DEPARTMENT OF PUBLIC WORKS - continued</b> |                   |                              |                    |            |          |                                   |
| Division of Streets                           |                   |                              |                    |            |          |                                   |
| Salaries and Wages                            | \$ 2,967,698      | \$ 3,043,713                 | \$ 3,043,713       | -          | \$ -     | \$ -                              |
| Other Expenses                                | 206,575           | 283,575                      | 262,522            | 17,081     | 3,972    | -                                 |
| Street Repair                                 | 112,000           | 112,000                      | 111,520            | -          | 480      | -                                 |
| Snow Removal                                  |                   |                              |                    |            |          |                                   |
| Salaries and Wages                            | 135,770           | 135,770                      | 135,770            | -          | -        | -                                 |
| Other Expenses                                | 307,250           | 307,250                      | 304,179            | 1,867      | 1,204    | -                                 |
| Snow Removal Emergency                        | -                 | 800,000                      | 547,468            | 103,750    | 148,782  | -                                 |
| Division of Auto Maintenance                  |                   |                              |                    |            |          |                                   |
| Salaries and Wages                            | 485,517           | 435,504                      | 435,504            | -          | -        | -                                 |
| Other Expenses                                | 391,570           | 391,570                      | 345,683            | 43,696     | 2,191    | -                                 |
| Division of Public Properties                 |                   |                              |                    |            |          |                                   |
| Parks and Shade Trees Section                 |                   |                              |                    |            |          |                                   |
| Salaries and Wages                            | 1,426,244         | 1,540,490                    | 1,540,490          | -          | -        | -                                 |
| Other Expenses                                | 311,450           | 296,450                      | 252,577            | 32,681     | 11,192   | -                                 |
| Public Buildings Section                      |                   |                              |                    |            |          |                                   |
| Salaries and Wages                            | 1,378,651         | 1,366,328                    | 1,365,878          | -          | 450      | -                                 |
| Other Expenses                                | 1,099,162         | 1,099,162                    | 1,026,031          | 66,783     | 6,348    | -                                 |
| Division of Recreation                        |                   |                              |                    |            |          |                                   |
| Salaries and Wages                            | 2,024,807         | 1,851,804                    | 1,851,804          | -          | -        | -                                 |
| Other Expenses                                | 442,934           | 479,934                      | 427,747            | 46,748     | 5,439    | -                                 |
| Division of Recycling                         |                   |                              |                    |            |          |                                   |
| Salaries and Wages                            | 1,133,287         | 1,295,015                    | 1,295,015          | -          | -        | -                                 |
| Other Expenses                                | 201,995           | 222,495                      | 214,634            | 3,858      | 4,003    | -                                 |

See Accompanying Notes to Financial Statements



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

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

|   | Appropriations    |                              | Paid or<br>Charged | Expended   |          | Unexpended<br>Balance<br>Canceled |
|---|-------------------|------------------------------|--------------------|------------|----------|-----------------------------------|
|   | Adopted<br>Budget | Budget After<br>Modification |                    | Encumbered | Reserved |                                   |
| <b>DEPARTMENT OF PUBLIC WORKS - continued</b> |                   |                              |                    |            |          |                                   |
| Cable Communications                          |                   |                              |                    |            |          |                                   |
| Salaries and Wages                            | \$ 220,655        | \$ 179,096                   | \$ 179,096         | -          | \$ -     | \$ -                              |
| Other Expenses                                | 31,020            | 19,020                       | 11,988             | 1,945      | 5,087    | -                                 |
| <b>DEPARTMENT OF COMMUNITY DEVELOPMENT</b>    |                   |                              |                    |            |          |                                   |
| Division of Planning and Zoning               |                   |                              |                    |            |          |                                   |
| Salaries and Wages                            | 325,062           | 318,626                      | 318,626            | -          | -        | -                                 |
| Other Expenses                                | 14,300            | 14,300                       | 12,572             | 985        | 743      | -                                 |
| Division of Community Improvements            |                   |                              |                    |            |          |                                   |
| Salaries and Wages                            | 30,000            | 30,000                       | 30,000             | -          | -        | -                                 |
| Other Expenses                                | 55,389            | 55,389                       | 55,389             | -          | -        | -                                 |
| Division of Economic Development              |                   |                              |                    |            |          |                                   |
| Salaries and Wages                            | 157,304           | 147,593                      | 147,593            | -          | -        | -                                 |
| Other Expenses                                | 11,550            | 8,550                        | 5,856              | 1,638      | 1,056    | -                                 |
| Division of Redevelopment                     |                   |                              |                    |            |          |                                   |
| Salaries and Wages                            | 20,000            | -                            | -                  | -          | -        | -                                 |
| Other Expenses                                | 11,550            | -                            | -                  | -          | -        | -                                 |
| <b>DEPARTMENT OF HUMAN SERVICES</b>           |                   |                              |                    |            |          |                                   |
| Office of the Director                        |                   |                              |                    |            |          |                                   |
| Salaries and Wages                            | 358,485           | 346,504                      | 346,504            | -          | -        | -                                 |
| Other Expenses                                | 7,156             | 8,156                        | 6,691              | 830        | 635      | -                                 |
| Office of Aging and Disabled Services         |                   |                              |                    |            |          |                                   |
| Salaries and Wages                            | 97,949            | 96,180                       | 96,180             | -          | -        | -                                 |
| Other Expenses                                | 20,420            | 10,420                       | 6,231              | 282        | 3,907    | -                                 |
| Social Services                               | 350,000           | 350,000                      | 267,345            | 74,203     | 8,452    | -                                 |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

|   | Appropriations    |                              | Paid or<br>Charged | Expended   |          | Unexpended<br>Balance<br>Canceled |
|---|-------------------|------------------------------|--------------------|------------|----------|-----------------------------------|
|   | Adopted<br>Budget | Budget After<br>Modification |                    | Encumbered | Reserved |                                   |
| <u>DEPARTMENT OF HUMAN SERVICES - continued</u> |                   |                              |                    |            |          |                                   |
| Division of Consumer Protection                 |                   |                              |                    |            |          |                                   |
| Salaries and Wages                              | \$ 162,500        | \$ 149,273                   | \$ 149,273         | -          | \$ -     | -                                 |
| Other Expenses                                  | 9,497             | 9,497                        | 6,754              | 1,525      | 1,218    | -                                 |
| Division of Youth Services                      |                   |                              |                    |            |          |                                   |
| Salaries and Wages                              | 320,238           | 288,063                      | 288,063            | -          | -        | -                                 |
| Other Expenses                                  | 21,338            | 21,338                       | 17,356             | 429        | 3,553    | -                                 |
| Division of Health                              |                   |                              |                    |            |          |                                   |
| Salaries and Wages                              | 2,227,369         | 2,097,192                    | 2,097,101          | -          | 91       | -                                 |
| Other Expenses                                  | 302,450           | 260,450                      | 225,372            | 26,266     | 8,812    | -                                 |
| <u>STATUTORY AGENCIES</u>                       |                   |                              |                    |            |          |                                   |
| Museum  |                   |                              |                    |            |          |                                   |
| Salaries and Wages                              | 344,551           | 296,734                      | 296,734            | -          | -        | -                                 |
| Other Expenses                                  | 45,650            | 45,650                       | 21,222             | 13,964     | 10,464   | -                                 |
| Board of Adjustment                             |                   |                              |                    |            |          |                                   |
| Salaries and Wages                              | 50,092            | 30,092                       | 19,500             | -          | 10,592   | -                                 |
| Other Expenses                                  | 39,200            | 46,700                       | 41,895             | 209        | 4,596    | -                                 |
| Office of Emergency Management                  |                   |                              |                    |            |          |                                   |
| Salaries and Wages                              | 110,981           | 77,692                       | 77,692             | -          | -        | -                                 |
| Other Expenses                                  | 118,421           | 28,421                       | 9,927              | 10,715     | 7,779    | -                                 |
| Planning Board                                  |                   |                              |                    |            |          |                                   |
| Salaries and Wages                              | 50,056            | 22,056                       | 16,050             | -          | 6,006    | -                                 |
| Other Expenses                                  | 30,100            | 32,600                       | 29,119             | 2,263      | 1,218    | -                                 |
| Youth Guidance Council                          |                   |                              |                    |            |          |                                   |
| Other Expenses                                  | 27,000            | 27,000                       | 12,067             | 306        | 14,627   | -                                 |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

|   | Appropriations    |                              | Paid or<br>Charged | Expended   |           | Unexpended<br>Balance<br>Canceled |
|---|-------------------|------------------------------|--------------------|------------|-----------|-----------------------------------|
|   | Adopted<br>Budget | Budget After<br>Modification |                    | Encumbered | Reserved  |                                   |
| <u>STATUTORY AGENCIES - continued</u>               |                   |                              |                    |            |           |                                   |
| Historic Preservation Commission                    |                   |                              |                    |            |           |                                   |
| Salaries and Wages                                  | \$ 123,706        | \$ 120,706                   | \$ 115,100         | -          | \$ 5,606  | -                                 |
| Other Expenses                                      | 14,500            | 14,500                       | 10,041             | 217        | 4,242     | -                                 |
| Municipal Court                                     |                   |                              |                    |            |           |                                   |
| Salaries and Wages                                  | 1,493,681         | 1,392,774                    | 1,392,774          | -          | -         | -                                 |
| Other Expenses                                      | 174,340           | 164,340                      | 136,160            | 2,840      | 25,340    | -                                 |
| <u>UNIFORM CONSTRUCTION CODE</u>                    |                   |                              |                    |            |           |                                   |
| Community Improvements                              |                   |                              |                    |            |           |                                   |
| Salaries and Wages                                  | 1,174,727         | 869,034                      | 868,279            | -          | 755       | -                                 |
| Other Expenses                                      | 110,473           | 110,473                      | 43,494             | 15,669     | 51,310    | -                                 |
| <u>UNCLASSIFIED</u>                                 |                   |                              |                    |            |           |                                   |
| Electricity   | 1,115,000         | 1,065,000                    | 823,059            | 221,398    | 20,543    | -                                 |
| Street Lighting                                     | 2,722,000         | 2,722,000                    | 2,318,505          | 403,466    | 29        | -                                 |
| Telephone Service                                   | 468,100           | 468,100                      | 418,893            | 48,073     | 1,134     | -                                 |
| Gas   | 507,000           | 407,000                      | 336,506            | 70,494     | -         | -                                 |
| Fuel Oil  | 19,000            | 15,000                       | 14,176             | 327        | 497       | -                                 |
| Gasoline  | 1,312,500         | 1,312,500                    | 1,182,196          | 125,604    | 4,700     | -                                 |
| Solid Waste   | 7,276,752         | 7,306,752                    | 6,854,077          | 379,505    | 73,170    | -                                 |
| Accrued Sick and Vacation                           | -                 | 1,650,000                    | 1,650,000          | -          | -         | -                                 |
| (B) Contingent                                      | 5,000             | 5,000                        | -                  | -          | -         | 5,000                             |
| Total Operations Including Contingent within "CAPS" | 173,427,334       | 175,904,890                  | 170,016,241        | 4,125,730  | 1,757,919 | 5,000                             |
| <u>Detail:</u>                                      |                   |                              |                    |            |           |                                   |
| Salaries and Wages                                  | 97,732,418        | 95,653,691                   | 95,457,105         | -          | 196,586   | -                                 |
| Other Expenses                                      | 75,694,916        | 80,251,199                   | 74,559,136         | 4,125,730  | 1,561,333 | 5,000                             |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

|   | Appropriations    |                              | Paid or<br>Charged | Expended   |                  | Unexpended<br>Balance<br>Canceled |
|---|-------------------|------------------------------|--------------------|------------|------------------|-----------------------------------|
|   | Adopted<br>Budget | Budget After<br>Modification |                    | Encumbered | Reserved         |                                   |
| (E) Deferred Charges and Statutory Expenditures within "CAPS" |                   |                              |                    |            |                  |                                   |
| (1) DEFERRED CHARGES  |                   |                              |                    |            |                  |                                   |
| Prior Years' Bills  | \$ 12,463         | \$ 12,463                    | \$ 12,463          | -          | -                | \$ -                              |
| (2) STATUTORY EXPENDITURES                                    |                   |                              |                    |            |                  |                                   |
| Contribution to:  |                   |                              |                    |            |                  |                                   |
| Public Employees Retirement System (PERS)                     | 3,005,383         | 2,692,383                    | 2,686,259          | -          | 6,124            | -                                 |
| Police and Firemen's Retirement System (PFRS)                 | 16,229,702        | 16,435,702                   | 15,196,955         | -          | 1,238,747        | -                                 |
| Social Security System (O.A.S.I.)                             | 1,875,328         | 1,966,328                    | 1,965,490          | -          | 838              | -                                 |
| Consolidated Police and Fire Retirement Fund                  | 5,000             | 5,000                        | 2,019              | -          | 2,981            | -                                 |
| Increased Retirement Allowance                                |                   |                              |                    |            |                  |                                   |
| Pursuant to: C143-L-1958                                      | 162,711           | 162,711                      | 162,711            | -          | -                | -                                 |
| Defined Contribution Retirement Program                       | 23,000            | 23,000                       | 20,179             | -          | 2,821            | -                                 |
| Medicare  | 1,385,678         | 1,395,678                    | 1,393,872          | -          | 1,806            | -                                 |
| Unemployment Compensation Insurance                           | 90,000            | 72,000                       | 71,562             | -          | 438              | -                                 |
| State Disability  | 135,000           | 131,444                      | 131,444            | -          | -                | -                                 |
|   | <u>22,924,265</u> | <u>22,896,709</u>            | <u>21,642,954</u>  | <u>-</u>   | <u>1,253,755</u> | <u>-</u>                          |
| (H-1) TOTAL GENERAL APPROPRIATIONS                            |                   |                              |                    |            |                  |                                   |
| FOR MUNICIPAL PURPOSES WITHIN "CAPS"                          | 196,351,599       | 198,801,599                  | 191,659,195        | 4,125,730  | 3,011,674        | 5,000                             |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

|                                       | Appropriations    |                              | Paid or<br>Charged | Expended     |              | Unexpended<br>Balance<br>Canceled |
|---------------------------------------|-------------------|------------------------------|--------------------|--------------|--------------|-----------------------------------|
|                                       | Adopted<br>Budget | Budget After<br>Modification |                    | Encumbered   | Reserved     |                                   |
| (A) Operations - Excluded From "CAPS" |                   |                              |                    |              |              |                                   |
| Passaic Valley Sewerage Commission    | \$ 10,373,702     | \$ 10,373,702                | \$ 10,373,702      | -            | -            | -                                 |
| Maintenance of Free Public Libraries  | 2,331,288         | 2,331,288                    | 2,319,155          | 4,125        | 8,008        | -                                 |
| Library Fringe Benefits:              |                   |                              |                    |              |              |                                   |
| Social Security                       | 107,169           | 107,169                      | 107,169            | -            | -            | -                                 |
| Medicare                              | 25,235            | 25,235                       | 25,235             | -            | -            | -                                 |
| Insurance                             | 1,091,368         | 1,091,368                    | 1,091,368          | -            | -            | -                                 |
| Safe and Secure - Local Share         | 688,973           | 688,973                      | 688,973            | -            | -            | -                                 |
| FEMA Assistance to Firefighters Match | 17,051            | 17,051                       | 17,051             | -            | -            | -                                 |
| 911 Salaries and Wages - Police       | 894,860           | 894,860                      | 894,860            | -            | -            | -                                 |
| 911 Salaries and Wages - Fire         | 374,661           | 374,661                      | 374,661            | -            | -            | -                                 |
| Solid Waste Recycling Tax             | 220,737           | 220,737                      | 220,737            | -            | -            | -                                 |
| HUD Audit Repayment                   | 439,415           | 439,415                      | 439,413            | -            | -            | 2                                 |
| Paterson Station House Grant Match    | 1,288             | 1,288                        | 1,288              | -            | -            | -                                 |
|                                       | <u>16,565,747</u> | <u>16,565,747</u>            | <u>16,553,612</u>  | <u>4,125</u> | <u>8,008</u> | <u>2</u>                          |

**PUBLIC AND PRIVATE APPROPRIATIONS  
OFFSET BY REVENUES**

|  |           |           |           |   |   |   |
|--|-----------|-----------|-----------|---|---|---|
| US Department of Justice                   |           |           |           |   |   |   |
| COPS Hiring Program Grant                  | 1,672,510 | 1,672,510 | 1,672,510 | - | - | - |
| Body Armor Grant                           | 3,285     | 3,285     | 3,285     | - | - | - |
| US Department of Health and Human Services |           |           |           |   |   |   |
| HIV Ryan White Program 3/1/13-2/28/14      | 2,238,346 | 2,238,346 | 2,238,346 | - | - | - |
| HIV Ryan White Program 3/1/14-2/28/15      | 1,111,342 | 1,111,342 | 1,111,342 | - | - | - |
| 2014 SPNS Grant US 9/1/14-8/31/17          | 68,204    | 68,204    | 68,204    | - | - | - |
| NACCHO MRC Grant                           | 82,480    | 82,480    | 82,480    | - | - | - |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

|   | Appropriations    |                              | Paid or<br>Charged | Expended   |          | Unexpended<br>Balance<br>Canceled |
|---|-------------------|------------------------------|--------------------|------------|----------|-----------------------------------|
|   | Adopted<br>Budget | Budget After<br>Modification |                    | Encumbered | Reserved |                                   |
| <b>PUBLIC AND PRIVATE APPROPRIATIONS</b>                    |                   |                              |                    |            |          |                                   |
| <b>OFFSET BY REVENUES - continued</b>                       |                   |                              |                    |            |          |                                   |
| NJ Department of Treasury                                   |                   |                              |                    |            |          |                                   |
| Alcoholic Education Enforcement Fund                        | \$ 422            | \$ 422                       | \$ 422             | \$ -       | \$ -     | \$ -                              |
| NJ Department of Health and Senior Services                 |                   |                              |                    |            |          |                                   |
| Sexually Transmitted Disease Control Program                | 88,535            | 88,535                       | 88,535             | -          | -        | -                                 |
| Tuberculosis Control Program                                | 208,700           | 208,700                      | 208,700            | -          | -        | -                                 |
| Senior Farmers Market Nutrition Program                     | 500               | 500                          | 500                | -          | -        | -                                 |
| 2014 Federal TB Control Grant                               | 97,254            | 97,254                       | 97,254             | -          | -        | -                                 |
| Public Health Preparedness / Bioterror Response             | 218,398           | 218,398                      | 218,398            | -          | -        | -                                 |
| Childhood Lead Poisoning Control Program                    | 230,846           | 230,846                      | 230,846            | -          | -        | -                                 |
| HIV Counseling, Testing and Referral                        | 243,400           | 243,400                      | 243,400            | -          | -        | -                                 |
| New Jersey Department of Law & Public Safety:               |                   |                              |                    |            |          |                                   |
| Emergency Management Assistance Funding                     | 10,000            | 10,000                       | 10,000             | -          | -        | -                                 |
| Safe and Secure Communities Program                         | 66,521            | 66,521                       | 66,521             | -          | -        | -                                 |
| Fire Urban Search and Rescue Grant                          | 99,505            | 99,505                       | 99,505             | -          | -        | -                                 |
| Body Armor Grant  | 41,714            | 41,714                       | 41,714             | -          | -        | -                                 |
| New Jersey Department of Environmental Protection:          |                   |                              |                    |            |          |                                   |
| Recycling Tonnage Grant                                     | 222,858           | 222,858                      | 222,858            | -          | -        | -                                 |
| New Jersey Department of Commerce and Economic Development: |                   |                              |                    |            |          |                                   |
| UEZ - Administration Budget                                 | 198,800           | 198,800                      | 198,800            | -          | -        | -                                 |
| UEZ - Amenities - Receptacles                               | 50,000            | 50,000                       | 50,000             | -          | -        | -                                 |
| New Jersey Department of Human Services:                    |                   |                              |                    |            |          |                                   |
| School Based Youth Services Program                         | 304,690           | 304,690                      | 304,690            | -          | -        | -                                 |
| Teen Parenting Program                                      | 132,716           | 132,716                      | 132,716            | -          | -        | -                                 |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

|  | Appropriations    |                              | Paid or<br>Charged | Expended   |          | Unexpended<br>Balance<br>Canceled |
|--|-------------------|------------------------------|--------------------|------------|----------|-----------------------------------|
|  | Adopted<br>Budget | Budget After<br>Modification |                    | Encumbered | Reserved |                                   |
| <b>PUBLIC AND PRIVATE APPROPRIATIONS</b>     |                   |                              |                    |            |          |                                   |
| <b>OFFSET BY REVENUES - continued</b>        |                   |                              |                    |            |          |                                   |
| County of Passaic:                           |                   |                              |                    |            |          |                                   |
| Paterson Station House Adjustment Program    | \$ 19,021         | \$ 19,021                    | \$ 19,021          | -          | \$ -     | -                                 |
| Municipal Alliance Program                   | 19,840            | 19,840                       | 19,840             | -          | -        | -                                 |
| Open Space Eastside Park Concession Stand    | 260,000           | 260,000                      | 260,000            | -          | -        | -                                 |
| CDBG-R Disaster Recovery Funds               | 2,075,000         | 2,075,000                    | 2,075,000          | -          | -        | -                                 |
| Other:                                       |                   |                              |                    |            |          |                                   |
| City of Passaic Byrne Memorial Equip. Grant  | 131,306           | 131,306                      | 131,306            | -          | -        | -                                 |
| PRC Comm. Improvement Tech. Grant            | 125,000           | 125,000                      | 125,000            | -          | -        | -                                 |
| Rutgers HUD Sustainable Comm. Planning       | 10,000            | 10,000                       | 10,000             | -          | -        | -                                 |
| Added by NJSA 40A:4-87                       |                   |                              |                    |            |          |                                   |
| TDR Feasibility                              | 50,000            | 50,000                       | 50,000             | -          | -        | -                                 |
| Medical Reserve Corp Grant                   | 3,500             | 3,500                        | 3,500              | -          | -        | -                                 |
| Sr. Citizen and Disabled Transportation 2014 | 222,000           | 222,000                      | 222,000            | -          | -        | -                                 |
| Station House Grant                          | 10,000            | 10,000                       | 10,000             | -          | -        | -                                 |
| Cultural Heritage Council Local Art Grant    | 1,600             | 1,600                        | 1,600              | -          | -        | -                                 |
| Cultural Heritage Council History Grant      | 1,200             | 1,200                        | 1,200              | -          | -        | -                                 |
| Total Lifestyle Support Program 2014         | 82,633            | 82,633                       | 82,633             | -          | -        | -                                 |
| Youth Services Comm - Evening Reporting      | 105,975           | 105,975                      | 105,975            | -          | -        | -                                 |
| Rogers Building Scaffolding                  | 14,800            | 14,800                       | 14,800             | -          | -        | -                                 |
| Paterson Station House Program               | 18,869            | 18,869                       | 18,869             | -          | -        | -                                 |
| Clean Communities                            | 159,203           | 159,203                      | 159,203            | -          | -        | -                                 |
| NJ State Police Fire Urban Search and Rescue | 29,536            | 29,536                       | 29,536             | -          | -        | -                                 |
|  | 10,730,509        | 10,730,509                   | 10,730,509         | -          | -        | -                                 |
| Total Operations - Excluded from "CAPS"      | 27,296,256        | 27,296,256                   | 27,284,121         | 4,125      | 8,008    | 2                                 |

See Accompanying Notes to Financial Statements

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

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

|   | Appropriations    |                              | Paid or<br>Charged | Expended   |          | Unexpended<br>Balance<br>Canceled |
|---|-------------------|------------------------------|--------------------|------------|----------|-----------------------------------|
|   | Adopted<br>Budget | Budget After<br>Modification |                    | Encumbered | Reserved |                                   |
| Detail:   |                   |                              |                    |            |          |                                   |
| Salaries and Wages                              | \$ 1,269,521      | \$ 1,269,521                 | \$ 1,269,521       | -          | \$ -     | \$ -                              |
| Other Expenses                                  | 26,026,735        | 26,026,735                   | 26,014,600         | 4,125      | 8,008    | 2                                 |
| (C) Capital Improvements - Excluded from "CAPS" |                   |                              |                    |            |          |                                   |
| Capital Improvement Fund                        | 62,000            | 62,000                       | 62,000             | -          | -        | -                                 |
| Barbour Park Contamination                      | 278,000           | 278,000                      | 38,515             | 239,485    | -        | -                                 |
|   | 340,000           | 340,000                      | 100,515            | 239,485    | -        | -                                 |
| (D) Municipal Debt Service                      |                   |                              |                    |            |          |                                   |
| General Debt Service:                           |                   |                              |                    |            |          |                                   |
| Payment of Bond Principal                       | 2,900,000         | 2,900,000                    | 2,900,000          | -          | -        | -                                 |
| NJ Environmental Infrastructure Principal       | 1,211,557         | 1,211,557                    | 1,206,536          | -          | -        | 5,021                             |
| Interest on Bonds                               | 2,071,459         | 2,071,459                    | 2,071,459          | -          | -        | -                                 |
| Interest on Emergency Notes                     | 184,730           | 184,730                      | 184,730            | -          | -        | -                                 |
| NJ Environmental Infrastructure Interest        | 244,875           | 244,875                      | 244,875            | -          | -        | -                                 |
| Interest on Bond Anticipation Notes             | 89,850            | 89,850                       | 89,850             | -          | -        | -                                 |
| Principal Due on BANs                           | 1,777,000         | 1,777,000                    | 1,777,000          | -          | -        | -                                 |
| Green Trust Loan Program                        |                   |                              |                    |            |          |                                   |
| Payment of Principal                            | 52,362            | 52,362                       | 52,362             | -          | -        | -                                 |
| Payment of Interest                             | 6,745             | 6,745                        | 6,745              | -          | -        | -                                 |
| DCA Demolition Loan                             | 45,000            | 45,000                       | 45,000             | -          | -        | -                                 |
|   | 8,583,578         | 8,583,578                    | 8,578,557          | -          | -        | 5,021                             |



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

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

|   | Appropriations        |                              | Paid or<br>Charged    | Expended            |                     | Unexpended<br>Balance<br>Canceled |
|---|-----------------------|------------------------------|-----------------------|---------------------|---------------------|-----------------------------------|
|   | Adopted<br>Budget     | Budget After<br>Modification |                       | Encumbered          | Reserved            |                                   |
| (E) Deferred Charges - Municipal - Excluded from "CAPS"                             |                       |                              |                       |                     |                     |                                   |
| Special Emergency Authorizations - 5 Years  | \$ 2,248,000          | \$ 2,248,000                 | \$ 2,248,000          | \$ -                | \$ -                | \$ -                              |
| Capital Fund (DEP Settlement)   | 41,918                | 41,918                       | 41,918                | -                   | -                   | -                                 |
|   | <u>2,289,918</u>      | <u>2,289,918</u>             | <u>2,289,918</u>      | <u>-</u>            | <u>-</u>            | <u>-</u>                          |
| (F) Judgments   | 25,000                | 25,000                       | -                     | -                   | -                   | 25,000                            |
| (H-2) TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL<br>PURPOSES - EXCLUDED FROM "CAPS" | <u>38,534,752</u>     | <u>38,534,752</u>            | <u>38,253,111</u>     | <u>243,610</u>      | <u>8,008</u>        | <u>30,023</u>                     |
| (K) Local District School Purposes - Excluded from "CAPS"                           |                       |                              |                       |                     |                     |                                   |
| TYPE 1 DISTRICT SCHOOL DEBT   |                       |                              |                       |                     |                     |                                   |
| Payment of Bond Principal   | 604,805               | 604,805                      | 604,805               | -                   | -                   | -                                 |
| Interest on Bonds   | 11,427                | 11,427                       | 11,427                | -                   | -                   | -                                 |
|   | <u>616,232</u>        | <u>616,232</u>               | <u>616,232</u>        | <u>-</u>            | <u>-</u>            | <u>-</u>                          |
| (O) TOTAL GENERAL APPROPRIATIONS -<br>EXCLUDED FROM "CAPS"                          | <u>39,150,984</u>     | <u>39,150,984</u>            | <u>38,869,343</u>     | <u>243,610</u>      | <u>8,008</u>        | <u>30,023</u>                     |
| (L) Subtotal General Appropriations   | 235,502,583           | 237,952,583                  | 230,528,538           | 4,369,340           | 3,019,682           | 35,023                            |
| (M) Reserve for Uncollected Taxes   | 10,922,467            | 10,922,467                   | 10,922,467            | -                   | -                   | -                                 |
| TOTAL GENERAL APPROPRIATIONS  | <u>\$ 246,425,050</u> | <u>\$ 248,875,050</u>        | <u>\$ 241,451,005</u> | <u>\$ 4,369,340</u> | <u>\$ 3,019,682</u> | <u>\$ 35,023</u>                  |
| Ref.  |                       | A-3a                         | A-3a                  | A-19                | A                   | A-3a                              |

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

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
ANALYSIS OF MODIFIED BUDGET AND PAID OR CHARGED**

|   |             | Budget After<br>Modification | Paid or<br>Charged    |
|---|-------------|------------------------------|-----------------------|
|   | <u>Ref.</u> |                              |                       |
| Budget As Adopted                             | A-2         | \$ 245,725,734               | \$ -                  |
| Added by N.J.S.A. 40A:4-87                    | A-2         | 699,316                      | -                     |
| Reserve for Uncollected Taxes                 | A-2a        | -                            | 10,922,467            |
| Cash Disbursements                            | A-4         | -                            | 218,386,529           |
| Qualified Bonds Paid by State                 | A-15        | -                            | 4,971,459             |
| Special Emergency                             | A-16        | 2,450,000                    | -                     |
| Interfund - Grants                            | A-17        | -                            | 10,730,509            |
| Interfund - Grants Match                      | A-17        | -                            | 707,312               |
| Life Hazard Use Fees - Grants                 | A-17        | -                            | 263,584               |
| Chargebacks                                   | A-17        | -                            | 410,150               |
| Capital Improvement Fund                      | A-17        | -                            | 62,000                |
| Chargebacks - Other Reserves                  | A-22        | -                            | 2,523                 |
| Reserve for Accrued Sick and Vacation         | A-28        | -                            | 1,650,000             |
|   |             | <hr/>                        | <hr/>                 |
|   |             |                              | 248,106,533           |
|   | A-3         | 248,875,050                  |                       |
| Less:   |             |                              |                       |
| Reserve for Uncollected Taxes                 | A-2a        | 10,922,467                   | -                     |
| Appropriations Canceled                       | A-3         | 35,023                       | -                     |
| Cash Receipts                                 | A-4         | -                            | 2,106,197             |
| Appropriation Reserves - Reclass              | A-18        | -                            | 1,231,412             |
| Reserve for Accrued Sick and Vacation         | A-28        | -                            | 1,472,115             |
| Interfunds - Budget Reimbursements            | A-17        | -                            | 1,845,804             |
| Subtotal: Modified Budget and Paid or Charged | A-3         | <hr/>                        | <hr/>                 |
|   | A-1         | <u>\$ 237,917,560</u>        | <u>\$ 241,451,005</u> |

REPORT OF AUDIT

FINANCIAL SECTION

Trust Fund Financial Statements

City of Paterson  
FY 2014

**CITY OF PATERSON  
TRUST FUNDS  
AS OF JUNE 30, 2014 AND 2013**

**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

|  |             | <u>2014</u>          | <u>2013</u>          |
|--|-------------|----------------------|----------------------|
|  | <u>Ref.</u> |                      |                      |
| <u>Assets</u>                                    |             |                      |                      |
| Animal Control Trust Fund:                       |             |                      |                      |
| Cash   | B-2         | \$ 7,669             | \$ 7,420             |
| Due from Other Trust                             | contra      | 462                  | -                    |
|  |             | <u>8,131</u>         | <u>7,420</u>         |
| Other Trust Fund:                                |             |                      |                      |
| Cash - Community Development                     | B-2         | 1,415,294            | 1,852,617            |
| Cash - Other Trust                               | B-2         | 5,648,336            | 4,344,725            |
| Taxes Receivable - Special Improvement Districts | B-3         | 3,987                | 3,141                |
| Grants Receivable                                | B-5         | 12,206,909           | 15,884,768           |
| Due from Municipal Utility Authority             | B-9         | 3,199,181            | 3,199,181            |
| Redevelopment/CDBG Held Properties               | B-12        | 172,930              | 172,930              |
| Tax Title Lien - Special Improvement Districts   | B-19        | 54,733               | 47,141               |
| Total Other Trust Fund                           |             | <u>22,701,370</u>    | <u>25,504,503</u>    |
| Total Assets                                     |             | <u>\$ 22,709,501</u> | <u>\$ 25,511,923</u> |
| <u>Liabilities and Reserves</u>                  |             |                      |                      |
| Animal Control Trust Fund:                       |             |                      |                      |
| Due to State of New Jersey                       | B-6         | \$ 92                | \$ 78                |
| Reserve for Animal Control Fund Expenditures     | B-11        | 8,039                | 7,342                |
| Total Animal Control Trust Fund                  |             | <u>8,131</u>         | <u>7,420</u>         |
| Other Trust Fund:                                |             |                      |                      |
| Due to Special Improvement Districts             | B-4         | 74,080               | 67,295               |
| Tax Overpayments - Special Improvement District  | B-18        | 2,639                | 276                  |
| Prepaid Revenue - Special Improvement District   | B-20        | 56,420               | 49,504               |
| Due to Housing Authority - Straight and Narrow   | B-24        | -                    | 21,820               |
| Due to Animal Control Fund                       | contra      | 462                  | -                    |
| Reserve for:                                     |             |                      |                      |
| Off-Duty Police Officers                         | B-7         | 330,795              | 296,098              |
| Off-Duty Police Officers Administration          | B-8         | 52,153               | 40,800               |
| Municipal Utility Authority Receivable           | B-10        | 3,199,181            | 3,199,181            |
| Redevelopment/CDBG Held Properties               | B-13        | 172,930              | 172,930              |
| Parking Offense Adjudication Act                 | B-14        | 154,067              | 185,185              |
| Weights and Measures                             | B-15        | 74,267               | 97,640               |
| Public Defender Fees                             | B-16        | 11,717               | 18,597               |

See Accompanying Notes to the Financial Statements.

**CITY OF PATERSON  
TRUST FUNDS  
AS OF JUNE 30, 2014 AND 2013**

**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

|  |             | <u>2014</u>                 | <u>2013</u>                 |
|--|-------------|-----------------------------|-----------------------------|
|  | <u>Ref.</u> |                             |                             |
| Reserve for:                                 |             |                             |                             |
| Special Improvement District Taxes           | B-21        | \$ 58,720                   | \$ 50,282                   |
| Various Reserves and Deposits                | B-17        | 2,835,002                   | 2,009,905                   |
| Payroll Agency                               | B-22        | 2,044,499                   | 1,558,012                   |
| Various Grants                               | B-25        | <u>13,622,203</u>           | <u>17,715,565</u>           |
|  |             | 22,689,135                  | 25,483,090                  |
| Fund Balance                                 | B-1         | <u>12,235</u>               | <u>21,413</u>               |
| Total Other Trust Fund                       |             | <u>22,701,370</u>           | <u>25,504,503</u>           |
| Total Liabilities, Reserves and Fund Balance |             | <u><u>\$ 22,709,501</u></u> | <u><u>\$ 25,511,923</u></u> |

See Accompanying Notes to the Financial Statements.

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

**STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS**

|  |                  |    |              |               |
|--|------------------|----|--------------|---------------|
| Balance: June 30, 2013                               | <u>Ref.</u><br>B |    | \$           | 21,413        |
| Increased by:  |                  |    |              |               |
| Cash Receipts  | B-2              | \$ | 322          |               |
| Deposit Cancellations                                | B-17             |    | <u>5,500</u> |               |
|  |                  |    |              | <u>5,822</u>  |
|  |                  |    |              | 27,235        |
| Decreased by:  |                  |    |              |               |
| Cash Disbursements Applied to<br>Anticipated Revenue | B-2              |    |              | <u>15,000</u> |
| Balance: June 30, 2014                               | B                |    | <u>\$</u>    | <u>12,235</u> |

See Accompanying Notes to the Financial Statements.

REPORT OF AUDIT

FINANCIAL SECTION

General Capital Fund Financial Statements

City of Paterson  
FY 2014

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
AS OF JUNE 30, 2014 AND 2013**

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

|   |             | <u>2014</u>           | <u>2013</u>           |
|---|-------------|-----------------------|-----------------------|
| <u>Assets</u>   | <u>Ref.</u> |                       |                       |
| Cash  | C-2,C-3     | \$ 16,045,133         | \$ 15,126,812         |
| Grants Receivable - State                                       | C-4         | 5,970,072             | 6,967,317             |
| Interfunds Receivable   | C-9         | 122,425               | -                     |
| Deferred Charges to Future Taxation:                            |             |                       |                       |
| Funded  | C-6         | 78,575,220            | 82,420,190            |
| Unfunded  | C-7         | 24,403,953            | 16,021,708            |
| Unfunded - NJ DEP Settlement                                    | C-5         | -                     | 41,918                |
| Due from New Jersey Environmental<br>Infrastructure Trust Fund  | C-8         | <u>8,757,606</u>      | <u>8,757,606</u>      |
| Total Assets and Deferred Charges                               |             | <u>\$ 133,874,409</u> | <u>\$ 129,335,551</u> |
| <br><u>Liabilities and Reserves</u>                             |             |                       |                       |
| General Serial Bonds  | C-10        | \$ 61,441,623         | \$ 64,341,623         |
| Bond Anticipation Notes   | C-13        | 15,008,000            | 5,990,000             |
| Improvement Authorizations:                                     |             |                       |                       |
| Funded  | C-14        | 20,844,098            | 26,876,399            |
| Unfunded  | C-14        | 17,527,692            | 10,109,090            |
| Capital Improvement Fund  | C-15        | 394,113               | 710,113               |
| Due to State of New Jersey:                                     |             |                       |                       |
| Green Acres Trust Loan Payable                                  | C-16        | 1,876,178             | 959,785               |
| Demolition Loan Payable   | C-17        | -                     | 45,000                |
| Environmental Infrastructure Loan                               | C-11        | 15,257,419            | 16,468,977            |
| Economic Development Agency Payable - School                    | C-18        | -                     | 604,805               |
| NJ Department of Environmental<br>Protection Settlement Payable | C-12        | <u>-</u>              | <u>41,918</u>         |
|   |             | 132,349,123           | 126,147,710           |
| Fund Balance  | C-1         | <u>1,525,286</u>      | <u>3,187,841</u>      |
| Total Liabilities, Reserves and Fund Balance                    |             | <u>\$ 133,874,409</u> | <u>\$ 129,335,551</u> |
| <br>Bonds and Notes Authorized But Not Issued                   | C-19        | <u>\$ 9,395,953</u>   | <u>\$ 10,031,708</u>  |

See Accompanying Notes to the Financial Statements.



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

**STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS**

|  |                       |                  |                            |
|--|-----------------------|------------------|----------------------------|
| Balance: June 30, 2013                           | <u>Ref.</u><br>C, C-3 |                  | \$ 3,187,841               |
| Increased by:                                    |                       |                  |                            |
| Premiums Received on Sale of Notes:              |                       |                  |                            |
| Issued June 3, 2014                              |                       | \$ 10,355        |                            |
| Capital Fund Share of Notes Issued June 26, 2014 |                       | <u>30,090</u>    |                            |
|  | C-9                   |                  | <u>40,445</u>              |
|  |                       |                  | 3,228,286                  |
| Decreased by:                                    |                       |                  |                            |
| Anticipated as Budget Revenue                    | C-9                   | 218,000          |                            |
| Appropriated to Fund Ordinance No. 13-043        | C-14                  | <u>1,485,000</u> |                            |
|  |                       |                  | <u>1,703,000</u>           |
| Balance: June 30, 2014                           | C, C-3                |                  | <u><u>\$ 1,525,286</u></u> |

See Accompanying Notes to the Financial Statements.

REPORT OF AUDIT

FINANCIAL SECTION

General Fixed Assets Financial Statements

City of Paterson  
FY 2014

**CITY OF PATERSON  
GENERAL FIXED ASSETS  
AS OF JUNE 30, 2014 AND 2013**

**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

|                                    |             | <u>2014</u>          | <u>2013</u>          |
|------------------------------------|-------------|----------------------|----------------------|
|                                    | <u>Ref.</u> |                      |                      |
| <u>Assets</u>                      |             |                      |                      |
| Land                               |             | \$ 3,257,443         | \$ 3,257,443         |
| Building                           |             | 39,034,660           | 39,034,660           |
| Machinery & Equipment              |             | <u>20,197,935</u>    | <u>20,197,935</u>    |
|                                    | D-1         | <u>\$ 62,490,038</u> | <u>\$ 62,490,038</u> |
| <u>Liabilities and Reserves</u>    |             |                      |                      |
| Investment in General Fixed Assets | D-2         | <u>\$ 62,490,038</u> | <u>\$ 62,490,038</u> |

See Accompanying Notes to the Financial Statements.

REPORT OF AUDIT

FINANCIAL SECTION

Notes to Financial Statements

City of Paterson  
FY 2014

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

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

The City of Paterson (the “City”) is organized as a Mayor - Council municipality under the provisions of N.J.S.A. 40:69A. The City is governed by an elected Mayor and Council, and by such other officers and employees as may be duly appointed. The Council consists of nine members, three of which are elected at-large by voters of the City and serve a term of four years beginning on the first day of July next following their election. The Mayor is also elected directly by the voters of the City and also serves a term of four years beginning the first day of July following the election.

The financial statements of the City include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the City do not include the operations of the Parking Authority, the Passaic Valley Water Commission, the Passaic Valley Sewerage Commission, the Bunker Hill Special Improvement District or the Downtown Paterson Special Improvement District; inasmuch as their activities are administered by separate boards.

The Governmental Accounting Standards Board (GASB) established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The State of New Jersey, Department of Community Affairs, Division of Local Government Services (the “Division”) requires the financial statements of the City to be reported separately from its component units. If the provisions of GASB had been complied with, the following financial statements of the component units would have been discretely presented with the financial statements of the City, the primary government:

Paterson Municipal Utilities Authority (Dissolved October 28, 2014)  
Paterson Library  
Paterson Parking Authority

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

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

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF PRESENTATION**

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

The financial statements of the City have been prepared in conformity with accounting principles and practices prescribed by the Division, which differ from GAAP. The principles and practices prescribed by the Division are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through the following separate funds and account group, which differ from the fund structure required by GAAP.

**DESCRIPTION OF FUNDS**

The accounts of the City are maintained in accordance with the Division's principles of fund accounting to ensure observance of limitations and restrictions on resources available. The Division's principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The General Fixed Assets account group, on the other hand, is a financial reporting device designed to provide accountability for certain fixed assets and the investment in those fixed assets that are not recorded in the funds because they do not directly affect net expendable available financial resources.

**Current Fund** - is used to account for all resources and expenditures for governmental operations of a general nature. The City includes the Federal and State Grants Fund as part of its Current Fund.

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

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**DESCRIPTION OF FUNDS** (continued)

**Trust Fund** - is used to account for receipts, custodianship and disbursement of dedicated revenues in accordance with the purpose for which each reserve was created, subject to available cash in each individual trust fund reserve established pursuant to applicable state statutes or as an agent for individuals and other governmental agencies.

**General Capital Fund** - is used to account for the receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund or other funds. Also included in this fund are general and school bonds and notes payable offset by deferred charges to future taxation.

**General Fixed Assets** - is not a separate fund type, but is an account group used to account for all fixed assets of the City.

**BASIS OF ACCOUNTING**

The City prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a special purpose framework of accounting other than accounting principles generally accepted in the United States of America. The current financial resources focus and modified accrual basis of accounting is generally followed with significant exceptions which are explained as follows:

**Revenues** – Revenues are realized when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal revenue sharing funds and other Federal and State grants are realized as revenue when anticipated in the budget. Receivables for property taxes and other amounts that are due to the City are recorded with offsetting reserves on the balance sheet of the Current Fund. Such amounts are not recorded as revenue until collected. Accordingly, no provision has been made to estimate that portion of receivables that are uncollectible. Taxes and sewer charges collected in advance are recorded as cash liabilities in the financial statements. GAAP requires revenues to be recognized in the accounting period when they become measurable and available and in certain instances reduced by an allowance for doubtful accounts.

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

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**Reserve for Uncollected Taxes** – Reserve for Uncollected Taxes is required to provide assurance that cash collected for taxes in the current year will provide sufficient cash flow to meet expected obligations. The minimum amount of Reserve for Uncollected Taxes is determined on the percentage of collections experienced in the immediate preceding year, unless allowable alternative methods are utilized. A Reserve for Uncollected Taxes is not established under GAAP.

**Expenditures** – Expenditures are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Appropriation reserves covering unexpended appropriation balances are automatically created at the end of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriations for principal and interest payments on general capital indebtedness are provided on the cash basis. GAAP requires expenditures in the current (or general) fund, to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt, which should be recognized when due.

**Encumbrances** – Encumbrances are contractual orders outstanding at year end reported as expenditures through the establishment of an encumbrance payable. Outstanding encumbrances at year end are reported as a cash liability in the financial statements. Encumbrances do not constitute expenditures under GAAP.

**Appropriation Reserves** – Appropriations are available until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Transfers are allowed between certain line items during the first three months of the fiscal year. Lapsed appropriation reserves are recorded as other credits to income. Appropriation Reserves do not exist under GAAP.

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



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

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

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

**Property Acquired for Taxes** – Property Acquired for Taxes is recorded in the current fund at the assessed valuation when the property was acquired and is subsequently updated for revaluations. The value of the property is fully reserved. GAAP requires such property to be recorded as a fixed asset at market value on the date of acquisition.

**Deferred Charges to Future Taxation (Funded and Unfunded)** - Upon the authorization of general capital projects, the City establishes deferred charges for the costs 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 or non-funding of the authorized costs of capital projects. The City may levy taxes on all taxable property within the City 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.

**Improvement Authorizations** – 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.

**Compensated Absences and Post-Employment Benefits** - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources to be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long-term obligations.

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

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**General Fixed Assets** - Accounting for Governmental Fixed Assets as promulgated by the Division differs in certain respects from GAAP, and requires the inclusion of a statement of general fixed assets as part of the City's basic financial statements.

Fixed assets used in governmental operations (general fixed assets) are accounted for in an account group identified as "General Fixed Assets" and are not included within the records of any fund types. Purchases from these funds for fixed assets are recorded as expenditures within the fund. Public domain (infrastructure) general fixed assets consisting of certain improvements, other than improvements to buildings, such as improvements to roads, bridges, curbs and gutters, streets and sidewalks and drainage systems, are not capitalized.

All fixed assets, except land, are valued at historical cost or estimated historical cost if actual historical cost is not available. Expenditures for construction in progress are recorded in the Capital Fund against authorizations under which the project was approved until such time as the construction is completed and put into operation.

The City is required to maintain a subsidiary ledger of detailed records of fixed assets and to provide property management standards to control fixed assets. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than five years and an acquisition cost of \$5,000 or more per unit.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

No depreciation has been provided in the financial statements.

GAAP requires the recording of infrastructure assets and requires capital assets be depreciated over their estimated useful life unless they are either inexhaustible or are infrastructure assets reported using the modified approach.

**Use of Estimates** - The preparation of financial statements requires management to make estimates and assumptions that affect: the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

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

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**Cash and Investments** - New Jersey governmental units are required to deposit public funds in a public depository. Public depositories are defined by statutes as any state or federally chartered bank, savings bank or an association located in New Jersey or a state or federally chartered bank, savings bank or an association located in another state with a branch office in New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation ("FDIC") and which receives or holds public funds on deposit, but does not include deposits held by the State of New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The City is also required to annually adopt a cash management plan and to deposit or invest its funds pursuant to the cash management plan. The cash management plan adopted by the City requires it to deposit funds as permitted in N.J.S.A 40:5-15.1, so long as the funds are deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey and requires all public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

In 2009, legislation revised GUDPA to provide higher levels of security and oversight. The revised GUDPA ensures a common level of deposit risk for each bank choosing to accept local government deposits. It requires banks to fully collateralize deposits over \$200 million, implements enforcement protocol which allows the Department of Banking and Insurance to institute risk-based collateral requirements promptly when a bank shows signs of stress, provides enhanced oversight by the Department of Banking and Insurance and permits GUDPA certificates to be provided through an online system.

Cash Equivalents include certificate of deposits with a maturity date of less than three (3) months.

Also see Note B - Cash and Cash Equivalents.

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

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**Budgets and Budgetary Accounting** - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the Division in accordance with the Local Budget Law. Budgets are adopted on the same basis of accounting utilized for the preparation of the City's financial statements. The budgetary requirements herein outlined are applicable to only the Current Fund, and not the Trust Fund, Capital Fund or the General Fixed Assets account group. However, statutes require the City to adopt annually a six-year capital plan. This plan allows the governing body to expend or incur obligations for capital purposes only. Such projects under the plan must be adopted through capital ordinance.

The City must adhere to procedures for adoption of its annual budget as established by the Division. These procedures include statutory deadlines of: February 20 for introduction and approval and March 20 for adoption. These dates are subject to extension by the Division by approval of the Local Finance Board. Appropriations within the adopted budget cannot be modified until the final two months of the year at which time transfers between certain line items are allowed. Transfers from appropriations excluded from "CAPS" are prohibited unless they are between debt service appropriations. Under certain circumstances emergency authorizations and insertions of items of revenue and appropriation are allowed by authorization of the governing body, subject to approval of the Division.

The City must prepare its budgets in compliance with applicable laws capping the amounts by which both the budgeted appropriations and tax levy can be increased. A description of both "CAPS" follows:

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the City is permitted to increase its overall appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the traditional Federal government inflation calculation. The City can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap spending to 3.5%, upon passage of a COLA Rate Ordinance.

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

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**2010 Levy "CAP":** The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A 40A:4-45.44 through 45.47. It establishes limits on the increase in the total City amount to be raised by taxation (tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation, net of any applicable cap base adjustments and emergency or special emergency appropriations.

**Long-Term Obligations** - General long-term debt is recognized as a liability of the General Capital Fund for the full principal amount.

**Reserves (Other than Reserve for Receivables)** - Reserves, other than reserve for receivables, are considered liabilities, and not as a reservation of fund balance.

**Reserves for Receivables** – Receivables of the City, with the exception of certain intergovernmental receivables, are offset on the balance sheet with a credit that is created to preserve the revenue recognition basis required by the Division's accounting policies. The reserve delays the recognition of these revenues until they are received in cash.

**Self-Insurance Contributions** - Contributions to self-insurance funds are charged to budget appropriations. GAAP requires that payments be accounted for as an operating transfer and not as expenditure.

**Advertising Costs** - Advertising costs are charged against the appropriate budget line as they occur. The City does not engage in direct-response advertising.

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

**Fund Balance** - Fund equity represented on the financial statements consists solely of Fund Balance, which is not further categorized with respect to reservations (portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use) or designations (plans for future use of financial resources).

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

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIC FINANCIAL STATEMENTS**

The GASB Codification also requires the financial statements of a governmental unit presented in the general purpose financial statements to be in accordance with GAAP. The City presents financial statements which are required by the Division and which differ from the financial statements required by GAAP. These financial statements are listed in the table of contents.

**Comparative Data** - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the City's financial position and operations. Comparative data is not presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

**Reclassifications** – Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. These reclassifications had no effect on fund balance and changes in fund balance.

**Reconciliation of Accounting Basis** – As described throughout Note A, substantial differences exist between GAAP and the budgetary basis prescribed by the Division. Reconciliation between the two would not be meaningful or informative and therefore is not provided herein.

**NOTE B. CASH AND CASH EQUIVALENTS**

**DEPOSITS**

Cash and cash equivalents on deposit as of the years ended June 30, 2013 and 2012 are partially insured by the FDIC up to \$250,000 for each depository. Deposits in excess of FDIC limits, as noted below, are insured or collateralized by a collateral pool maintained by public depositories as required by GUDPA (see Note A - Cash and Investments or are on deposit with the New Jersey Cash Management Fund.

**Custodial Credit Risk** - Custodial credit risk is the risk that, in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a deposit policy for custodial credit risk.

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

**NOTE B. CASH AND CASH EQUIVALENTS (continued)**

DEPOSITS (continued)

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

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

The City's deposits of cash and cash equivalents at June 30, 2014 and 2013 are summarized in the following table. As of June 30, 2014, 44% of the City's deposits were with one financial institution and 19% with another. The remaining 37% of deposits were distributed among three financial institutions. As of June 30, 2013, 71% of the City's deposits are with one financial institution. The remaining 29% of deposits are spread among three financial institutions.

|                                 | <u>2014</u>          | <u>2013</u>          |
|---------------------------------|----------------------|----------------------|
| FDIC Insured                    | \$ 1,000,000         | \$ 1,000,000         |
| GUDPA Insured                   | 32,826,001           | 30,458,627           |
| New Jersey Cash Management Fund | <u>3,421,257</u>     | <u>3,419,318</u>     |
|                                 | <u>\$ 37,247,258</u> | <u>\$ 34,877,945</u> |

Under GUDPA, financial institutions are not required to pledge collateral for amounts covered by FDIC insurance.

**Foreign Currency Risk** - Foreign currency risk is the risk that changes in exchange rates will adversely affect deposits. None of the City's deposits as of June 30, 2014 and 2013 are known to be held in foreign currency.

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

**NOTE B. CASH AND CASH EQUIVALENTS (continued)**

**INVESTMENTS**

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- Government money market mutual funds.
- Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located.
- Bonds or other obligations having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services of the Department of the Treasury for investment by local units
- Local government investment pools.
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281 (C.52:18A-90.4).

**Custodial Credit Risk** - In the case of investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the City's name and are held by either the counterparty or its trust department or agent, but not in the City's name.

**Foreign Currency Risk** - Investments are also exposed to the same foreign currency risk as deposits. It is the risk that changes in exchange rates will adversely affect investments. The City does not have any investments denominated in foreign currency as of June 30, 2014 and 2013.

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have an investment policy regarding the management of credit risk.



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

**NOTE B. CASH AND CASH EQUIVALENTS (continued)**

INVESTMENTS (continued)

**Concentration of Credit Risk** - The City places no formal limit on the amount it may invest in any one issuer. New Jersey Statutes limit municipal investments to those specified and summarily identified in the first paragraph of the “Investments” section of this Note. Currently, the City’s only investments consist of deposits in the New Jersey Cash Management Fund, which is classified as a Government Investment Pool.

The City’s investments at June 30, 2014 are presented as follows:

| Investment Type             | Fair Value*  | Investment Maturities (in Years) |       |        |      |
|-----------------------------|--------------|----------------------------------|-------|--------|------|
|                             |              | < 1                              | 1 - 5 | 6 - 10 | > 10 |
| Government Investment Pools | \$ 3,421,257 | \$ 3,421,257                     | \$ -  | \$ -   | \$ - |

The City’s investments at June 30, 2013 are presented as follows:

| Investment Type             | Fair Value*  | Investment Maturities (in Years) |       |        |      |
|-----------------------------|--------------|----------------------------------|-------|--------|------|
|                             |              | < 1                              | 1 - 5 | 6 - 10 | > 10 |
| Government Investment Pools | \$ 3,419,318 | \$ 3,419,318                     | \$ -  | \$ -   | \$ - |

\* Short-term investments are carried at cost, which approximates fair value.

Government Investment Pools consists of investments in the New Jersey Cash Management Fund. Because of their liquidity, these investments are classified as cash and cash equivalents on the financial statements of the City.

These investments are described in more detail on the following page.

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

**NOTE B. CASH AND CASH EQUIVALENTS (continued)**

INVESTMENTS (continued)

**New Jersey Cash Management Fund** - All investments in the New Jersey Cash Management Fund are governed by the regulations of the State Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In addition to the Investment Council regulations, the Division of Investment sets further standards for specific investments and monitors the credit of all eligible securities issues on a regular basis. In all the years of the Division of Investment's existence, it has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated in the New Jersey Cash Management Fund as additional protection for the other-than-State participants, which includes the City. The City does not own specific identifiable securities, but instead has a net realizable interest in the joint value of the fund. There is no available credit rating for the New Jersey Cash Management Fund. As of June 30, 2014 and 2013, the City had a balance of \$3,421,257 and \$3,419,318 respectively, in the New Jersey Cash Management Fund.

**NOTE C. PROPERTY TAXES**

PROPERTY TAX CALENDAR

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1 and November 1. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with State statutes.

The amount of tax levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the budget of the entities that follow:

**County Taxes** - The City is responsible for levying, collecting and remitting county taxes for the County of Passaic. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current fiscal year, and due to be paid to the County by February 15. As of June 30, 2014 and 2013, the City had no County taxes payable.

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

**NOTE C. PROPERTY TAXES (continued)**

PROPERTY TAX CALENDAR (continued)

**School Taxes** - The City is responsible for levying, collecting and remitting school taxes for the Board of Education. Operations are charged for the full amount required to be raised from taxation to operate the local school district. As of June 30, 2014 and 2013, the City had no school taxes payable.

PROPERTY TAXES RECEIVABLE

**Reserve for Uncollected Taxes** - Reserve for Uncollected Taxes is a non-spending item of appropriation required by statute to be included in the City's annual budget. This appropriation protects the City from taxes not paid currently by providing assurance that cash collected in the current year will provide sufficient cash flow to meet obligations as they become due. The minimum amount required to be appropriated in the budget is determined on the percentage of collections experiences in the immediate preceding year, unless the three-year average option is chosen. For the years ended June 30, 2014 and 2013, the budgeted reserve for uncollected taxes was \$10,922,467 and \$8,567,478, respectively.

**Delinquent Taxes and Tax Title Liens** - As mentioned in Note A, taxes receivable and tax title liens are realized as revenue when collected. Uncollected receivables are fully reserved, so no provision is made for the uncollectible portions of these taxes. For the years ended June 30, 2014 and 2013, property taxes receivable were \$123,987 and \$39,397, respectively and tax title liens receivable were \$12,285,926 and \$9,933,237, respectively.

**Property Acquired by Tax Title Lien Liquidation** – The City held its annual accelerated tax sale in fiscal year 2014. All properties with delinquent taxes at May 27, 2014 were subject to tax sale, with the exception of any property where the owner is bankrupt or there is a court order. The value of properties acquired by tax title liens at June 30, 2014 and 2013 were \$5,107,360, each year.

**Prepaid Taxes** - Taxes collected in advance are recorded as cash liabilities in the financial statements. Prepaid taxes as of June 30, 2014 and 2013 were \$130,774 and \$129,230, respectively.

**Tax Overpayments** - Overpaid taxes collected during the year and due to taxpayers either as a refund or tax credit are recorded as cash liabilities in the financial statements. Tax overpayments as of June 30, 2014 and 2013 were \$2,582,072 and \$1,939,969, respectively.

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE D. MUNICIPAL DEBT**

**SUMMARY OF MUNICIPAL DEBT**

The Local Bond Law governs the issuance of bonds to finance general municipal and utility capital expenditures. Most bonds are retired in serial installments within the statutory period of usefulness. Other bonds may be term bonds with sinking fund requirements. Bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond Anticipation Notes, which are issued to temporarily finance capital projects, must be paid off within ten years or retired by the issuance of bonds.

**School Debt (Included as Obligations of the City)** - The City of Paterson Board of Education is a State Operated School District, as such, bonds and notes issued are authorized by the Capital Projects Control Board and are funded by the New Jersey Schools Development Authority and included in the State of New Jersey Annual Budget. Prior to becoming a State Operated School District, Paterson Public Schools operated as a Type I School District whereby the governing body of the City authorized and issued school bonds. Such debt matured during the year ended June 30, 2014.

At June 30, 2014 and 2013, the City's statutory debt as defined by the Local Bond Law is summarized as follows:

| SUMMARY OF MUNICIPAL DEBT                                  |                      |                      |
|--|----------------------|----------------------|
|  | June 30, 2014        | June 30, 2013        |
| <b>Statutory Debt Pursuant to Local Bond Law</b>           |                      |                      |
| <u>Issued:</u>   |                      |                      |
| General:   |                      |                      |
| General Serial Bonds                                       | \$ 61,441,623        | \$ 64,341,623        |
| Bond Anticipation Notes                                    | 15,008,000           | 5,990,000            |
| Green Acres Trust Loan Payable                             | 1,876,178            | 959,785              |
| Demolition Loan Payable                                    | -                    | 45,000               |
| Environmental Infrastructure Loan                          | 15,257,419           | 16,468,977           |
| School:  |                      |                      |
| Economic Development Agency Payable - School               | -                    | 604,805              |
| Total Gross Statutory Debt Issued                          | 93,583,220           | 88,410,190           |
| Less Statutory Deductions to Debt Limit:                   |                      |                      |
| Pension Refunding Bonds                                    | 3,492,623            | 3,492,623            |
| Bonds and Notes for School Purposes                        | -                    | 604,805              |
| Net Statutory Debt Issued                                  | 90,090,597           | 84,312,762           |
| <u>Authorized but not Issued:</u>                          |                      |                      |
| General Improvements                                       | 9,395,953            | 10,031,708           |
| Net Statutory Debt Issued and<br>Authorized but not Issued | <u>\$ 99,486,550</u> | <u>\$ 94,344,470</u> |

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

**NOTE D. MUNICIPAL DEBT (continued)**

**SUMMARY OF MUNICIPAL DEBT** (continued)

In addition to the capital debt shown in the preceding schedule, the City had additional debt which, in accordance with statutes, is not included as part of the City's statutory debt position. All such debt is recorded in the Current Fund and is as follows:

|  | <u>June 30, 2014</u>       | <u>June 30, 2013</u>       |
|--|----------------------------|----------------------------|
| <b>Non-Statutory Debt</b>                |                            |                            |
| <u>Issued:</u>                           |                            |                            |
| Current Fund                             |                            |                            |
| Special Emergency Appropriation:         |                            |                            |
| Revaluation                              | \$ 1,680,000               | \$ 2,100,000               |
| Accrued Sick and Vacation Time - FY 2014 | 1,650,000                  | -                          |
| Accrued Sick and Vacation Time - FY 2013 | 1,816,000                  | 2,270,000                  |
| Accrued Sick and Vacation Time - FY 2012 | 1,704,000                  | 2,272,000                  |
| Accrued Sick and Vacation Time - FY 2011 | <u>1,612,000</u>           | <u>2,418,000</u>           |
|  | <u><u>\$ 8,462,000</u></u> | <u><u>\$ 9,060,000</u></u> |

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

|                              | <u>June 30, 2013</u>        | <u>New Issues</u>        | <u>Paid</u>                | <u>June 30, 2014</u>        |
|------------------------------|-----------------------------|--------------------------|----------------------------|-----------------------------|
| Issued:                      |                             |                          |                            |                             |
| Serial Bonds                 | \$ 64,341,623               | \$ -                     | \$ 2,900,000               | \$ 61,441,623               |
| Loans Payable:               |                             |                          |                            |                             |
| Green Acres Trust            | 959,785                     | 968,755                  | 52,362                     | 1,876,178                   |
| Economic Development Agency  | 604,805                     | -                        | 604,805                    | -                           |
| Demolition Loan Payable      | 45,000                      | -                        | 45,000                     | -                           |
| Environmental Infrastructure |                             |                          |                            |                             |
| Loan                         | <u>16,468,977</u>           | <u>-</u>                 | <u>1,211,558</u>           | <u>15,257,419</u>           |
| Total                        | <u><u>\$ 82,420,190</u></u> | <u><u>\$ 968,755</u></u> | <u><u>\$ 4,813,725</u></u> | <u><u>\$ 78,575,220</u></u> |

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

**NOTE D. MUNICIPAL DEBT (continued)**

SUMMARY OF MUNICIPAL DEBT (continued)

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

|                              | June 30, 2012        | (1)<br>New Issues    | Paid                | June 30, 2013        |
|------------------------------|----------------------|----------------------|---------------------|----------------------|
| Issued:                      |                      |                      |                     |                      |
| Serial Bonds                 | \$ 41,922,526        | \$ 25,294,097        | \$ 2,875,000        | \$ 64,341,623        |
| Loans Payable:               |                      |                      |                     |                      |
| Green Acres Trust            | 922,188              | 88,927               | 51,330              | 959,785              |
| Economic Development Agency  | 1,193,900            | -                    | 589,095             | 604,805              |
| Demolition Loan Payable      | 90,000               | -                    | 45,000              | 45,000               |
| Environmental Infrastructure |                      |                      |                     |                      |
| Loan                         | 17,648,033           | -                    | 1,179,056           | 16,468,977           |
| Total                        | <u>\$ 61,776,647</u> | <u>\$ 25,383,024</u> | <u>\$ 4,739,481</u> | <u>\$ 82,420,190</u> |

(1) New issues represent only new debt issued and are shown net of amounts refunded, which are described more fully as follows.

Debt Refunding and Rollover

During the year ended June 30, 2014, the City renewed or refunded the following notes:

- Tax Refunding Notes and Bond Anticipations Notes, combined as Bond Anticipation Notes on Exhibit C. The proceeds of these notes were used to rollover \$4,213,000 of notes issued in a prior year. The additional \$10,795,000 of new notes represents temporary funding of Ordinances Numbered 13-040, 13-042 and 14-021. Such Notes are more fully discussed herein.
- Special Emergency Notes, the proceeds of which were used to rollover \$6,812,000 of notes issued in a prior year. The additional \$1,650,000 of new notes represents temporary funding of Ordinances Numbered 14-009. Such Notes are more fully discussed herein.

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

**NOTE D. MUNICIPAL DEBT (continued)**

SUMMARY OF MUNICIPAL DEBT (continued)

During the year ended June 30, 2013, the City issued the following bonds which refunded existing debt of the City:

- \$8,015,000 Qualified General Improvement Refunding Bonds, the proceeds of which refunded \$6,730,000 of the General Improvement Bonds issued on June 15, 2009 in the original amount of \$23,294,000. The additional \$1,285,000 of new principal was used to pay the full redemption price and interest on the bonds, and certain costs incurred in connection with the issuance of the bonds.
- \$3,570,000 Qualified Pension Refunding Bonds, the proceeds of which refunded \$2,079,903 of the Pension Refunding Bonds issued on April 3, 2003 in the original amount of \$13,044,671. The additional \$1,490,097 of new principal was used to pay the full redemption price and interest on the bonds, and certain costs incurred in connection with the issuance of the bonds.

In addition, the City issued \$22,519,000 Qualified General Improvement Bonds. These bonds were issued to permanently finance \$21,329,000 of Bond Anticipation Notes previously issued for various projects. The additional \$1,190,000 of new debt principal was issued to finance Ordinance No. 09-013.

The City also renewed or refunded Tax Refunding Notes and Bond Anticipations Notes, combined as Bond Anticipation Notes on Exhibit C. The proceeds of these notes were used to rollover \$4,590,000 of notes issued in a prior year. The additional \$1,400,000 of new notes represents temporary funding of Ordinance No. 13-005. Bond Anticipation Notes are more fully discussed herein.

Qualified Bonds

Certain bonds of the City are issued pursuant to the Municipal Qualified Bond Act. Under this act, portions of State Aid revenues are withheld by the State of New Jersey and forwarded directly to paying agents for principal and interest payments of such bonds. The City is responsible to certify maturity schedules of the qualified bonds to the State. Qualified bonds are identified within each of bond schedules that follow. During the year ended June 30, 2014 and 2013, the State of New Jersey paid \$4,971,459 and \$3,988,283, respectively, of qualified bond interest and principal maturities directly to paying agents on behalf of the City in lieu of direct State Aid payments to the City.

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE D. MUNICIPAL DEBT (continued)**

**BONDS PAYABLE**

**General Serial Bonds Payable**

The City has outstanding at June 30, 2014 various general serial bonds. The following table, which includes pension, pension refunding and general refunding bonds in addition to the general improvement bonds, is a summary of the activity for such debt during the year then ended and the short term liability for each issue:

| Description                               | Balance<br>June 30, 2013 | Decrease            | Balance<br>June 30, 2014 | Due by<br>June 30, 2015 |
|---|--------------------------|---------------------|--------------------------|-------------------------|
| General Improvement Bonds                 | \$ 5,800,000             | \$ 2,900,000        | \$ 2,900,000             | \$ 2,900,000            |
| Issued 06/01/05 for \$18,999,000          |                          |                     |                          |                         |
| Maturing annually through Feb. 1, 2015    |                          |                     |                          |                         |
| General Improvement Bonds                 | 11,240,000               | -                   | 11,240,000               | -                       |
| Issued 06/15/09 for \$23,294,000          |                          |                     |                          |                         |
| Maturing annually on June 15 through 2020 |                          |                     |                          |                         |
| General Improvement Refunding Bonds       | 3,230,000                | -                   | 3,230,000                | -                       |
| Issued 03/23/11 for \$3,230,000           |                          |                     |                          |                         |
| Maturing on March 15, 2016 and 2017       |                          |                     |                          |                         |
| Bearing interest rates of 3.25-3.5%       |                          |                     |                          |                         |
| Qualified General Refunding Bonds         | 8,015,000                | -                   | 8,015,000                | -                       |
| Issued 03/20/13 for \$8,015,000           |                          |                     |                          |                         |
| Maturing in 2020 and 2021                 |                          |                     |                          |                         |
| Bearing interest rates of 3-3.1%          |                          |                     |                          |                         |
| Qualified General Improvement Bonds       | 22,519,000               | -                   | 22,519,000               | -                       |
| Issued 05/22/13 for \$22,519,000          |                          |                     |                          |                         |
| Maturing annually from 2022-2026          |                          |                     |                          |                         |
| Bearing interest rate of 5.0%             |                          |                     |                          |                         |
| Pension Obligation Refunding              | 3,492,623                | -                   | 3,492,623                | 1,017,146               |
| Bonds Issued 04/03/03 for \$13,044,671    |                          |                     |                          |                         |
| Maturing annually an April 1 through 2021 |                          |                     |                          |                         |
| Bearing interest rate of 5.62-5.91%       |                          |                     |                          |                         |
| Pension Obligation Refunding              | 1,600,000                | -                   | 1,600,000                | -                       |
| Bonds Issued 03/23/2011 for \$1,600,000   |                          |                     |                          |                         |
| Maturing on March 15, 2016                |                          |                     |                          |                         |
| Bearing interest rate of 4.9%             |                          |                     |                          |                         |
| Pension Obligation Refunding              | 4,875,000                | -                   | 4,875,000                | -                       |
| Bonds Issued 03/30/2012 for \$4,875,000   |                          |                     |                          |                         |
| Maturing March 15, 2018 and 2019          |                          |                     |                          |                         |
| Bearing interest rate of 5.62-5.91%       |                          |                     |                          |                         |
| Qualified Pension Refunding Bonds         | 3,570,000                | -                   | 3,570,000                | -                       |
| Issued 03/20/13 for \$3,570,000           |                          |                     |                          |                         |
| Maturing in 2019 and 2020                 |                          |                     |                          |                         |
| Bearing interest rates of 4.2-5.15%       |                          |                     |                          |                         |
|   | <u>\$ 64,341,623</u>     | <u>\$ 2,900,000</u> | <u>\$ 61,441,623</u>     | <u>\$ 3,917,146</u>     |



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

**NOTE D. MUNICIPAL DEBT (continued)**

**BONDS PAYABLE** (continued)

**General Serial Bonds Payable** (continued)

The following table, which includes pension, pension refunding and general refunding bonds in addition to the general improvement bonds, is a summary of the activity for such debt during the year ended June 30, 2013 and the short term liability at that time for each issue:

| Summary of General Serial Bonds Activity |                          |                      |                      |                          |                         |
|--|--------------------------|----------------------|----------------------|--------------------------|-------------------------|
| Description                              | Balance<br>June 30, 2012 | Increase             | Decrease             | Balance<br>June 30, 2013 | Due by<br>June 30, 2014 |
| General Improvement Bonds                | \$ 8,675,000             | \$ -                 | \$ 2,875,000         | \$ 5,800,000             | \$ 2,900,000            |
| Issued 06/01/05                          |                          |                      |                      |                          |                         |
| General Improvement Bonds                | 17,970,000               | -                    | 6,730,000            | 11,240,000               | -                       |
| Issued 06/15/09                          |                          |                      |                      |                          |                         |
| General Improvement Refunding Bonds      | 3,230,000                | -                    | -                    | 3,230,000                | -                       |
| Issued 03/23/11                          |                          |                      |                      |                          |                         |
| General Obligation Refunding Bonds       | 2,500,000                | -                    | -                    | 2,500,000                | -                       |
| Issued 03/30/12                          |                          |                      |                      |                          |                         |
| Qualified General Refunding Bonds        | -                        | 8,015,000            | -                    | 8,015,000                | -                       |
| Issued 03/20/13 for \$8,015,000          |                          |                      |                      |                          |                         |
| Maturing in 2020 and 2021                |                          |                      |                      |                          |                         |
| Bearing interest rates of 3-3.1%         |                          |                      |                      |                          |                         |
| Qualified General Improvement Bonds      | -                        | 22,519,000           | -                    | 22,519,000               | -                       |
| Issued 05/22/13 for \$22,519,000         |                          |                      |                      |                          |                         |
| Maturing annually from 2022-2026         |                          |                      |                      |                          |                         |
| Bearing interest rate of 5.0%            |                          |                      |                      |                          |                         |
| Pension Obligation Refunding             | 5,572,526                | -                    | 2,079,903            | 3,492,623                | -                       |
| Bonds Issued 04/03/03                    |                          |                      |                      |                          |                         |
| Pension Obligation Refunding             | 1,600,000                | -                    | -                    | 1,600,000                | -                       |
| Bonds Issued 03/23/2011                  |                          |                      |                      |                          |                         |
| Pension Obligation Refunding             | 2,375,000                | -                    | -                    | 2,375,000                | -                       |
| Bonds Issued 03/30/2012                  |                          |                      |                      |                          |                         |
| Qualified Pension Refunding Bonds        | -                        | 3,570,000            | -                    | 3,570,000                | -                       |
| Issued 03/20/13 for \$3,570,000          |                          |                      |                      |                          |                         |
| Maturing in 2019 and 2020                |                          |                      |                      |                          |                         |
| Bearing interest rates of 4.2-5.15%      |                          |                      |                      |                          |                         |
|  | <u>\$ 41,922,526</u>     | <u>\$ 34,104,000</u> | <u>\$ 11,684,903</u> | <u>\$ 64,341,623</u>     | <u>\$ 2,900,000</u>     |

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

**NOTE D. MUNICIPAL DEBT (continued)**

**LOANS PAYABLE**

**Green Acres Trust Loans**

The City has outstanding at June 30, 2014 various Green Acres Trust Loans. The following table is a summary of the activity for such loans during the year then ended and the short term liability for each:

| Description                                  | Balance           | Increase          | Decrease         | Balance             | Due by            |
|--|-------------------|-------------------|------------------|---------------------|-------------------|
|  | June 30, 2013     |                   |                  | June 30, 2014       | June 30, 2015     |
| Park Development Program Phase II            | \$ 49,639         | \$ -              | \$ 19,559        | \$ 30,080           | \$ 19,953         |
| Issued 07/26/94 for \$315,000                |                   |                   |                  |                     |                   |
| Maturing semi-annually through 2016          |                   |                   |                  |                     |                   |
| Bearing an interest rate of 2%               |                   |                   |                  |                     |                   |
| Eastside Park Rehabilitation                 | 164,179           | -                 | 11,177           | 153,002             | 11,401            |
| Issued 06/26/06 for \$231,650                |                   |                   |                  |                     |                   |
| Maturing semi-annually through 2026          |                   |                   |                  |                     |                   |
| Bearing an interest rate of 2%               |                   |                   |                  |                     |                   |
| Park Development Program Phase III           | 136,452           | -                 | 21,626           | 114,826             | 22,060            |
| Issued 06/26/06 for \$267,000                |                   |                   |                  |                     |                   |
| Maturing semi-annually through 2019          |                   |                   |                  |                     |                   |
| Bearing an interest rate of 2%               |                   |                   |                  |                     |                   |
| Restoration of Pennington Park               | -                 | 700,000           | -                | 700,000             | 35,898            |
| Issued 12/9/13 for \$700,000                 |                   |                   |                  |                     |                   |
| Maturing semi-annually through 2033          |                   |                   |                  |                     |                   |
| Bearing an interest rate of -0-%             |                   |                   |                  |                     |                   |
| Restoration of Pennington Park - Lower Field | 231,245           | 268,755           | -                | 500,000             | 30,303            |
| Issued 12/9/13for \$231,245                  |                   |                   |                  |                     |                   |
| Maturing semi-annually through 2030          |                   |                   |                  |                     |                   |
| Bearing an interest rate of -0-%             |                   |                   |                  |                     |                   |
| Mary Ellen Kramer Park Improvements          |                   |                   |                  |                     |                   |
| Not yet amortized.                           | 378,270           | -                 | -                | 378,270             | -                 |
| Project not completed.                       |                   |                   |                  |                     |                   |
|  | <u>\$ 959,785</u> | <u>\$ 968,755</u> | <u>\$ 52,362</u> | <u>\$ 1,876,178</u> | <u>\$ 119,615</u> |

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

**NOTE D. MUNICIPAL DEBT (continued)**

**LOANS PAYABLE** (continued)

**Green Acres Trust Loans** (continued)

The following table is a summary of the activity for such loans during the year ended June 30, 2013 and the short term liability at that time for each:

| Summary of Green Acres Trust Loans Activity |                   |                  |                  |                   |                         |
|---|-------------------|------------------|------------------|-------------------|-------------------------|
| Description                                 | Balance           |                  |                  | Balance           |                         |
|   | June 30, 2012     | Increase         | Decrease         | June 30, 2013     | Due by<br>June 30, 2014 |
| Park Development Program Phase II           | \$ 68,813         | \$ -             | \$ 19,174        | \$ 49,639         | \$ 19,559               |
| Issued 07/26/94 for \$315,000               |                   |                  |                  |                   |                         |
| Maturing annually through 2016              |                   |                  |                  |                   |                         |
| Bearing an interest rate of 2%              |                   |                  |                  |                   |                         |
| Eastside Park Rehabilitation                | 175,136           | -                | 10,957           | 164,179           | 11,177                  |
| Issued 06/26/06 for \$231,650               |                   |                  |                  |                   |                         |
| Maturing annually through 2026              |                   |                  |                  |                   |                         |
| Bearing an interest rate of 2%              |                   |                  |                  |                   |                         |
| Park Development Program Phase III          | 157,651           | -                | 21,199           | 136,452           | 21,626                  |
| Issued 06/26/06 for \$267,000               |                   |                  |                  |                   |                         |
| Maturing annually through 2019              |                   |                  |                  |                   |                         |
| Bearing an interest rate of 2%              |                   |                  |                  |                   |                         |
| Loans Not Yet Amortized                     |                   |                  |                  |                   |                         |
| Ord. Dated 1/19/06                          | 100,276           | -                | -                | 100,276           | -                       |
| Ord. Dated 6/26/06                          | 231,245           | -                | -                | 231,245           | -                       |
| Ord. Dated 6/26/12                          | 72,667            | -                | -                | 72,667            | -                       |
| Ord. Dated 6/26/12                          | 116,400           | -                | -                | 116,400           | -                       |
| FY2013                                      | -                 | 60,228           | -                | 60,228            | -                       |
| FY2013                                      | -                 | 28,699           | -                | 28,699            | -                       |
|   | <u>\$ 922,188</u> | <u>\$ 88,927</u> | <u>\$ 51,330</u> | <u>\$ 959,785</u> | <u>\$ 52,362</u>        |

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

**NOTE D. MUNICIPAL DEBT (continued)**

**LOANS PAYABLE** (continued)

**Demolition Loan**

The City has outstanding at June 30, 2014 a loan from the State of New Jersey, Department of Community Affairs, for the Demolition of Unsafe Buildings. The following table summarizes the activity for such loan during the year then ended and the short term liability:

| Description                      | Balance<br>June 30, 2013 | Increase    | Decrease         | Balance<br>June 30, 2014 | Due by<br>June 30, 2015 |
|----------------------------------|--------------------------|-------------|------------------|--------------------------|-------------------------|
| Building Demolition Loan         | \$ 45,000                | \$ -        | \$ 45,000        | \$ -                     | \$ -                    |
| Issued 01/26/05 for \$450,000    |                          |             |                  |                          |                         |
| Maturing annually through 2014   |                          |             |                  |                          |                         |
| Bearing an interest rate of -0-% |                          |             |                  |                          |                         |
|                                  | <u>\$ 45,000</u>         | <u>\$ -</u> | <u>\$ 45,000</u> | <u>\$ -</u>              | <u>\$ -</u>             |

The following table summarizes the activity for such loan during the year ended June 30, 2013 and the short term liability at that time:

| Summary of Demolition Loan Activity |                          |             |                  |                          |                         |
|-------------------------------------|--------------------------|-------------|------------------|--------------------------|-------------------------|
| Description                         | Balance<br>June 30, 2012 | Increase    | Decrease         | Balance<br>June 30, 2013 | Due by<br>June 30, 2014 |
| Building Demolition Loan            | \$ 90,000                | \$ -        | \$ 45,000        | \$ 45,000                | \$ 45,000               |
| Issued 01/26/05 for \$450,000       |                          |             |                  |                          |                         |
| Maturing annually through 2014      |                          |             |                  |                          |                         |
| Bearing an interest rate of -0-%    |                          |             |                  |                          |                         |
|                                     | <u>\$ 90,000</u>         | <u>\$ -</u> | <u>\$ 45,000</u> | <u>\$ 45,000</u>         | <u>\$ 45,000</u>        |

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE D. MUNICIPAL DEBT (continued)**

**LOANS PAYABLE** (continued)

**Economic Development Agency (EDA) Loan**

The City has outstanding at June 30, 2014 a loan from the State of New Jersey Economic Development Agency. The following table summarizes the activity for such loan during the year then ended and the short term liability:

| Description  | Balance<br>June 30, 2013 | Increase    | Decrease          | Balance<br>June 30, 2014 | Due by<br>June 30, 2015 |
|--|--------------------------|-------------|-------------------|--------------------------|-------------------------|
| EDA Loans  | \$ 604,805               | \$ -        | \$ 604,805        | \$ -                     | \$ -                    |
| Originally Issued 10/26/93 and<br>Revised 8/28/95, 6/8/99, 1/31/03 & 7/19/04<br>Maturing annually through 2014<br>Bearing an interest rates of 5.288%<br>and 1.50% for school purposes |                          |             |                   |                          |                         |
|  | <u>\$ 604,805</u>        | <u>\$ -</u> | <u>\$ 604,805</u> | <u>\$ -</u>              | <u>\$ -</u>             |

The following table summarizes the activity for such loan during the year ended June 30, 2013 and the short term liability at that time:

| Summary of Economic Development Agency Loan Activity   |                          |             |                   |                          |                         |
|--|--------------------------|-------------|-------------------|--------------------------|-------------------------|
| Description  | Balance<br>June 30, 2012 | Increase    | Decrease          | Balance<br>June 30, 2013 | Due by<br>June 30, 2014 |
| EDA Loans  | \$ 1,193,900             | \$ -        | \$ 589,095        | \$ 604,805               | \$ 604,805              |
| Originally Issued 10/26/93 and<br>Revised 8/28/95, 6/8/99, 1/31/03 & 7/19/04<br>Maturing annually through 2014<br>Bearing an interest rates of 5.288%<br>and 1.50% for school purposes |                          |             |                   |                          |                         |
|  | <u>\$ 1,193,900</u>      | <u>\$ -</u> | <u>\$ 589,095</u> | <u>\$ 604,805</u>        | <u>\$ 604,805</u>       |

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE D. MUNICIPAL DEBT (continued)**

**LOANS PAYABLE** (continued)

**NJ Environmental Infrastructure Trust Loan**

The City has outstanding at June 30, 2014 various New Jersey Environmental Infrastructure Trust Loans. The following table summarizes the activity for such loan during the year then ended and the short term liability for each loan:

| Description                | Balance<br>June 30, 2013 | Decrease            | Balance<br>June 30, 2014 | Due by<br>June 30, 2015 |
|----------------------------|--------------------------|---------------------|--------------------------|-------------------------|
| Trust Loan Series 2003A    | \$ 1,465,000             | \$ 105,000          | \$ 1,360,000             | \$ 110,000              |
| Phase I, Issued 10/15/03   |                          |                     |                          |                         |
| For \$3,375,760            |                          |                     |                          |                         |
| State of NJ Fund Loan      | 2,849,837                | 291,011             | 2,558,826                | 290,368                 |
| Phase I, Issued 10/15/03   |                          |                     |                          |                         |
| For \$5,554,479            |                          |                     |                          |                         |
| Trust Loan Series 2004A    | 595,000                  | 40,000              | 555,000                  | 40,000                  |
| Phase II, Issued 10/13/04  |                          |                     |                          |                         |
| For \$1,286,526            |                          |                     |                          |                         |
| State of NJ Fund Loan      | 1,146,100                | 125,447             | 1,020,653                | 122,059                 |
| Phase II, Issued 10/13/04  |                          |                     |                          |                         |
| For \$2,326,943            |                          |                     |                          |                         |
| Trust Loan Series 2005A    | 745,000                  | 45,000              | 700,000                  | 45,000                  |
| Phase III, Issued 11/10/05 |                          |                     |                          |                         |
| For \$1,424,949            |                          |                     |                          |                         |
| State of NJ Fund Loan      | 1,415,617                | 140,267             | 1,275,350                | 136,136                 |
| Phase III, Issued 11/10/05 |                          |                     |                          |                         |
| For \$2,622,600            |                          |                     |                          |                         |
| Trust Loan Series 2008A    | 2,035,000                | 85,000              | 1,950,000                | 90,000                  |
| Phase IV, Issued 11/06/08  |                          |                     |                          |                         |
| For \$3,696,468            |                          |                     |                          |                         |
| State of NJ Fund Loan      | 5,298,357                | 333,189             | 4,965,168                | 334,299                 |
| Phase IV, Issued 11/06/08  |                          |                     |                          |                         |
| For \$6,568,205            |                          |                     |                          |                         |
| Trust Loan Series 2010A    | 475,000                  | 20,000              | 455,000                  | 20,000                  |
| Phase V, Issued 9/1/10     |                          |                     |                          |                         |
| For \$760,141              |                          |                     |                          |                         |
| State of NJ Fund Loan      | 444,066                  | 26,644              | 417,422                  | 26,644                  |
| Phase V, Issued 3/10/10    |                          |                     |                          |                         |
| For \$524,000              |                          |                     |                          |                         |
|                            | <u>\$ 16,468,977</u>     | <u>\$ 1,211,558</u> | <u>\$ 15,257,419</u>     | <u>\$ 1,214,506</u>     |

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE D. MUNICIPAL DEBT (continued)**

**LOANS PAYABLE** (continued)

**NJ Environmental Infrastructure Trust Loan** (continued)

The following table summarizes the activity for such loan during the year ended June 30, 2013 and the short term liability for each loan:

| Description                | Balance<br>June 30, 2012 | Decrease            | Balance<br>June 30, 2013 | Due by<br>June 30, 2014 |
|----------------------------|--------------------------|---------------------|--------------------------|-------------------------|
| Trust Loan Series 2003A    | \$ 1,565,000             | \$ 100,000          | \$ 1,465,000             | \$ 105,000              |
| Phase I, Issued 10/15/03   |                          |                     |                          |                         |
| For \$3,375,760            |                          |                     |                          |                         |
| State of NJ Fund Loan      | 3,141,062                | 291,225             | 2,849,837                | 291,011                 |
| Phase I, Issued 10/15/03   |                          |                     |                          |                         |
| For \$5,554,479            |                          |                     |                          |                         |
| Trust Loan Series 2004A    | 630,000                  | 35,000              | 595,000                  | 40,000                  |
| Phase II, Issued 10/13/04  |                          |                     |                          |                         |
| For \$1,286,526            |                          |                     |                          |                         |
| State of NJ Fund Loan      | 1,265,665                | 119,565             | 1,146,100                | 125,447                 |
| Phase II, Issued 10/13/04  |                          |                     |                          |                         |
| For \$2,326,943            |                          |                     |                          |                         |
| Trust Loan Series 2005A    | 785,000                  | 40,000              | 745,000                  | 45,000                  |
| Phase III, Issued 11/10/05 |                          |                     |                          |                         |
| For \$1,424,949            |                          |                     |                          |                         |
| State of NJ Fund Loan      | 1,550,606                | 134,989             | 1,415,617                | 140,267                 |
| Phase III, Issued 11/10/05 |                          |                     |                          |                         |
| For \$2,622,600            |                          |                     |                          |                         |
| Trust Loan Series 2008A    | 2,120,000                | 85,000              | 2,035,000                | 85,000                  |
| Phase IV, Issued 11/06/08  |                          |                     |                          |                         |
| For \$3,696,468            |                          |                     |                          |                         |
| State of NJ Fund Loan      | 5,629,990                | 331,633             | 5,298,357                | 333,189                 |
| Phase IV, Issued 11/06/08  |                          |                     |                          |                         |
| For \$6,568,205            |                          |                     |                          |                         |
| Trust Loan Series 2010A    | 495,000                  | 20,000              | 475,000                  | 20,000                  |
| Phase V, Issued 9/1/10     |                          |                     |                          |                         |
| For \$760,141              |                          |                     |                          |                         |
| State of NJ Fund Loan      | 465,710                  | 21,644              | 444,066                  | 26,644                  |
| Phase V, Issued 3/10/10    |                          |                     |                          |                         |
| For \$524,000              |                          |                     |                          |                         |
|                            | <u>\$ 17,648,033</u>     | <u>\$ 1,179,056</u> | <u>\$ 16,468,977</u>     | <u>\$ 1,211,558</u>     |

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

**NOTE D. MUNICIPAL DEBT (continued)**

**DEBT SERVICE REQUIREMENTS TO MATURITY**

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

| Year              | General Serial Bonds |                      |                      | Loans Outstanding    |                      |                     |
|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
|                   | Total                | Principal            | Interest             | Total                | Principal            | Interest            |
| 2015              | \$ 7,573,460         | \$ 3,917,146         | \$ 3,656,314         | \$ 1,569,889         | \$ 1,334,121         | \$ 235,768          |
| 2016              | 9,073,337            | 5,471,640            | 3,601,697            | 1,563,105            | 1,342,813            | 220,292             |
| 2017              | 9,144,909            | 5,608,837            | 3,536,072            | 1,556,881            | 1,351,649            | 205,232             |
| 2018              | 6,930,561            | 4,825,000            | 2,105,561            | 1,535,296            | 1,345,940            | 189,356             |
| 2019              | 7,439,772            | 5,535,000            | 1,904,772            | 1,547,729            | 1,375,391            | 172,338             |
| 2020-2024         | 32,375,889           | 26,634,000           | 5,741,889            | 6,971,488            | 6,407,486            | 564,002             |
| 2025-2029         | 10,162,500           | 9,450,000            | 712,500              | 3,472,659            | 3,333,166            | 139,493             |
| 2030-2034         | -                    | -                    | -                    | 265,561              | 264,761              | 800                 |
| Not Yet Amortized |                      |                      |                      | 378,270              | 378,270              | -                   |
|                   | <u>\$ 82,700,428</u> | <u>\$ 61,441,623</u> | <u>\$ 21,258,805</u> | <u>\$ 18,860,878</u> | <u>\$ 17,133,597</u> | <u>\$ 1,727,281</u> |

**NOTES PAYABLE**

**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. Generally, such notes may be paid no later than the close of the tenth fiscal year next following the date of the original notes.

The Division also prescribes that notes cannot be renewed past the third anniversary date of the original note unless an amount equal to at least the first legally required installment is paid prior to each anniversary date.



**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE D. MUNICIPAL DEBT (continued)**

NOTES PAYABLE (continued)

Bond Anticipation Notes - continued

Included as bond anticipation notes, are tax appeal refunding issued in order to finance tax refunds arising from successful appeals by property owners. Taxpayers are obligated to pay taxes owed to the City as they become due, or have their property subject to tax sale. However, taxpayers may appeal their property assessments and, if successful, be granted a refund, often in a year subsequent to when the taxes were paid. The Division has allowed the City to issue notes to finance such refunds. The tax refunding notes are one year notes, renewable annually for five to seven years.

The following is a schedule of bond anticipation note activity for the year ended June 30, 2014:

| Ordinance<br>Number          | Original Issue: |           | Interest<br>Rate % | Date of<br>Maturity | Balance<br>June 30, 2014 | Notes<br>Issued      | Notes<br>Refunded | Budget<br>Appropriation | Balance<br>June 30, 2014 |
|------------------------------|-----------------|-----------|--------------------|---------------------|--------------------------|----------------------|-------------------|-------------------------|--------------------------|
|                              | Date            | Amount    |                    |                     |                          |                      |                   |                         |                          |
| Tax Appeal Refunding         |                 |           |                    |                     |                          |                      |                   |                         |                          |
| 11-014                       | 06/10/11        | 3,250,000 | 1.25%              | 06/03/15            | -                        | -                    | 1,300,000         | -                       | 1,300,000                |
| 11-014                       | 06/10/11        | 3,250,000 | 1.50%              | 06/04/14            | 1,950,000                | -                    | (1,300,000)       | 650,000                 | -                        |
| 12-025                       | 06/28/12        | 3,300,000 | 1.25%              | 06/03/15            | -                        | -                    | 1,980,000         | -                       | 1,980,000                |
| 12-025                       | 06/28/12        | 3,300,000 | 1.50%              | 06/04/14            | 2,640,000                | -                    | (1,980,000)       | 660,000                 | -                        |
| 13-005                       | 06/04/13        | 1,400,000 | 1.25%              | 06/03/15            | -                        | -                    | 933,000           | -                       | 933,000                  |
| 13-005                       | 06/04/13        | 1,400,000 | 1.50%              | 06/04/14            | 1,400,000                | -                    | (933,000)         | 467,000                 | -                        |
| 14-021                       | 06/26/14        | 3,300,000 | 1.25%              | 06/03/15            | -                        | 3,300,000            | -                 | -                       | 3,300,000                |
| Various Capital Improvements |                 |           |                    |                     |                          |                      |                   |                         |                          |
| 13-042                       | 06/03/14        | 4,830,000 | 1.25%              | 06/03/15            | -                        | 4,830,000            | -                 | -                       | 4,830,000                |
| Sewer Reconstruction         |                 |           |                    |                     |                          |                      |                   |                         |                          |
| 13-040                       | 06/03/14        | 2,665,000 | 1.25%              | 06/03/15            | -                        | 2,665,000            | -                 | -                       | 2,665,000                |
|                              |                 |           |                    |                     | <u>\$ 5,990,000</u>      | <u>\$ 10,795,000</u> | <u>\$ -</u>       | <u>\$ 1,777,000</u>     | <u>\$ 15,008,000</u>     |

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE D. MUNICIPAL DEBT (continued)**

NOTES PAYABLE (continued)

Bond Anticipation Notes - continued

The following is a schedule of bond anticipation note activity for the year ended June 30, 2013:

| Ordinance<br>Number                    | Original Issue: |            | Interest<br>Rate % | Date of<br>Maturity | Balance<br>June 30, 2013 | Notes<br>Issued | Notes<br>Refunded | Decreased by:           |                 | Balance<br>June 30, 2014 |  |
|--|-----------------|------------|--------------------|---------------------|--------------------------|-----------------|-------------------|-------------------------|-----------------|--------------------------|--|
|  | Date            | Amount     |                    |                     |                          |                 |                   | Budget<br>Appropriation | Bonds<br>Issued |                          |  |
| Various Park Improvements - Pennington |                 |            |                    |                     |                          |                 |                   |                         |                 |                          |  |
| 08-022                                 | 06/17/10        | \$ 900,000 | 1.50%              | 06/06/13            | \$ 900,000               | \$ -            | \$ -              | \$ -                    | \$ 900,000      | \$ -                     |  |
| Construction of Firehouse              |                 |            |                    |                     |                          |                 |                   |                         |                 |                          |  |
| 09-013                                 | 06/17/10        | 3,200,000  | 1.50%              | 06/06/13            | 2,010,000                | -               | -                 | -                       | 2,010,000       | -                        |  |
| Resurfacing of Various Streets         |                 |            |                    |                     |                          |                 |                   |                         |                 |                          |  |
| 09-030                                 | 06/17/10        | 2,000,000  | 1.50%              | 06/06/13            | 2,000,000                | -               | -                 | -                       | 2,000,000       | -                        |  |
| Various Capital Improvements           |                 |            |                    |                     |                          |                 |                   |                         |                 |                          |  |
| 09-032                                 | 06/17/10        | 2,090,000  | 1.50%              | 06/06/13            | 2,090,000                | -               | -                 | -                       | 2,090,000       | -                        |  |
| Tax Appeal Refunding                   |                 |            |                    |                     |                          |                 |                   |                         |                 |                          |  |
| 11-014                                 | 06/10/11        | 3,250,000  | 1.50%              | 06/06/13            | 2,600,000                | -               | (1,950,000)       | 650,000                 | -               | -                        |  |
| 11-014                                 | 06/10/11        | 3,250,000  | 1.50%              | 06/04/14            | -                        | -               | 1,950,000         | -                       | -               | 1,950,000                |  |
| 12-025                                 | 06/28/12        | 3,300,000  | 1.50%              | 06/06/13            | 3,300,000                | -               | (2,640,000)       | 660,000                 | -               | -                        |  |
| 12-025                                 | 06/28/12        | -          | 1.50%              | 06/04/14            | -                        | -               | 2,640,000         | -                       | -               | 2,640,000                |  |
| 13-005                                 | 06/04/13        | 1,400,000  | 1.50%              | 06/04/14            | -                        | 1,400,000       | -                 | -                       | -               | 1,400,000                |  |
| Recreation Facility Improvement        |                 |            |                    |                     |                          |                 |                   |                         |                 |                          |  |
| 11-016                                 | 06/10/11        | 2,142,000  | 1.50%              | 06/06/13            | 2,142,000                | -               | -                 | -                       | 2,142,000       | -                        |  |
| Sewer Reconstruction                   |                 |            |                    |                     |                          |                 |                   |                         |                 |                          |  |
| 09-031                                 | 06/17/10        | 2,665,000  | 1.50%              | 06/06/13            | 2,665,000                | -               | -                 | -                       | 2,665,000       | -                        |  |
| 10-045                                 | 06/10/11        | 2,665,000  | 1.50%              | 06/06/13            | 2,665,000                | -               | -                 | -                       | 2,665,000       | -                        |  |
| 11-017                                 | 06/10/11        | 2,857,000  | 1.50%              | 06/06/13            | 2,857,000                | -               | -                 | -                       | 2,857,000       | -                        |  |
| 12-004                                 | 06/06/12        | 4,000,000  | 1.50%              | 06/06/13            | 4,000,000                | -               | -                 | -                       | 4,000,000       | -                        |  |
|  |                 |            |                    |                     | \$ 27,229,000            | \$ 1,400,000    | \$ -              | \$ 1,310,000            | \$ 21,329,000   | \$ 5,990,000             |  |

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE D. MUNICIPAL DEBT (continued)**

NOTES PAYABLE (continued)

Special Emergency Notes

Statutes allow the City to adopt ordinances authorizing special emergency appropriations for the carrying out of certain specific purposes, including the revaluation of real property and contractually required severance liabilities resulting from the layoff or retirement of employees. Statutes further provide for the borrowing of money and the issuance of Special Emergency Notes to finance such special emergency appropriations, which may be renewed from time to time, but at least 1/5 of all such notes, and the renewals thereof, shall mature and be paid in each year, so that all notes and renewals shall have matured and have been paid not later than the last day of the fifth year following the date of the emergency resolution

The following is a schedule of special emergency note activity for the year ended June 30, 2014:

| Ord. / Reso.<br>Number                | Original Issue: |           | Interest<br>Rate % | Date of<br>Maturity | Balance<br>June 30, 2014 | Notes<br>Issued     | Notes<br>Refunded | Budget<br>Appropriation | Balance<br>June 30, 2014 |
|---------------------------------------|-----------------|-----------|--------------------|---------------------|--------------------------|---------------------|-------------------|-------------------------|--------------------------|
|                                       | Date            | Amount    |                    |                     |                          |                     |                   |                         |                          |
| <b>Revaluation</b>                    |                 |           |                    |                     |                          |                     |                   |                         |                          |
| 13-011                                | 03/26/13        | 2,100,000 | 2.000%             | 06/04/14            | \$ 2,100,000             | \$ -                | \$ (1,680,000)    | \$ 420,000              | \$ -                     |
| 13-011                                | 03/26/13        | 2,100,000 | 1.500%             | 06/03/15            | -                        | -                   | 1,680,000         | -                       | 1,680,000                |
| <b>Accrued Sick and Vacation Time</b> |                 |           |                    |                     |                          |                     |                   |                         |                          |
| <b>Tax Exempt Notes</b>               |                 |           |                    |                     |                          |                     |                   |                         |                          |
| 11-011                                | 02/08/11        | 1         | 1,837,200          | 1.500%              | 06/03/15                 | -                   | 664,400           | -                       | 664,400                  |
| 11-011                                | 02/08/11        |           | 1,837,200          | 2.000%              | 06/04/14                 | 1,102,800           | (664,400)         | 438,400                 | -                        |
| 12-012                                | 02/14/12        | 2         | 2,124,000          | 1.500%              | 06/03/15                 | -                   | 1,274,400         | -                       | 1,274,400                |
| 12-012                                | 02/14/12        |           | 2,124,000          | 2.000%              | 06/04/14                 | 1,699,200           | (1,274,400)       | 424,800                 | -                        |
| 12-051                                | 12/18/12        | 3         | 1,334,000          | 1.500%              | 06/03/15                 | -                   | 1,067,200         | -                       | 1,067,200                |
| 12-051                                | 12/18/12        |           | 1,334,000          | 2.000%              | 06/04/14                 | 1,334,000           | (1,067,200)       | 266,800                 | -                        |
| 14-009                                | 06/03/15        | 4         | 1,150,000          | 1.500%              | 06/03/15                 | -                   | -                 | -                       | 1,150,000                |
| <b>Accrued Sick and Vacation Time</b> |                 |           |                    |                     |                          |                     |                   |                         |                          |
| <b>Federally Taxable Notes</b>        |                 |           |                    |                     |                          |                     |                   |                         |                          |
| 11-011                                | 02/08/11        | 1         | 2,192,800          | 1.500%              | 06/03/15                 | -                   | 947,600           | -                       | 947,600                  |
| 11-011                                | 02/08/11        | 2         | 2,192,800          | 2.125%              | 06/04/14                 | 1,315,200           | (947,600)         | 367,600                 | -                        |
| 12-012                                | 02/14/12        | 2         | 716,000            | 1.500%              | 06/03/15                 | -                   | 429,600           | -                       | 429,600                  |
| 12-012                                | 02/14/12        |           | 716,000            | 2.125%              | 06/04/14                 | 572,800             | (429,600)         | 143,200                 | -                        |
| 12-051                                | 12/18/12        | 3         | 936,000            | 1.500%              | 06/03/15                 | -                   | 748,800           | -                       | 748,800                  |
| 12-051                                | 12/18/12        |           | 936,000            | 2.125%              | 06/04/14                 | 936,000             | (748,800)         | 187,200                 | -                        |
| 14-009                                | 06/03/15        | 4         | 500,000            | 1.500%              | 06/03/15                 | -                   | -                 | -                       | 500,000                  |
| Total Ord. 11-011                     | 4,030,000       | 1         |                    |                     |                          |                     |                   |                         |                          |
| Total Ord. 12-012                     | 2,840,000       | 2         |                    |                     |                          |                     |                   |                         |                          |
| Total Ord. 12-051                     | 2,270,000       | 3         |                    |                     |                          |                     |                   |                         |                          |
| Total Ord. 14-009                     | 1,650,000       | 4         |                    |                     |                          |                     |                   |                         |                          |
|                                       |                 |           |                    |                     | <u>\$ 9,060,000</u>      | <u>\$ 1,650,000</u> | <u>\$ -</u>       | <u>\$ 2,248,000</u>     | <u>\$ 8,462,000</u>      |

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

**NOTE D. MUNICIPAL DEBT (continued)**

NOTES PAYABLE (continued)

Special Emergency Notes (continued)

The following is a schedule of special emergency note activity for the year ended June 30, 2013:

| Ord. / Reso.<br>Number         | Original Issue: |             | Interest<br>Rate % | Date of<br>Maturity | Balance<br>June 30, 2012 | Notes<br>Issued | Notes<br>Refunded | Budget<br>Appropriation | Balance<br>June 30, 2013 |
|--------------------------------|-----------------|-------------|--------------------|---------------------|--------------------------|-----------------|-------------------|-------------------------|--------------------------|
|                                | Date            | Amount      |                    |                     |                          |                 |                   |                         |                          |
| Revaluation                    |                 |             |                    |                     |                          |                 |                   |                         |                          |
| 13-011                         | 03/26/13        | 2,100,000   | 2.000%             | 06/04/14            | \$ -                     | \$ 2,100,000    | \$ -              | \$ -                    | \$ 2,100,000             |
| Accrued Sick and Vacation Time |                 |             |                    |                     |                          |                 |                   |                         |                          |
| Tax Exempt Notes               |                 |             |                    |                     |                          |                 |                   |                         |                          |
| 11-011                         | 02/08/11        | 1 1,837,200 | 2.250%             | 06/06/13            | 1,470,000                | -               | (1,102,800)       | 367,200                 | -                        |
| 11-011                         | 02/08/11        | 1,837,200   | 2.000%             | 06/04/14            | -                        | -               | 1,102,800         | -                       | 1,102,800                |
| 12-012                         | 02/14/12        | 2 2,124,000 | 2.250%             | 06/06/13            | 2,124,000                | -               | (1,699,200)       | 424,800                 | -                        |
| 12-012                         | 02/14/12        | 2,124,000   | 2.000%             | 06/04/14            | -                        | -               | 1,699,200         | -                       | 1,699,200                |
| 12-051                         | 12/18/12        | 3 1,334,000 | 2.000%             | 06/04/14            | -                        | 1,334,000       | -                 | -                       | 1,334,000                |
| Accrued Sick and Vacation Time |                 |             |                    |                     |                          |                 |                   |                         |                          |
| Federally Taxable Notes        |                 |             |                    |                     |                          |                 |                   |                         |                          |
| 11-011                         | 02/08/11        | 1 2,192,800 | 2.875%             | 06/06/13            | 1,754,000                | -               | (1,315,200)       | 438,800                 | -                        |
| 11-011                         | 02/08/11        | 2,192,800   | 2.125%             | 06/04/14            | -                        | -               | 1,315,200         | -                       | 1,315,200                |
| 12-012                         | 02/14/12        | 2 716,000   | 2.875%             | 06/06/13            | 716,000                  | -               | (572,800)         | 143,200                 | -                        |
| 12-012                         | 02/14/12        | 716,000     | 2.125%             | 06/04/14            | -                        | -               | 572,800           | -                       | 572,800                  |
| 12-051                         | 12/18/12        | 3 936,000   | 2.125%             | 06/04/14            | -                        | 936,000         | -                 | -                       | 936,000                  |
| Total Ord. 11-011              | 4,030,000       | 1           |                    |                     |                          |                 |                   |                         |                          |
| Total Ord. 12-012              | 2,840,000       | 2           |                    |                     | \$ 6,064,000             | \$ 4,370,000    | \$ -              | \$ 1,374,000            | \$ 9,060,000             |
| Total Ord. 12-051              | 2,270,000       | 3           |                    |                     |                          |                 |                   |                         |                          |

SETTLEMENT PAYABLE

In January 2004, the State of New Jersey, Department of Environmental Protection received a judgment against the City for violation of the Water Pollution Control Act, as a result of the City's failure to comply with the terms of its New Jersey Pollutant Discharge Elimination System Permit ("NJPDES Permit") for discharge from its combined sewer system to surface water, by virtue of the City's failure to complete the design and construction activities required by the NJPDES permit. As a result the City was required to pay a penalty of \$7,500, an economic benefit assessment of \$371,669 and an additional penalty of \$40,000 for a total of \$419,169. The payments are made by ten annual installments of \$41,917, commencing November 1, 2004 and ending November 1, 2013. As of June 30, 2013 and 2012, the amount payable under the settlement was \$-0- and \$41,918, respectively.

# CITY OF PATERSON

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

#### NOTE D. MUNICIPAL DEBT (continued)

##### BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

The following activity relates to bonds and notes authorized but not issued during the year ended June 30, 2014 in the City's General Capital Fund:

| Ordinance<br>Number | Improvement Description           | Balance<br>June 30, 2013 | Authorized           | Debt<br>Issued       | Cancelled        | Balance<br>June 30, 2014 |
|---------------------|-----------------------------------|--------------------------|----------------------|----------------------|------------------|--------------------------|
| 05-005              | Combined Sewer Out Flow Phase III | \$ 7,405,195             | \$ -                 | \$ -                 | \$ -             | \$ 7,405,195             |
| 06-001              | Various Park Improvements         | 859,093                  | -                    | -                    | -                | 859,093                  |
| 08-021              | ATP Site Park Improvements        | 783,665                  | -                    | -                    | -                | 783,665                  |
| 08-022              | Pennington Park Improvements      | 968,755                  | -                    | 968,755              | -                | -                        |
| 13-001              | Debt Restructuring                | 15,000                   | -                    | -                    | 15,000           | -                        |
| 13-040              | Sewer Reconstruction              | -                        | 2,665,000            | 2,665,000            | -                | -                        |
| 13-041              | Great Falls and Pocket Parks      | -                        | 348,000              | -                    | -                | 348,000                  |
| 13-042              | Various Capital Improvements      | -                        | 4,830,000            | 4,830,000            | -                | -                        |
| 14-021              | Tax Appeal Refunding              | -                        | 3,300,000            | 3,300,000            | -                | -                        |
|                     |                                   | <u>\$ 10,031,708</u>     | <u>\$ 11,143,000</u> | <u>\$ 11,763,755</u> | <u>\$ 15,000</u> | <u>\$ 9,395,953</u>      |

The following activity relates to bonds and notes authorized but not issued during the year ended June 30, 2013 in the City's General Capital Fund:

| Ordinance<br>Number | Improvement Description           | Balance<br>June 30, 2012 | Authorized           | Debt<br>Issued       | Balance<br>June 30, 2013 |
|---------------------|-----------------------------------|--------------------------|----------------------|----------------------|--------------------------|
| 05-005              | Combined Sewer Out Flow Phase III | \$ 7,405,195             | \$ -                 | \$ -                 | \$ 7,405,195             |
| 06-001              | Various Park Improvements         | 716,775                  | -                    | 88,927               | 627,848                  |
| 08-021              | ATP Site Park Improvements        | 783,665                  | -                    | -                    | 783,665                  |
| 08-022              | Pennington Park Improvements      | 500,000                  | 700,000              | -                    | 1,200,000                |
| 09-013              | Construction of Firehouse         | 1,190,000                | -                    | 1,190,000            | -                        |
| 13-001              | Debt Restructuring                | -                        | 11,600,000           | 11,585,000           | 15,000                   |
| 13-005              | Tax Appeals / Deficit             | -                        | 1,400,000            | 1,400,000            | -                        |
|                     |                                   | <u>\$ 10,595,635</u>     | <u>\$ 13,700,000</u> | <u>\$ 14,263,927</u> | <u>\$ 10,031,708</u>     |

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE D. MUNICIPAL DEBT (continued)**

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement.

At June 30, 2014: Net Debt of \$99,486,550 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$7,191,684,083 = 1.383%.

|                       | <u>Gross Debt</u>     | <u>Deductions</u>   | <u>Net Debt</u>      |
|-----------------------|-----------------------|---------------------|----------------------|
| Local School District | \$ -                  | \$ -                | \$ -                 |
| General Debt          | <u>102,979,173</u>    | <u>3,492,623</u>    | <u>99,486,550</u>    |
|                       | <u>\$ 102,979,173</u> | <u>\$ 3,492,623</u> | <u>\$ 99,486,550</u> |

At June 30, 2013: Net Debt of \$94,344,470 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$7,748,213,120 = 1.218%.

|                       | <u>Gross Debt</u>    | <u>Deductions</u>   | <u>Net Debt</u>      |
|-----------------------|----------------------|---------------------|----------------------|
| Local School District | \$ 604,805           | \$ 604,805          | \$ -                 |
| General Debt          | <u>97,837,093</u>    | <u>3,492,623</u>    | <u>94,344,470</u>    |
|                       | <u>\$ 98,441,898</u> | <u>\$ 4,097,428</u> | <u>\$ 94,344,470</u> |

Equalized valuation basis is the average of the equalized valuations of real estate, including improvements, and the assessed valuation of class II Railroad Property of the County for the last 3 preceding years.

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

|  | <u>At June 30,</u>    |                       |
|--|-----------------------|-----------------------|
|  | <u>2014</u>           | <u>2013</u>           |
| Three-Year Average Equalized Valuation | \$ 7,191,684,083      | \$ 7,748,213,120      |
| 3-1/2% of Equalized Valuation Basis    | 251,708,943           | 271,187,459           |
| Net Debt                               | <u>99,486,550</u>     | <u>94,344,470</u>     |
| Excess Borrowing Power                 | <u>\$ 152,222,393</u> | <u>\$ 176,842,989</u> |

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE E. FUND BALANCES APPROPRIATED**

Fund balance of the City consists of cash surplus and non-cash surplus. The City can anticipate fund balance to support its budget of the succeeding year, however, the use of non-cash surplus is subject to the prior written consent of the Division. Fund balances at June 30, 2014 and 2013 which were appropriated and included as anticipated revenue in the current fund budget of the succeeding year were as follows:

|              | <u>Fund Balance<br/>June 30, 2013</u> | <u>Utilized in<br/>FY14 Budget</u> | <u>Fund Balance<br/>June 30, 2014</u> | <u>Utilized in<br/>FY15 Budget</u> |
|--------------|---------------------------------------|------------------------------------|---------------------------------------|------------------------------------|
| Current Fund | \$ 734,849                            | \$ -                               | \$ 2,885,977                          | \$ 1,900,000                       |
| Capital Fund | 3,187,841                             | 218,000                            | 1,525,286                             | -                                  |
| Trust Fund   | 21,413                                | 15,000                             | 12,235                                | 11,000                             |

**NOTE F. FIXED ASSETS**

In accordance with accounting practices prescribed by the Division, and as further detailed in Note A, no depreciation has been provided for and fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

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

|                         | <u>Balance,<br/>June 30, 2013</u> | <u>Current Year Activity</u> |                     | <u>Balance,<br/>June 30, 2014</u> |
|-------------------------|-----------------------------------|------------------------------|---------------------|-----------------------------------|
|                         |                                   | <u>Acquisitions</u>          | <u>Dispositions</u> |                                   |
| Land                    | \$ 3,257,443                      | \$ -                         | \$ -                | \$ 3,257,443                      |
| Building                | 39,034,660                        | -                            | -                   | 39,034,660                        |
| Machinery and Equipment | 20,197,935                        | -                            | -                   | 20,197,935                        |
|                         | <u>\$ 62,490,038</u>              | <u>\$ -</u>                  | <u>\$ -</u>         | <u>\$ 62,490,038</u>              |

Fixed assets were not updated by the City during the year ended June 30, 2014.

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE F. FIXED ASSETS (continued)**

The City had the following investment balance and activity in general fixed assets as of and for the year ended June 30, 2013:

|                         | Balance,<br>June 30, 2012 | Current Year Activity |                     | Balance,<br>June 30, 2013 |
|-------------------------|---------------------------|-----------------------|---------------------|---------------------------|
|                         |                           | Acquisitions          | Dispositions        |                           |
| Land                    | \$ 3,257,443              | \$ -                  | \$ -                | \$ 3,257,443              |
| Building                | 39,034,660                | -                     | -                   | 39,034,660                |
| Machinery and Equipment | 21,616,258                | 151,185               | 1,569,508           | 20,197,935                |
|                         | <u>\$ 63,908,361</u>      | <u>\$ 151,185</u>     | <u>\$ 1,569,508</u> | <u>\$ 62,490,038</u>      |

**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION**

Substantially all City employees participate in the Consolidated Police and Fireman's Pension Fund (CPFPPF), Public Employees Retirement System (PERS), Police and Fireman's Retirement System of New Jersey (PFRS) or the Defined Contribution Retirement Program (DCRP), all of which are multiple employer plans sponsored and administered by the State of New Jersey, with the exception of the CPFPPF, which is a single employer plan. The CPFPPF, PERS and PFRS are cost sharing contributory defined benefit public employee retirement systems. The DCRP is a defined contribution plan.

**STATE-MANAGED PENSION PLANS – CPFPPF**

The Consolidated Police and Fireman's Pension Fund (CPFPPF) is a single employer contributory defined benefit plan which was established on 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. The City currently only makes contributions for its retirees who are enrolled in this pension fund.



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

**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

**STATE-MANAGED PENSION PLANS - PERS**

The PERS was established in January, 1955 under provisions of N.J.S.A. 43:15A and provides retirement, death, disability and post-retirement medical benefits to certain qualifying Plan members and beneficiaries. Membership is mandatory to substantially all full time employees and vesting occurs after 8 to 10 years of service for pension benefits. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2007, 2008, 2010 and 2011. These changes resulted in various “tiers” which distinguish period of eligibility for enrollment. The delineation of these tiers is as follows:

- Tier 1: Employees enrolled before July 1, 2007.
- Tier 2: Employees eligible for enrollment after June 30, 2007 but before November 2, 2008.
- Tier 3: Employees eligible for enrollment after November 1, 2008 but before May 22, 2010.
- Tier 4: Employees eligible for enrollment after May 21, 2010 but before June 28, 2011.
- Tier 5: Employees eligible for enrollment after June 27, 2011.

Tier 1 and 2 employees must earn a base salary of \$1,500 or more to enroll in the plan. Pensionable salaries are limited to the IRS maximum salary compensation limits for Tier 1 employees and social security maximum wage for Tier 2 employees. Tier 2 employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 1 and 2 employees who retire at or after age 60 are entitled to a retirement benefit determined by the formula “years of service” divided by 55 times the average of the highest three years salary.

Tier 3 employees must earn a base salary that is annually adjusted. For the fiscal year ended June 30, 2014 and 2013 this base salary amount was \$8,100 and \$8,000, respectively. Employees earning between \$5,000 and the Tier 3 minimum base salary are eligible for participation in DCRP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Employees who retire at or after age 62 are entitled to a retirement benefit determined by the formula “years of service” divided by 55 times the average of the highest three years salary.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

STATE-MANAGED PENSION PLANS – PERS (continued)

Tier 4 and 5 employees do not have a minimum salary requirement to enroll, but must work a minimum of 32 hours per week. Employees not meeting the minimum hour requirement but that make over \$5,000 are eligible to enroll in DRCP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Employees who retire at the minimum age; 62 and 65 for Tier 4 and Tier 5, respectively, are entitled to a retirement benefit determined by the formula “years of service” divided by 60 times the average of the highest five years salary.

Each of the 5 Tiers have eligibility requirements and benefit calculations which vary for deferred retirements, early retirements, veteran retirements, ordinary disability retirements and accidental disability retirements. There is no minimum service requirement to receive the pension benefits outlined above. However, in order to receive state-paid insurance coverage after 25 years of service for employees and Tiers 1 through 4 and 30 years of service for Tier 5 employees.

STATE-MANAGED PENSION PLANS - PFRS

The PFRS was established in July, 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firefighters and state police appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2010 and 2011. These changes resulted in various “tiers” which distinguish period of eligibility for enrollment. The delineation of these tiers is noted as follows:

- Tier 1: Employees enrolled before May 22, 2010.
- Tier 2: Employees enrolled after May 21, 2010 but before June 29, 2011.
- Tier 3: Employees enrolled after June 28, 2011.

There is no minimum salary requirement to enroll, regardless of tier. Pensionable salaries are limited to the social security maximum wage for Tier 2 and 3 employees and ‘federal pensionable maximum’ for Tier 1 employees. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Employees who retire either at or after the age of 55 are entitled to a retirement benefit dependent on years of service. In addition, Tier 1 employees can retire with 20 years of service with no minimum age requirement.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

STATE-MANAGED PENSION PLANS – PFRS (continued)

If the employee retires with less than 20 years of service, the benefit is calculated as 2% times the “final compensation”\* times years of service. If the employee retires with more than 20 but less than 25 years of service, the benefit is calculated as 50% of “final compensation”\*. If the employee retires with more than 25 but less than 30 years of service, the benefit is calculated as 60% of the “final compensation”\* salary plus 1% times “final compensation”\* for each year between 25 and 30. If the employee retires with at least 30 years of service, the benefit is calculated as 2% times the “final compensation”\* times years of service plus 1% of “final compensation”\* for each year over 30. In addition, if a Tier 1 employee retires at age 65 with 20 or more years of service, the benefit is calculated as 50% of the “final compensation”\* plus 3% of the “final compensation”\* times the number of years served over 20, to a maximum of 25.

**\*Note:** “Final Compensation” refers to the final 12 months of pensionable salary for Tier 1 employees and the average of the highest three years of pensionable salary for Tier 2 and 3 employees.

STATE-MANAGED PENSION PLANS - GENERAL

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 government 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. 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 PERS and PFRS will be assumed by the State of New Jersey should the PERS and PFRS be terminated.

The State of New Jersey issues publicly available financial reports that include the financial statements and required supplementary information of the PERS and PFRS. This report 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.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

**STATE-MANAGED PENSION PLANS - CONTRIBUTIONS**

The contribution policy for PFRS and PERS is set by laws of the State of New Jersey, and requires contributions by active members and their employers. Plan member and employer contributions may be amended by legislation of the State of New Jersey. Contributions made by employees for the previous three years are as follows:

| Summary of Employee Contributions |                               |       |              |              |
|-----------------------------------|-------------------------------|-------|--------------|--------------|
| Year Ended<br>June 30,            | As a Percentage of Base Wages |       | Amount       |              |
|                                   | PFRS                          | PERS  | PFRS         | PERS         |
| 2014                              | 10.00%                        | 6.78% | \$ 1,572,741 | \$ 6,529,802 |
| 2013                              | 10.00%                        | 6.64% | 1,502,736    | 6,284,445    |
| 2012                              | 10.00%                        | 6.50% | 1,482,318    | 6,038,321    |

Employers are required to contribute at an actuarially determined rate in all three systems. During the previous three years, the City made the following contributions as follows:

| Year Ended<br>June 30, | City PFRS Contribution       |  | City PERS Contribution       |  | City CPFPF Contribution      |  |
|------------------------|------------------------------|--|------------------------------|--|------------------------------|--|
|                        | Amount<br>Paid or<br>Charged | As a<br>Percentage of<br>Covered Payroll | Amount<br>Paid or<br>Charged | As a<br>Percentage of<br>Covered Payroll | Amount<br>Paid or<br>Charged | As a<br>Percentage of<br>Covered Payroll |
| 2014                   | \$ 15,196,955                | 23.2%                                    | \$ 2,686,259                 | 11.6%                                    | \$ 2,019                     | n/a                                      |
| 2013                   | 17,694,666                   | 28.2%                                    | 3,008,786                    | 13.3%                                    | 4,666                        | n/a                                      |
| 2012                   | 16,767,191                   | 26.7%                                    | 3,059,915                    | 13.0%                                    | 616                          | n/a                                      |

**STATE-MANAGED PENSION PLANS – PENSION DEFERRAL**

Legislation, known as Chapter 19 of the Public Laws of 2009 (P.L. 2009, c. 19), was enacted and effective on March 17, 2009 allowing for an adjustment in the contributions that local employers, such as the City, must make to the PERS and PFRS during the year ended June 30, 2009. Under this legislation, local governments were given the option to defer exactly 50% of their required pension contribution as certified by the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits or pay the full amount of the required contribution for the year ended June 30, 2009.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

STATE-MANAGED PENSION PLANS – PENSION DEFERRAL (continued)

The City elected the 50% deferral totaling \$5,603,902, consisting of \$2,475,570 for PFRS and \$3,128,332 for PERS. Under the terms of the pension deferral the City is obligated to commence repayment of the entire deferral in 15 amortized annual installments, commencing April 1, 2012 and ending April 1, 2026. These payments will be added to the regular pension bills. The amount of the deferral paid during the year ended June 30, 2014 is \$947,558; consisting of \$122,590 in deferred PERS combined interest and principal payments and \$824,968 in deferred PFRS combined principal and interest payments. The short term liability of the deferral, payable on April 1, 2015 is \$966,629, consisting of \$125,407 in deferred PERS payments and \$841,222 in deferred PFRS payments.

DEFINED CONTRIBUTION RETIREMENT PROGRAM

The DCRP was established under the provisions of P.L. 2007, Chapters 92 and 103 and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. It provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include (a) state or local officials elected or appointed to new office on or after July 1, 2007, (b) employees enrolled in PERS on or after July 1, 2007 or PFRS after May 21, 2010 who earn salary in excess of established maximum compensation limit and (c) employees otherwise eligible for PERS on or after November 2, 2008 or PFRS after May 21, 2010 that earn below the minimum PERS or PFRS salary but more than \$5,000 annually.

Vesting occurs upon commencement of the third year of membership. Should the vesting period not be reached, contributions will be refunded to the appropriate contributing parties. Employer matching contributions and earnings are only available after the age of 55. Distributions render the member retired and ineligible for future participation in any State-administered plans. Otherwise, distributions are available at any time as lump sum, fixed term or life annuity.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

DEFINED CONTRIBUTION RETIREMENT PROGRAM (continued)

Members are covered by employer-paid life insurance in the amount of 1 ½ times the annual base salary on which DCRP contributions were based. Members are also eligible for employer-paid long-term disability coverage after one year of participation. Eligibility occurs after six consecutive months of total disability. Members would receive a regular monthly income benefit up to 60% of the base salary on which DCRP contributions were based during the 12 months preceding the onset of the disability, offset by any other periodic benefit the member may be receiving. Benefits will be paid until the age of 70 so long as the member remains disabled and has not begun receiving retirement annuity payments.

The following table represents the City and employee contributions during the previous three years:

| Year Ended<br>June 30, | Number of<br>Employees | Employee Contributions |                                       | City Contributions |                                       |
|------------------------|------------------------|------------------------|---------------------------------------|--------------------|---------------------------------------|
|                        |                        | Amount                 | As a<br>Percentage of<br>Base Payroll | Amount             | As a<br>Percentage of<br>Base Payroll |
| 2014                   | 8                      | \$ 33,632              | 5.5%                                  | \$ 20,179          | 3.0%                                  |
| 2013                   | 10                     | 39,343                 | 5.5%                                  | 23,606             | 3.0%                                  |
| 2012                   | 6                      | 23,868                 | 5.5%                                  | 14,321             | 3.0%                                  |

DEFERRED COMPENSATION PLAN (unaudited)

The City has established a deferred compensation program for its employees under Section 457 of the Internal Revenue Code. The deferred compensation program is a Public Employees' Deferred Compensation Plan, covering employees and elected officials who perform services for the City. The plan is underwritten by three sponsors: The Hartford, Variable Annuity Life Insurance Company and AXA Equitable Life Insurance Company.

The Plan is a tax-deferred supplemental retirement program that allows City employees to contribute a portion of their salaries, before federal taxes, to a retirement account. Contributions, or deferrals, are made through payroll deductions. Individuals are 100% vested. Distributions are not available to employees until 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 the property and rights of the individual contributors and are not subject to the claims of the City's general creditors.

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

**NOTE H. POST RETIREMENT BENEFITS**

Plan Description and Eligibility

The City currently provides lifetime medical benefits to employees who retire on a paid pension under the following conditions:

- After twenty-five years of service with the City; or
- After fifteen years of service with the City at age 62 or older; or
- On an accidental disability pension with not less than five years of continuous service with the City in the case of firemen and policemen, or ten years in the case of employees in the Public Employees' Retirement System.

Coverage is also provided for family members per the employees union contracts and paid by the City for the life of the retiree.

Upon the death of the retiree, the surviving spouse and dependent children under the age of twenty-three shall be entitled to remain enrolled in the City's medical-hospital insurance plan. This coverage ceases when any of the following occurs:

- Spouse dies; or
- Spouse remarries; or
- Spouse reaches age 65.

Prescription drug benefits are provided and paid by the City under the same circumstances except upon retiree's death, coverage would be provided for the surviving spouse only, and would be discontinued upon the surviving spouse remarrying or obtaining cover from another source.

Funding Policy

The City accounts for these post retirement benefits on a pay-as-you-go basis. Expenditures during the years ended June 30, 2014, June 30, 2013 and June 30, 2012, amounted to \$18,566,248, \$15,657,954 and \$14,162,646, respectively. The number of employees eligible to receive benefits as of June 30, 2014, June 30, 2013 and June 30, 2012 were 848, 860 and 873, respectively.

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

**NOTE H. POST RETIREMENT BENEFITS (continued)**

Funding Policy (continued)

Under GASB Statement 45 the City would recognize the cost of other post-employment benefits in the year when the employee services are received, report the accumulated liability from prior years, and provide information useful in assessing potential demands on the City's future cash flows. The accumulated liability from prior years is phased in over the 30 year period beginning the year ended June 30, 2008. However, since the City is using the modified accrual basis of accounting as prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, the City is not required to show any accrued liability on the face of its financial statements, only to the notes to those financial statements.

Actuarial Valuation Results

The following information was obtained from the "Actuarial Valuation For GASB 45 Purposes For the Fiscal Year Ended June 30, 2012" as Prepared by Hay Group and date March, 2013.

Whereas GASB Statement No. 45 requires such actuarial valuation to be conducted at least biennially for plans with a total membership of 200 or more, no valuation was obtained subsequent to that identified in the preceding paragraph.

The Actuarial Accrued Liability for current retirees is \$224,006,421, and for current active employees is \$196,808,442, for a total accrued liability (unfunded) of \$420,814,863 as of July 1, 2011.

| Post-Retirement Medical Valuation    |                    |
|--------------------------------------|--------------------|
| Actuarial Accrued Liability          |                    |
| Retiree                              | \$ 224,006,421     |
| Active                               | 196,808,442        |
| Unfunded Actuarial Accrued Liability | <u>420,814,863</u> |
| Discount Rate                        | 4.25%              |
| Normal Cost                          | \$ 14,356,098      |

The City's Annual OPEB and Annual Required Contribution, as of July 1, 2011, were \$32,976,000 and \$33,264,423, respectively.



**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE H. POST RETIREMENT BENEFITS (continued)**

Actuarial Valuation Results (continued)

| Development of the Net OPEB Obligation                             |                       |
|--|-----------------------|
| Normal Cost  | \$ 14,356,098         |
| Amortization of Unfunded Actuarial Accrued Liability over 30 Years | 18,908,325            |
| Annual Required Contribution                                       | 33,264,423            |
| Interest on Net OPEB Obligation                                    | 5,028,465             |
| Adjustments to Annual Required Contribution                        | (5,316,288)           |
| Annual OPEB Cost   | 32,976,600            |
| Actuarial Contribution Determination                               | 14,587,871            |
| Increase in Net OPEB Obligation                                    | 18,388,729            |
| Net OPEB Obligation, Beginning of Year                             | 118,316,825           |
| Net OPEB Obligation, End of Year                                   | <u>\$ 136,705,554</u> |

| Schedule of Funding Progress |                               |                                       |  |              |                 |   |
|------------------------------|-------------------------------|---------------------------------------|--|--------------|-----------------|---|
| Actuarial Valuation Date     | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded Actual Liability (UAAL) (b-a) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
| 7/1/2007                     | \$ -                          | \$ 464,749,225                        | \$ 464,749,225                         | 0.0%         | \$ 92,539,094   | 502.2%  |
| 7/1/2008                     | -                             | 464,749,225                           | 464,749,225                            | 0.0%         | 95,034,373      | 489.0%  |
| 7/1/2009                     | -                             | 459,972,345                           | 459,972,345                            | 0.0%         | 121,144,062     | 379.7%  |
| 7/1/2010                     | -                             | 459,972,345                           | 459,972,345                            | 0.0%         | 108,494,586     | 424.0%  |
| 7/1/2011                     | -                             | 420,814,863                           | 420,814,863                            | 0.0%         | 106,377,667     | 395.6%  |

| Schedule of Employer Contributions |                  |                      |                        |                     |
|------------------------------------|------------------|----------------------|------------------------|---------------------|
| Fiscal Year Ending                 | Annual OPEB Cost | Actual Contribution* | Percentage Contributed | Net OPEB Obligation |
| 6/30/2008                          | \$ 41,336,397    | \$ 9,455,164         | 22.9%                  | \$ 31,881,233       |
| 6/30/2009                          | 41,336,397       | 10,786,304           | 26.1%                  | 62,431,326          |
| 6/30/2010                          | 40,161,913       | 10,395,684           | 25.9%                  | 92,197,555          |
| 6/30/2011                          | 40,161,913       | 14,042,643           | 35.0%                  | 118,316,825         |
| 6/30/2012                          | 32,976,600       | 14,587,871           | 44.2%                  | 136,705,554         |

\*Actual retiree payments for medical, prescription drug and dental benefits, Medicare Part B reimbursements and related administrative fees, for the fiscal year.

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

**NOTE H. POST RETIREMENT BENEFITS (continued)**

Actuarial Valuation Results (continued)

The actuarial assumptions used to value the City's post-employment benefits are of three types, economic, medical benefit and demographic.

Economic assumptions include the discount rate, or rate of return on investments, and health care cost trend rates and account for changes in the costs of benefits over time and the time value of money. The actuarial valuation assumes the City will continue to pay for benefits on a pay-as-you-go basis and continue to not fund the plan. The discount rate used, 4.25%, is based on the rate of return of the City's general assets, since there are no plan assets. Health care trend rates through the year 2060 and later assumed are: medical and prescription drug cost trend rates ranging from 6.2% to 3.8% and Dental cost trend rates of 5.0%.

Regarding medical benefit assumptions, the valuation projects healthcare costs for employees who remain in the City with coverage after retirement. Based on the data provided for the valuation, the valuation calculated per capital costs for the retired group under 65 and the retired group age 65 and older. Retirees generally become eligible for Medicare at age 65.

Demographic assumptions include the following rates: mortality, retirement, withdrawal and disability. Ancillary demographic assumptions included the age of female spouses, coverage rates and participation rates.

The actuarial cost method utilized for the City's actuarial valuation is the Projected Unit Credit method. It is an acceptable method under GASB Statement 45 and is a method whereas an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age.

The asset valuation method is not applicable, as the plan is currently unfunded.

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

**NOTE I.      COMPENSATED ABSENCES**

Under the existing contracts and policies of the City, employees are allowed to accumulate certain levels of vacation and sick pay over the duration of their employment. As of June 30, 2014 and 2013 the total accumulated absence liability was \$9,067,542 and \$10,097,165, respectively. The City adopted emergency resolutions of \$1,650,000 and \$2,270,000, respectively, to fund portions of the liability. As of June 30, 2014 and 2013, the City has on \$613,163 and \$525,837, respectively, in its accrued sick and vacation reserves.

**NOTE J.      RISK MANAGEMENT**

Insurance Coverage

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 as follows:

- To insure against any loss or damage however caused to any property, motor vehicles, equipment or apparatus owned by the city, or under the control of any of the City's Departments, Boards, Agencies or Commissions;
- To insure against liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by the City, or owned by or under the control of any of the City's Departments, Boards, Agencies or Commissions;
- To insure against liability for the City's negligence and that of its officers, employees and servants, whether or not compensated or part-time, who are authorized to perform any act or services, but not including an independent contractor within the limitations of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.).

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

**NOTE J. RISK MANAGEMENT (continued)**

Insurance Coverage (continued)

The City has obtained the following coverage:

- Public officials and employment practices liability insurance with \$5,000,000 limit of liability, aggregate each coverage, with a public officials liability deductible of \$100,000 and employment practices liability deductible of \$250,000.
- General liability, law enforcement activity and employee benefit liability excess coverage of \$5,000,000 per occurrence, \$10,000,000 aggregate, after exhaustion of a retained limit of \$500,000.
- Automobile excess liability coverage of \$5,000,000 with various sublimits.
- Excess limit of insurance, aggregate all sections of coverage, of \$20,000,000
- Building coverage from \$100,000 to \$20,000,000 depending on the location insured.
- Workers compensation self insured retention of \$1,000,000 per each covered event.

The Reserve for Insurance Liability at June 30, 2014 and June 30, 2013 was \$1,258,845 and \$1,149,682, respectively. The City accounts for insurance claims and costs on a pay-as-you-go basis.

Disaster Recovery

The City has entered into contracts with various vendors in an effort to protect its financial processes and data in the event unforeseen disaster should occur. Included in these contracts are offsite storage of financial data tapes and payroll data offsite backup. The latter also provides the City the ability to run such process offsite if needed. An internal control and statutory/regulatory compliance review issued on April 1, 2009 recommended the off-site backup routine, overall environment and housekeeping of the data center should be improved.

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE K. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At June 30, 213, the following deferred charges are shown on the balance sheets of the various funds. The appropriations in the 2015 budget are not less than that required by statute.

|   | Balance,<br>June 30, 2014 | 2015 Budget<br>Appropriation | Balance to<br>Succeeding<br>Budgets |
|---|---------------------------|------------------------------|-------------------------------------|
| Special Emergency Authorizations (40A:4-53.h) |                           |                              |                                     |
| Accrued Sick and Vacation Time - 2011         | \$ 1,612,000              | \$ 806,000                   | \$ 806,000                          |
| Accrued Sick and Vacation Time - 2012         | 1,704,000                 | 568,000                      | 1,136,000                           |
| Accrued Sick and Vacation Time - 2013         | 1,816,000                 | 454,000                      | 1,362,000                           |
| Accrued Sick and Vacation Time - 2014         | 1,650,000                 | 330,000                      | 1,320,000                           |
| Special Emergency Authorizations (40A:4-53.b) |                           |                              |                                     |
| Revaluation                                   | 1,680,000                 | 420,000                      | 1,260,000                           |
| Emergency Authorizations (40A:4-46)           |                           |                              |                                     |
| Snow Removal                                  | 800,000                   | 800,000                      | -                                   |
|   | <u>\$ 9,262,000</u>       | <u>\$ 3,378,000</u>          | <u>\$ 5,884,000</u>                 |

The special emergency appropriations noted above have been financed with special emergency notes, detailed further in Note D. Further description of the above deferred charges follows.

Accrued Sick and Vacation Time

A significant number of employees either retired or otherwise had their employment with the City terminated. During the year s ended June 30, 2014 and 2013, the City passed special emergency appropriations of \$1,650,000 and \$2,270,000, respectively, to provide for payment of the resulting severance liabilities.

Revaluation of Properties

During the year ended June 30, 2013, the City passed a Special Emergency Appropriation of \$2,100,000 for the preparation and execution of a complete program of revaluation of real property for the use of the local assessor.

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

**NOTE K. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS  
(continued)**

Snow Removal

During the year ended June 30, 2014, the City passed Emergency Resolution No. 14-215 appropriating additional funds for the payment of costs related to snow removal in accordance with NJSA 40A:4-46 in the amount of \$800,000. Such emergency appropriations are required to be appropriated in full in the budget of the succeeding fiscal year.

Cash Deficit of Preceding Year

In accordance with state statutes, operating deficits must be raised in the succeeding fiscal year. The City had an operating deficit of \$3,726,675 as a result of its operations for the fiscal year ended June 30, 2012. Of this amount, the DLGS allowed the City to finance that portion of the deficit resultant from tax appeals, \$1,400,000, by capital ordinance. The remaining \$2,326,675 was raised in the budget of the year ended June 30, 2013.

**NOTE L. INTERFUND ACTIVITY**

The City has various transactions by and between its individual funds. Certain accounts of the Trust and Capital Funds earn interest which is required to be recorded as revenue in the Current Fund budget. Other transactions include budget appropriations in the Current Fund which are required to be turned over to the Federal and State Grant, Trust and Capital Funds. All these transfers are routine and are consistent with the activities of the funds making the transfers.

Current Fund interfunds receivable are fully reserved and recognized as credits to operations in the year the interfunds are received in cash. Interfunds receivable in the Trust Funds and General Capital Fund are not reserved. As of June 30, 2013, the City had no interfund balances. As of June 30, 2014, the City had the following interfunds on its balance sheets:

| <u>Amount</u> | <u>Due From</u> | <u>Due To</u>  | <u>Purpose</u>                            |
|---------------|-----------------|----------------|---|
| \$ 122,425    | Current Fund    | Capital Fund   | Department of Transportation Grant Monies |
| 462           | Other Trust     | Animal Control | Advances to Reserve                       |

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

**NOTE M. ECONOMIC DEPENDENCY**

Major Taxpayers

The City does not have a significant economic dependence on any one taxpayer. However, the ten largest taxpayers of the City as listed in the following table comprise nearly 2% of the City's total tax net valuation taxable for the year ended June 30, 2014:

| Top 10 Taxpayers                   |                        |                       |
|------------------------------------|------------------------|-----------------------|
| Name                               | Type of Business       | Assessed<br>Valuation |
| 297 Paterson, LLC                  | Industrial Warehousing | \$ 24,093,700         |
| Center City Partners               | Commercial             | 23,738,900            |
| Rt 20 Retail Center, LLC           | Commercial             | 21,449,000            |
| Okonite Company, Inc.              | Cable Communication    | 18,403,700            |
| Great Falls Realty Associates, LLC | Housing                | 16,500,000            |
| HDI Realty, LLC                    | Housing                | 16,255,200            |
| Riverview Towers, LLC              | Housing                | 15,742,900            |
| Ivy Madison Property, LLC          | Industrial Warehousing | 14,187,100            |
| New Jersey Bell Telephone          | Office                 | 13,832,573            |
| Park East Terrace                  | Housing                | 13,498,200            |

State Aid

The City is also a recipient of State Aid. During the years ended June 30, 2014 and 2013, State Aid accounted for 23%, each year, of the City's realized revenues. Significant changes in State Aid policy, if they were to occur, in conjunction with legislation capping increases to the tax levy, could have a material impact on the City's operations, if any such policy modifications were to occur.

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

**NOTE N. CONTINGENT LIABILITIES**

Grant Programs

The City receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants and revenue sharing entitlements. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. During the years ended June 30, 2014 and 2013, the City was subject to the requirements of the Single Audit Act of 1996, which mandates that all federal grant revenues and expenditures be audited in conjunction with the municipal audit.

In addition, substantially all State grants, entitlements and cost reimbursements are subject to these audits by the grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As a result of such an audit from the Department of Housing and Urban Development (HUD), the City entered into an agreement to settle and re-program \$2,197,067 previously disallowed by HUD. The City appropriated \$439,415 in the operating budget of each of the years ended June 30, 2014 and 2013 and will appropriate \$439,412 per year through the year ended June 30, 2017. As of June 30, 2014 and 2013, the balance of the settlement due to be reprogrammed into the City's own CDBG program was \$1,318,237 and \$1,757,652, respectively. These monies are a re-programming of funds for the City's use, therefore no liability has been recorded.

The City received a letter dated April 30, 2015 from the Office of Inspector General – United States Department of Housing and Urban Development (OIG HUD), in which there are two findings and 27 recommendations resultant from an audit of the City's HOME Investment Partnership Program. In summary, this letter identifies (a) \$4,022,499 of ineligible costs charged to a program or activity that the OIG HUD auditor believes is not allowable by law, contract, policies or regulations, (b) \$1,724,843 of unsupported costs charged where eligibility could not be determined at the time of audit and (c) \$1,684,292 of funds that were determined could be used more effectively. As of the audit report date, the City's liability arising from the OIG HUD audit is not known.

Each of the grantor agencies reserves the right to conduct additional audits of the City's grant programs for economy, efficiency and program results. However, City management does not believe such audits would result in additional material amounts of disallowed costs.



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

**NOTE N. CONTINGENT LIABILITIES (continued)**

Tax Appeals

The City is a defendant in various tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for years through 2014. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. As of June 30, 2014 and 2013, the City has a balance in its reserve for tax appeals in the amount \$497,164 and \$500,000, respectively. The City issued new tax appeal refunding notes as authorized by Ordinance No. 14-021 of \$3,300,000 to finance such appeals, in addition to a renewal of \$4,213,000 in tax appeal refunding notes previously outstanding. Total tax appeal refunding notes outstanding at June 30, 2014 and 2013 were \$7,513,000 and \$5,990,000, respectively.

Litigation

The City is currently named as defendant in several lawsuits/complaints, none of which is unusual for a municipality of its size and should be adequately covered by the City's insurance program, defense program or by the City directly and which may be settled in a manner satisfactorily to the financial stability of the City. The City self-insures and also carries excess insurance for all lines of coverage. It is anticipated that any judgments in excess of the insured coverage would be paid by the City through future taxation or future debt borrowing.

Some of the more significant lawsuits with potential for material exposure to the City are highlighted below:

*Cruz et al v. City* – Approximately 300 members of the City's Police Department allege overtime was paid in violation of the Fair Labor Standards Act. The parties ultimately entered into a settlement agreement for \$1.9 million, payable in six installments as follows: \$200,000 by 9/1/13, \$435,000 by 12/8/13 and 4 payments of \$316,250 by 9/30/14, 2/28/15, 9/30/15 and 10/30/15.

*Cruz, W. v. City* – This is an employment related litigation in which the plaintiff alleges unwanted sexual contact. It remains premature to evaluate the potential monetary value of this claim, however, the nature of the suit has the potential for material exposure.

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

**NOTE N. CONTINGENT LIABILITIES (continued)**

Litigation (continued)

*Diaz v. City* – In this case, the plaintiff was struck by an ambulance driven by a member of the City’s Fire Department. With the extensive amount of medical expenses involved, this case could be dealing with a material cause of action.

*Deeb v. City* – The plaintiff alleges that the City discriminated against here on the basis of a handicap or disability pursuant to the NJ Law Against Discrimination. There have been various offers and counteroffers to settle this case, however, all have been rejected. The amount demanded to currently settle the litigation is \$590,000 including attorney’s fees. An in person settlement conference is scheduled for January 21, 2016.

*Estate of Del Rosario* – This case, currently in discovery, involves the death of a person shot and killed by a Paterson Police Officer. Exposure could not be determined at this stage, but is potentially significant. At minimum, extensive legal fees will be incurred.

*Forsman v. City* – Plaintiff claims that, upon reporting allegedly improper conduct of the City regarding its payment of health benefits through in violation of the Local Public Contracts Law, he suffered retaliation in violation of NJ CEPA. Plaintiff also claims that he was unjustly deprived of contractually obligated employment benefits in contravention of municipal ordinance. Evaluation of potential for unfavorable outcome and damages is noted as premature. The nature of the case could result in potential material exposure to the City.

*H&S Construction v. City* – The plaintiff filed a claim with the City for breach of contract and damages in the amount of \$1,027,722 in relation to a bid awarded in 2009 for which no Notice to Proceed was issued and the project subsequently re-bid and not awarded to the plaintiff (who was not the lowest bidder).

*Lee v. City* – This suit involves a fire within the City in which there were numerous deaths. The plaintiff claims the City did not shut down the building. This case in the discovery process, however, Counsel notes the potential liability as “very dangerous”.

*Makle/Pettiford v. City* – This case involves prior employees of the City alleging 1983 claims and due process violations. Discovery is complete and pending court instruction. This case is potentially valued to exceed \$250,000.

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

**NOTE N. CONTINGENT LIABILITIES (continued)**

Litigation (continued)

*Morales v. City* – Not yet in suit, this case involves a shooting by an off-duty Paterson Police Officer. If the case is placed in suit, it may have high exposure.

*Taylor v. City* – In this case, the plaintiff alleges she has been refused accommodations in light of conditions to her feet and hands. Evaluation for unfavorable outcome and damages is noted as premature, though the nature of the case has the potential for material exposure.

*Veal v. City* – This is a Federal case which stems from allegations of excessive force matter. Because of the nature of the case, there is potential for material exposure.

*Warren v. City* – This is an excessive force matter alleging that Paterson Auxiliary Police Officers intentionally or negligently caused their vehicle to come into contact with Plaintiff's decedent's motorcycle which resulted in the decedent's death. This matter is currently in the early stages of discovery, and the City anticipates filing for summary judgment at the conclusion of discovery. The Plaintiff has previously demanded \$30 million.

**NOTE O. DEFICIENCY AND GUARANTEE AGREEMENTS**

Several regional and City agencies have issued debt for the payment of which the City is responsible in varying degrees. A description of those agencies and the relationship of each to the City are as follows:

North Jersey District Water Supply Commission

The City is a contracting municipality with North Jersey District Water Supply Commission (NJDWSC). As such, it is entitled to 20% of the water supplied by NJDWSC and is liable for 20% of the annual operating charges, including debt service of NJDWSC. Historically, these charges have been totally defrayed by the water revenues of NJDWSC.

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

**NOTE O. DEFICIENCY AND GUARANTEE AGREEMENTS (continued)**

Paterson Municipal Utilities Authority

The sharp rise in energy prices during the 1970's prompted the City to consider restoration of the hydroelectric facility at the Great Falls to active use. In April 1981, the Federal Energy Regulatory Commission issued a 40-year license for a restored facility. Further, the City obtained a capital grant award from the U.S. Department of Energy equal to 15% of the restoration project cost and created the Paterson Municipal Utilities Authority (MUA) as a financing vehicle for the project. Enabling legislation was also secured from the State so that the remaining project costs could be financed through the issuance of tax exempt revenue bonds.

Without such legislation, the Local Bond Law would have permitted the project to be financed through tax exempt bonds, but only if the bonds were general obligations of the City.

In anticipation of the restoration project, the City sold the existing hydroelectric facility to the MUA in 1982 for \$2,000,000 in cash plus an interest in future revenues of the facility. The U.S. Department of Housing and Urban Development then loaned the MUA the amount of the cash purchase price on the security of anticipated future federal grants to the City.

Under the promissory note held by the Department of Housing and Urban Development, the loan bore interest at 14.21% and was repayable in six annual installments which began August 1, 1983. Because MUA has not been operating, principal and interest payments on MUA's loan from the Department of Housing and Urban Development were made through the City's Community Development Block Grant allotment. Payments of \$517,303 were made in 1988, 1987, 1986, 1985 and 1984 and \$612,664 in 1983. These amounts are reported as fully reserved receivables within the City's trust fund.

It should be further noted the MUA was officially dissolved as of October 28, 2014, subsequent to the balance sheet date under audit.

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**NOTE P. REGIONAL CONTRIBUTION AGREEMENTS**

The New Jersey Supreme Court through its ruling in South Burlington County in 1983, referred to as the Mount Laurel Agreement, determined that a municipality may transfer up to 50% of its fair share of its regions present and prospective needs for housing for low and moderate income families to another municipality within its housing region by means of a contractual agreement into which the two municipalities voluntarily enter. The municipality who proposes the transfer enters into a Regional Contribution Agreement and obtains approval by the County Planning Board and Council on Affordable Housing. Regional Contribution Agreements entered subsequent to December 20, 2004 will be based on a new growth share approach. Under this new approach a portion of the actual growth taking place in the region will be the municipality's affordable housing obligation.

Township of Wayne - The City entered into a Regional Contribution Agreement with the Township of Wayne on December 29, 1990, whereby the City will implement the rehabilitation and/or construction of 497 units of very low and low income housing over a five year period.

Borough of Woodland Park - The City also entered into a Regional Contribution Agreement with the Borough of Woodland Park on December 1, 1999, where the City will acquire and rehabilitate 21 vacant buildings each containing two to three units. The rehabilitated units will be sold to 21 moderate income households who will become owner-occupant and, in turn, rent the second or third unit to low income households.

Borough of Hawthorne - The City also entered into a Regional Contribution Agreement with the Borough of Hawthorne on September 14, 2005, where the City will acquire and rehabilitate 23 scattered sites within the City of Paterson. The rehabilitated units will be sold or rented by low or moderate income households. The City received \$575,000 for the year ended June 30, 2007.

The table below summarizes the cumulative and current year activity for these agreements for the year ended June 30, 2014:

|                          | Balance<br>June 30, 2013 | Cash<br>Receipts | Cash<br>Disbursements | Balance<br>June 30, 2014 | Cumulative<br>Expenditures |
|--------------------------|--------------------------|------------------|-----------------------|--------------------------|----------------------------|
| Township of Wayne        | \$ 88,796                | \$ 31,019        | \$ -                  | \$ 119,815               | \$ 10,200,941              |
| Borough of Woodland Park | 575,180                  | 561              | -                     | 575,741                  | 324,000                    |
| Borough of Hawthorne     | 97,510                   | 94               | -                     | 97,604                   | 324,000                    |
|                          | <u>\$ 761,486</u>        | <u>\$ 31,674</u> | <u>\$ -</u>           | <u>\$ 793,160</u>        | <u>\$ 10,848,941</u>       |

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

**NOTE P. REGIONAL CONTRIBUTION AGREEMENTS (continued)**

The table below summarizes the cumulative and current year activity for these agreements for the year ended June 30, 2013:

|                          | Balance<br>June 30, 2012 | Cash<br>Receipts | Cash<br>Disbursements | Balance<br>June 30, 2013 | Cumulative<br>Expenditures |
|--------------------------|--------------------------|------------------|-----------------------|--------------------------|----------------------------|
| Township of Wayne        | \$ 90,173                | \$ 123           | \$ 1,500              | \$ 88,796                | \$ 10,200,941              |
| Borough of Woodland Park | 574,032                  | 1,148            | -                     | 575,180                  | 324,000                    |
| Borough of Hawthorne     | 97,316                   | 194              | -                     | 97,510                   | 324,000                    |
|                          | <u>\$ 761,521</u>        | <u>\$ 1,465</u>  | <u>\$ 1,500</u>       | <u>\$ 761,486</u>        | <u>\$ 10,848,941</u>       |

\*Balances include both Contribution and Interest Accounts.

**NOTE Q. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 9, 2015, the date which the financial statements were available to be issued. The following material subsequent events have been noted:

**Dissolution of Paterson Municipal Utilities Authority** – On October 28, 2014, the City adopted Ordinance No. 14-059 effectively dissolving the Paterson Municipal Utilities Authority and moving its operations into the Department of Public Works. It should be noted that activities such as the payment of bills continued subsequent to that date. Such activity was referred to the Hudson County Prosecutor's Office. No further update has been provided regarding the matter.

**Improvement Ordinance - \$607,860** – On August 19, 2014, the City adopted Ordinance No. 14-035 appropriating \$607,860 for various road improvements in and by the City. The ordinance will be funded by the 2014 DOT Road Resurfacing Program Grant.

**Improvement Ordinance - \$36,750,000** – On September 16, 2014, the City adopted Ordinance No. 14-042 providing for the resurfacing of various roads throughout the City and related improvements in and by the City and authorizing the issuance of \$35,000,000 Bonds or Notes of the City to finance part of the cost thereof. The remaining \$1,750,000 was funded by the Capital Improvement Fund in the amount of \$225,000 and Capital Fund Balance in the amount of \$1,525,000.

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

**NOTE Q. SUBSEQUENT EVENTS (continued)**

**Improvement Ordinance - \$579,986** – On June 9, 2015, the City adopted Ordinance No. 15-042 appropriating \$579,986 for various road improvements in and by the City. The ordinance will be funded by the 2015 DOT Road Resurfacing Program Grant.

**Refunding Bond Ordinance and Issuance of Notes - \$4,395,000** – On June 23, 2015 the City adopted Ordinance No. 15-046 providing for the funding of Emergency Appropriations for the payment of employee health benefits and debt service in and by the City and appropriating \$4,395,000 therefor and authorizing issuance of \$4,395,000 Bonds and Notes to finance the cost. On June 3, 2015, the City sold these bonds through private placement.

**Refunding Bond Ordinance - \$3,306,000** – On September 15, 2015 the City adopted Ordinance No. 15-067 providing for the funding of a Temporary Emergency Appropriation for Accrued Severance Liabilities and Revaluation of Real Property and appropriating an amount not exceeding \$3,306,000 therefor and authorizing the issuance of not to exceed \$3,306,000 Refunding Bonds or Notes to Finance the cost.

**Refunding and Issuance of Notes - \$5,884,000** – On June 3, 2015, the City issued \$5,884,000 of Special Emergency Notes through private placement in order to roll over notes maturing on the same day.

**Refunding and Issuance of Notes - \$23,796,000** – On June 3, 2015 the City issued \$23,796,000 of Bond Anticipation Notes consisting of \$19,160,000 General Capital Bond Anticipation Notes and \$4,636,000 of Tax Appeal Refunding Notes. The notes were issued to renew notes maturing on June 3, 2015 in the amount of \$12,131,000 and to newly finance Ordinance No. 14-042 in the amount of \$11,665,000. These notes were issued at a rate of 5.00% and mature on December 15, 2015.

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

City of Paterson  
FY 2014



**REPORT OF AUDIT**

**SUPPLEMENTARY DATA SECTION**

**Current Fund Schedules**

**City of Paterson  
FY 2014**

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
SCHEDULE OF CASH - TREASURER**

|  | Ref. | Current Fund  | Federal and State Grant Fund |
|--|------|---------------|------------------------------|
| Balance: June 30, 2013                 | A    | \$ 14,895,328 | \$ 930,677                   |
| Increased by:                          |      |               |                              |
| Miscellaneous Revenues Not Anticipated | A-2b | \$ 1,136,022  | \$ -                         |
| Current Year Appropriations            | A-3a | 2,106,197     | -                            |
| Collector                              | A-5  | 256,404,582   | -                            |
| Sr. Citizens and Veterans Deductions   | A-8  | 266,707       | -                            |
| Revenue Accounts Receivable            | A-15 | 62,228,389    | -                            |
| Interfunds                             | A-17 | 66,278,818    | -                            |
| Appropriation Reserves                 | A-18 | 506,157       | -                            |
| Special Emergency Notes Payable        | A-27 | 8,462,000     | -                            |
| State Library Aid                      | A-30 | 79,051        | -                            |
| Allocate Interfunds                    | A-36 | -             | 1,139,580                    |
|  |      | 397,467,923   | 1,139,580                    |
|  |      | 412,363,251   | 2,070,257                    |

Decreased by:

|  |      |             |   |
|--|------|-------------|---|
| Refund of Prior Year's Revenue         | A-1  | 327,529     | - |
| Tax Receipts Refunded - Current Taxes  | A-2a | 7,210,808   | - |
| Miscellaneous Revenues Not Anticipated | A-2b | 8,761       | - |
| Current Year Appropriations            | A-3a | 218,386,529 | - |
| Revenue Accounts Receivable            | A-15 | 41,000      | - |
| Interfunds                             | A-17 | 64,032,341  | - |
| Appropriation Reserves                 | A-18 | 6,233,993   | - |

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
SCHEDULE OF CASH - TREASURER**

|                                   | Ref. | Current Fund         | Federal and State Grant Fund |
|-----------------------------------|------|----------------------|------------------------------|
| Decreased by:                     |      |                      |                              |
| Requisitions and Accounts Payable | A-19 | \$ 23,080            | \$ -                         |
| Tax Overpayments                  | A-21 | 4,785,838            | -                            |
| Other Reserves                    | A-22 | 447,431              | -                            |
| School Taxes Payable              | A-25 | 39,460,570           | -                            |
| County Taxes Payable              | A-26 | 47,480,252           | -                            |
| Special Emergency Notes Payable   | A-27 | 6,812,000            | -                            |
| Accrued Sick and Vacation Time    | A-28 | 10,862               | -                            |
| State Library Aid                 | A-30 | 108,716              | -                            |
| Library Fines and Donations       | A-31 | 1,189                | -                            |
| Revaluation                       | A-34 | 24,981               | -                            |
| Allocate Interfunds               | A-36 | -                    | 930,677                      |
|                                   |      | <u>395,395,880</u>   | <u>930,677</u>               |
| Balance: June 30, 2014            | A    | <u>\$ 16,967,371</u> | <u>\$ 1,139,580</u>          |

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
SCHEDULE OF CASH - COLLECTOR**

|                                 | <u>Ref.</u> |                |                   |
|---------------------------------|-------------|----------------|-------------------|
| Balance: June 30, 2013          |             |                | \$ -              |
| Increased by:                   |             |                |                   |
| Tax Receipts - Current Taxes    | A-2a        | \$ 229,799,838 |                   |
| Tax Receipts - Delinquent Taxes | A-2a        | 259,964        |                   |
| Tax Title Liens Receivable      | A-9         | 1,811,563      |                   |
| Sewer Charges Receivable        | A-10        | 9,546,345      |                   |
| Sewer Liens Receivable          | A-11        | 243,942        |                   |
| Revenue Accounts Receivable     | A-15        | 12,357,771     |                   |
| Prepaid Taxes                   | A-20        | 130,774        |                   |
| Other Reserves                  | A-22        | 2,251,524      |                   |
| Prepaid Sewers                  | A-23        | 2,672          |                   |
| Sewer Overpayments              | A-24        | 189            |                   |
|                                 |             | <hr/>          | 256,404,582       |
|                                 |             |                | <hr/> 256,404,582 |
| Decreased by:                   |             |                |                   |
| Disbursed to Treasurer          | A-4         |                | 256,404,582       |
|                                 |             |                | <hr/>             |
| Balance: June 30, 2014          |             |                | \$ -              |
|                                 |             |                | <hr/> <hr/>       |

Exhibit A-6

**SCHEDULE OF CHANGE FUND**

|                                 | <u>Ref.</u> |             |
|---------------------------------|-------------|-------------|
| Balance: June 30, 2014 and 2013 | A           | \$ 685      |
|                                 |             | <hr/> <hr/> |

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

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

| Year Ended<br>June 30,                   | Balance,<br>June 30,<br>2013 | 2014<br>Tax Levy | Added<br>Taxes | Collections                               |                         |              | Canceled      | Transferred<br>to Tax Title<br>Liens | Balance,<br>June 30,<br>2014 |
|--|------------------------------|------------------|----------------|---|-------------------------|--------------|---------------|--------------------------------------|------------------------------|
|  |                              |                  |                | By Cash Receipts - Net of Refunds<br>2014 | By Discounts<br>Allowed | Other        |               |                                      |                              |
| 1998                                     | \$ -                         | \$ -             | \$ 829         | \$ -                                      | \$ -                    | \$ -         | \$ -          | \$ -                                 | \$ -                         |
| 1999                                     | 38                           | -                | -              | -   | -                       | -            | -             | -                                    | 38                           |
| 2000                                     | 40                           | -                | -              | -   | -                       | -            | -             | -                                    | 40                           |
| 2001                                     | 1,113                        | -                | -              | -   | -                       | -            | -             | -                                    | 1,113                        |
| 2003                                     | -                            | -                | 182            | -   | -                       | -            | -             | 182                                  | -                            |
| 2004                                     | 5                            | -                | 185            | -   | -                       | -            | -             | 185                                  | 5                            |
| 2005                                     | 50                           | -                | -              | -   | -                       | -            | -             | -                                    | 50                           |
| 2006                                     | -                            | -                | 91             | -   | -                       | -            | -             | 91                                   | -                            |
| 2007                                     | -                            | -                | 387            | -   | -                       | -            | -             | 387                                  | -                            |
| 2008                                     | -                            | -                | 11,586         | -   | -                       | -            | -             | 7,881                                | -                            |
| 2009                                     | -                            | -                | 21,552         | 3,705                                     | -                       | -            | -             | 7,808                                | -                            |
| 2010                                     | 114                          | -                | 50,440         | 13,744                                    | -                       | -            | -             | 9,833                                | 151                          |
| 2011                                     | 11,328                       | -                | 113,787        | 40,570                                    | -                       | -            | -             | 8,114                                | 36,583                       |
| 2012                                     | 625                          | -                | 19,115         | 80,418                                    | -                       | -            | -             | 6,428                                | 127                          |
| 2013                                     | 26,084                       | -                | 228,397        | 13,185                                    | -                       | -            | -             | 1,552                                | 1,989                        |
| Total Prior Years                        | 39,397                       | -                | 446,551        | 107,513                                   | 3,625                   | -            | 139,802       | 42,461                               | 40,096                       |
| 2014                                     | -                            | 238,488,241      | -              | 259,964                                   | 3,625                   | -            | 139,802       | 4,220,246                            | 83,891                       |
|  | \$ 39,397                    | \$ 238,488,241   | \$ 446,551     | \$ 221,053,155                            | \$ 302,625              | \$ 2,217,551 | \$ 10,481,543 | \$ 4,262,707                         | \$ 123,987                   |
| Ref.                                     | A                            |                  |                | A-2a, A-5                                 | A-2a, A-8               | A-2a, A-22   |               | A-9                                  | A                            |
| Tax Levy:                                |                              |                  |                |   |                         |              |               |                                      |                              |
| Total Local District School Tax          |                              |                  |                | \$ 39,460,570                             |                         |              |               |                                      |                              |
| County Tax                               |                              |                  |                |   |                         |              |               |                                      |                              |
| General County Taxes                     |                              |                  |                |   |                         |              |               |                                      |                              |
| County Open Space Taxes                  |                              |                  |                | \$ 46,661,518                             |                         |              |               |                                      |                              |
| Added and Omitted County Taxes           |                              |                  |                | 660,186                                   |                         |              |               |                                      |                              |
| Total County Tax                         |                              |                  |                | 158,548                                   |                         |              |               |                                      |                              |
| Minimum Library Tax                      |                              |                  |                |   |                         |              |               |                                      |                              |
| Local Tax for Municipal Purposes         |                              |                  |                |   |                         |              |               |                                      |                              |
| Local Tax for Municipal Purposes         |                              |                  |                | 47,480,252                                |                         |              |               |                                      |                              |
| Local Tax for Municipal Purposes (Added) |                              |                  |                | 2,382,179                                 |                         |              |               |                                      |                              |
| Add: Additional Tax Levied               |                              |                  |                |   |                         |              |               |                                      |                              |
| Total Local Tax for Municipal Purposes   |                              |                  |                | 142,920,070                               |                         |              |               |                                      |                              |
|  |                              |                  |                | 808,420                                   |                         |              |               |                                      |                              |
|  |                              |                  |                | 5,436,750                                 |                         |              |               |                                      |                              |
|  |                              |                  |                |   |                         |              |               |                                      |                              |
|  |                              |                  |                | 149,165,240                               |                         |              |               |                                      |                              |
|  |                              |                  |                | \$ 238,488,241                            |                         |              |               |                                      |                              |

Tax Yield:  
General Purpose  
Added and Omitted Taxes

\$ 237,679,821  
808,420  
\$ 238,488,241

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

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

|  |                  |                |                   |
|--|------------------|----------------|-------------------|
| Balance: June 30, 2013                       | <u>Ref.</u><br>A |                | \$ 158,625        |
| Increased by:                                |                  |                |                   |
| Senior Citizens' Deductions per Tax Billings |                  | \$ 134,375     |                   |
| Veterans' Deductions per Tax Billings        |                  | 174,500        |                   |
| Deductions Allowed by Tax Collector:         |                  |                |                   |
| Current Year                                 |                  |                |                   |
| Veterans                                     |                  | 2,375          |                   |
| Senior Citizens                              |                  | 8,750          |                   |
| Prior Year                                   |                  |                |                   |
| Veterans                                     |                  | 750            |                   |
| Senior Citizens                              |                  | 2,875          |                   |
| 2% Administrative Fee                        | A-2b             | <u>6,240</u>   |                   |
|  |                  |                | <u>329,865</u>    |
|  |                  |                | 488,490           |
| Decreased by:                                |                  |                |                   |
| Deductions Disallowed by Tax Collector:      |                  |                |                   |
| Current Year                                 |                  |                |                   |
| Veterans                                     |                  | 8,375          |                   |
| Senior Citizens                              |                  | 9,000          |                   |
| Disallowed by State Audit                    | A-1              | 51,533         |                   |
| Received in Cash from State of New Jersey    | A-4              | <u>266,707</u> |                   |
|  |                  |                | <u>335,615</u>    |
| Balance: June 30, 2014                       | A                |                | <u>\$ 152,875</u> |

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

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

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

|  | <u>Ref.</u> |                             |                          |
|--|-------------|-----------------------------|--------------------------|
| Current Year Senior Citizens' Deductions:          |             |                             |                          |
| As Set Forth by Tax Assessor                       |             | \$ 134,375                  |                          |
| Allowed by Tax Collector                           |             | 8,750                       |                          |
| Disallowed by Tax Collector                        |             | (9,000)                     |                          |
| Current Year Veterans' Deductions:                 |             |                             |                          |
| As Set Forth by Tax Assessor                       |             | 174,500                     |                          |
| Allowed by Tax Collector                           |             | 2,375                       |                          |
| Disallowed by Tax Collector                        |             | (8,375)                     |                          |
| Share of Senior Citizens' and Veterans' Deductions | A-7         | <u>                    </u> | \$ 302,625               |
| Prior Year Senior Citizens' Deductions:            |             |                             |                          |
| Allowed by Tax Collector                           |             |                             |                          |
| Prior Year Veterans' Deductions:                   |             | 2,875                       |                          |
| Allowed by Tax Collector                           |             | 750                         |                          |
|  | A-7         | <u>                    </u> | <u>3,625</u>             |
|  | A-7         |                             | <u><u>\$ 306,250</u></u> |

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

**SCHEDULE OF TAX TITLE LIENS RECEIVABLE**

|                                |                  |                  |                             |
|--------------------------------|------------------|------------------|-----------------------------|
| Balance: June 30, 2013         | <u>Ref.</u><br>A |                  | \$ 9,933,237                |
| Increased by:                  |                  |                  |                             |
| Transfer from Taxes            | A-7              | \$ 4,262,707     |                             |
| Added                          |                  | 498              |                             |
| Interest and Costs on Tax Sale |                  | <u>101,994</u>   |                             |
|                                |                  |                  | <u>4,365,199</u>            |
|                                |                  |                  | 14,298,436                  |
| Decreased by:                  |                  |                  |                             |
| Cancelled                      |                  | 200,947          |                             |
| Cash Receipts                  | A-2a, A-5        | <u>1,811,563</u> |                             |
|                                |                  |                  | <u>2,012,510</u>            |
| Balance: June 30, 2014         | A                |                  | <u><u>\$ 12,285,926</u></u> |



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

**SCHEDULE OF SEWER CHARGES RECEIVABLE**

|                                    | <u>Ref.</u> | <u>Total</u>               | <u>Current</u>             | <u>Prior</u>             |
|------------------------------------|-------------|----------------------------|----------------------------|--------------------------|
| Balance: June 30, 2013             | A           | \$ 450,041                 | \$ -                       | \$ 450,041               |
| Increased by:                      |             |                            |                            |                          |
| Credit Write-Off                   | A-1, A-2a   | 437                        | 430                        | 7                        |
| Unallocated Sewer Receipts         | A-2a, A-22  | 8,691                      | 7,708                      | 983                      |
| Billings                           |             | 10,009,902                 | 9,939,880                  | 70,022                   |
| Overpayments                       | A-2a, A-24  | 17,274                     | 17,274                     |                          |
| Subtotal                           |             | <u>10,486,345</u>          | <u>9,965,292</u>           | <u>521,053</u>           |
| Decreased by:                      |             |                            |                            |                          |
| Transfer to Sewer Liens Receivable | A-11        | 334,311                    | 329,156                    | 5,155                    |
| Prior Year Prepaid Applied         | A-2a, A-23  | 3,492                      | 3,492                      |                          |
| Overpayments                       | A-2a, A-24  |                            |                            |                          |
| Cancellations                      |             | 6,739                      | 6,739                      |                          |
| Cash Receipts                      | A-5         | <u>9,546,345</u>           | <u>9,030,447</u>           | <u>515,898</u>           |
|                                    |             | <u>9,890,887</u>           | <u>9,369,834</u>           | <u>521,053</u>           |
| Balance: June 30, 2014             | A           | <u><u>\$ 595,458</u></u>   | <u><u>\$ 595,458</u></u>   | <u><u>\$ -</u></u>       |
| Analysis of Cash Receipts:         |             |                            |                            |                          |
| Current Year Sewer Charges         | A-2a        | \$ 8,781,631               | \$ 8,781,631               | \$ -                     |
| Prior Year Sewer Charges           | A-2a        | 515,898                    | -                          | 515,898                  |
| Additional Sewer Charges           | A-2a        | 248,816                    | 248,816                    | -                        |
|                                    |             | <u><u>\$ 9,546,345</u></u> | <u><u>\$ 9,030,447</u></u> | <u><u>\$ 515,898</u></u> |

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

**SCHEDULE OF SEWER LIENS RECEIVABLE**

|  |                  |               |                            |
|--|------------------|---------------|----------------------------|
| Balance: June 30, 2013                 | <u>Ref.</u><br>A |               | \$ 958,665                 |
| Increased by:                          |                  |               |                            |
| Transfer from Sewer Charges Receivable | A-10             | \$ 334,311    |                            |
| Interest and Costs on Sale             |                  | <u>13,103</u> |                            |
|  |                  |               | <u>347,414</u>             |
|  |                  |               | 1,306,079                  |
| Decreased by:                          |                  |               |                            |
| Cash Receipts                          | A-5, A-2a        | 243,942       |                            |
| Cancelled                              |                  | <u>13,050</u> |                            |
|  |                  |               | <u>256,992</u>             |
| Balance: June 30, 2014                 | A                |               | <u><u>\$ 1,049,087</u></u> |

## Exhibit A-12

**SCHEDULE OF DEMOLITION LIENS RECEIVABLE**

|                        |                  |  |                          |
|------------------------|------------------|--|--------------------------|
| Balance: June 30, 2013 | <u>Ref.</u><br>A |  | \$ 746,175               |
| Increased by:          |                  |  |                          |
| Billings               |                  |  | <u>246,045</u>           |
|                        |                  |  | 992,220                  |
| Decreased by:          |                  |  |                          |
| Cancellations          |                  |  | <u>29,400</u>            |
| Balance: June 30, 2014 | A                |  | <u><u>\$ 962,820</u></u> |

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

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
AT ASSESSED VALUATION**

|                        | <u>Ref.</u> |                     |
|------------------------|-------------|---------------------|
| Balance: June 30, 2014 | A           | <u>\$ 5,107,360</u> |

## Exhibit A-14

**SCHEDULE OF SALES CONTRACTS RECEIVABLE -  
PROPERTY ACQUIRED FOR TAXES**

|                                 | <u>Ref.</u> |                  |
|---------------------------------|-------------|------------------|
| Balance: June 30, 2014 and 2013 | A           | <u>\$ 25,000</u> |

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

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

|  | Balance<br>June 30, 2013 | Accrued    | Collections |            | Balance<br>June 30, 2014 |
|--|--------------------------|------------|-------------|------------|--------------------------|
|  |                          |            | Collector   | Treasurer  |                          |
| <b>LOCAL REVENUES</b>                              |                          |            |             |            |                          |
| Licenses:  | \$                       |            |             |            |                          |
| Alcoholic Beverages                                | -                        | \$ 205,843 | \$ 205,843  | -          | \$ -                     |
| Other Licenses                                     | -                        | 145,044    | 145,044     | -          | -                        |
| Fines and Costs:                                   |                          |            |             |            |                          |
| Municipal Court                                    | -                        | 4,813,964  | -           | 4,813,964  | -                        |
| Interest and Costs on Taxes                        | -                        | 2,009,903  | 2,009,903   | -          | -                        |
| Interest on Investments and Deposits               | -                        | 24,976     | -           | 24,976     | -                        |
| Interest on Delinquent Sewer Charges               | -                        | 234,282    | 234,282     | -          | -                        |
| Department of Public Works                         | -                        | 113,523    | 113,523     | -          | -                        |
| Division of Health                                 | -                        | 753,478    | 753,478     | -          | -                        |
| City-Wide Recycling Revenues                       | -                        | 362,363    | -           | 362,363    | -                        |
| Board of Adjustment                                | -                        | 112,849    | 112,849     | -          | -                        |
| Sale of Copies of Public Records                   | -                        | 30,074     | 30,074      | -          | -                        |
| Ambulance Fees                                     | -                        | 3,133,853  | 3,133,853   | -          | -                        |
| Municipal Towing Contract Fees                     | -                        | 105,178    | -           | 105,178    | -                        |
| FD Combustibles Inspection Revenues                | -                        | 482,331    | 482,331     | -          | -                        |
| Livery and Taxi License Fees                       | -                        | 128,025    | 128,025     | -          | -                        |
| <b>STATE AID WITHOUT OFFSETTING APPROPRIATIONS</b> |                          |            |             |            |                          |
| Consolidated Municipal Property Tax Relief         | -                        | 11,847,272 | -           | 11,847,272 | -                        |
| Energy Receipts Tax                                | -                        | 20,875,528 | -           | 20,875,528 | -                        |
| Supplemental Energy Receipts Tax                   | -                        | 262,651    | -           | 262,651    | -                        |
| Open Space PILOT Aid (Garden State Trust)          | -                        | 6,088      | -           | 6,088      | -                        |

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

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

|   | Balance       | Accrued    | Collections |            | Balance       |
|---|---------------|------------|-------------|------------|---------------|
|   | June 30, 2013 |            | Collector   | Treasurer  | June 30, 2014 |
| STATE AID WITHOUT OFFSETTING APPROPRIATIONS - continued |               |            |             |            |               |
| Building Aid Allowances for School Aid                  | \$ -          | \$ 377,176 | \$ 377,176  | \$ -       | \$ -          |
| Watershed Moratorium Offset Aid                         | -             | 329        | -           | 329        | -             |
| Transitional Aid  | -             | 23,000,000 | -           | 23,000,000 | -             |
| DEDICATED UNIFORM CONSTRUCTION CODE FEES                |               |            |             |            |               |
| OFFSET WITH APPROPRIATIONS                              |               |            |             |            |               |
| Uniform Construction Code Fees                          |               |            |             |            |               |
| Fees and Permits  |               |            |             |            |               |
| Construction Code Official                              | -             | 1,143,262  | 1,143,262   | -          | -             |
| Other   | -             | 575,608    | 575,608     | -          | -             |
| OTHER SPECIAL ITEMS                                     |               |            |             |            |               |
| Payments in Lieu of Taxes                               |               |            |             |            |               |
| Aspen Hamilton  | -             | 83,208     | 83,208      | -          | -             |
| Colt Arms   | -             | 209,289    | 209,289     | -          | -             |
| Federation Apartments                                   | -             | 185,026    | 185,026     | -          | -             |
| Governor Paterson Towers                                | -             | 593,781    | 593,781     | -          | -             |
| 504 Madison Avenue                                      | -             | 146,158    | 146,158     | -          | -             |
| Incca for Housing - Carroll Street                      | -             | 179,288    | 179,288     | -          | -             |
| Incca for Housing - North Triangle                      | -             | 182,470    | 182,470     | -          | -             |
| Cooke Building Associates                               | -             | 12,883     | 12,883      | -          | -             |
| Jackson Slater  | -             | 201,590    | 201,590     | -          | -             |
| Essex - Phoenix Mill                                    | -             | 198,879    | 198,879     | -          | -             |

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

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

|                                       | Balance<br>June 30, 2013 | Accrued    | Collections |           | Balance<br>June 30, 2014 |
|---------------------------------------|--------------------------|------------|-------------|-----------|--------------------------|
|                                       |                          |            | Collector   | Treasurer |                          |
| OTHER SPECIAL ITEMS - continued       |                          |            |             |           |                          |
| Payments in Lieu of Taxes - continued |                          |            |             |           |                          |
| Brooke Sloate                         | \$ -                     | \$ 156,971 | \$ 156,971  | \$ -      | \$ -                     |
| Rosa Park - 400 Broadway              | -                        | 53,105     | 53,105      | -         | -                        |
| Garret Heights                        | -                        | 74,065     | 74,065      | -         | -                        |
| Christopher Columbus Development      | -                        | 115,295    | 115,295     | -         | -                        |
| 446-460 E. 19th Street                | -                        | 20,947     | 20,947      | -         | -                        |
| Belmont/McBride Apartments            | -                        | 13,930     | 13,930      | -         | -                        |
| Sheltering Arms                       | -                        | 12,124     | 12,124      | -         | -                        |
| Hope 98 North Main Scatted Sites      | -                        | 24,646     | 24,646      | -         | -                        |
| Hope 98 Beech Street                  | -                        | 35,547     | 35,547      | -         | -                        |
| Hope 98 Van Houten Street             | -                        | 12,853     | 12,853      | -         | -                        |
| Rising Dove Senior Housing            | -                        | 26,407     | 26,407      | -         | -                        |
| Paterson Housing Authority            | -                        | 171,780    | 171,780     | -         | -                        |
| 200 Godwin Avenue                     | -                        | 24,817     | 24,817      | -         | -                        |
| Congdon Mill                          | -                        | 81,518     | 81,518      | -         | -                        |
| Belmont Towers 2007 Audit Adjustment  | -                        | 21,707     | 21,707      | -         | -                        |
| Heritage - Alexander Hamilton         | -                        | 8,665      | 8,665       | -         | -                        |
| Cable Communication Third Party Rent  | -                        | 340,000    | -           | 340,000   | -                        |
| US Cable of Paterson Franchise Fees   | -                        | 334,823    | -           | 334,823   | -                        |
| Capital Surplus                       | -                        | 218,000    | -           | 218,000   | -                        |

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

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

|   | Balance<br>June 30, 2013 | Accrued   | Collections |           | Balance<br>June 30, 2014 |
|---|--------------------------|-----------|-------------|-----------|--------------------------|
|   |                          |           | Collector   | Treasurer |                          |
| OTHER SPECIAL ITEMS - continued             |                          |           |             |           |                          |
| Sewer Rent - Third Party                    | \$ -                     | \$ 65,571 | \$ 65,571   | \$ -      | \$ -                     |
| Sewer Rent Third Party Prior Year           | -                        | -         | -           | -         | -                        |
| City of Paterson Parking Authority          |                          |           |             |           |                          |
| Cooperative Agreement 7/1 - 12/31/13        | -                        | 204,000   | -           | 204,000   | -                        |
| Cooperative Agreement 1/1 - 6/30/14         | -                        | 204,000   | -           | 204,000   | -                        |
| PVWC Fire Hydrant Testing Reimbursement     | -                        | 196,100   | -           | 196,100   | -                        |
| Trust Fund Surplus                          | -                        | 15,000    | -           | 15,000    | -                        |
| PVSC Rebate Incentive Program               | -                        | 48,770    | -           | 48,770    | -                        |
| Private Host Benefit Fees                   | -                        | 176,254   | -           | 176,254   | -                        |
| Private Host Benefit Fees Prior Year        | -                        | 20,866    | -           | 20,866    | -                        |
| Recycling Tire Fees                         | -                        | 7,703     | -           | 7,703     | -                        |
| Additional Ambulance Fees -                 |                          |           |             |           |                          |
| Shared Service Agreement                    | -                        | 215,415   | -           | 215,415   | -                        |
| Verizon Franchise Fees                      | -                        | 125,092   | -           | 125,092   | -                        |
| Passaic County Community College Rent       | -                        | 10,000    | -           | 10,000    | -                        |
| Housing Authority Garbage Reimbursement     | -                        | 95,000    | -           | 95,000    | -                        |
| FEMA Reimbursements - 2011 Storms           | -                        | 612,690   | -           | 612,690   | -                        |
| Classic Towing Prior Year                   | -                        | 6,910     | -           | 6,910     | -                        |
| Motor Vehicle Agency Security Reimbursement |                          |           |             |           |                          |
| Prior Year                                  | -                        | 47,998    | -           | 47,998    | -                        |
| Current Year                                | -                        | 239,988   | -           | 239,988   | -                        |
| Additional Fire Inspection Fees             | -                        | 44,290    | -           | 44,290    | -                        |

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

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

|  | Balance<br>June 30, 2013 | Accrued       | Collections   |               | Balance<br>June 30, 2014 |
|--|--------------------------|---------------|---------------|---------------|--------------------------|
|  |                          |               | Collector     | Treasurer     |                          |
| OTHER SPECIAL ITEMS - continued              |                          |               |               |               |                          |
| Health Contracts - Prior Year                | \$ -                     | 40,180        | \$ -          | 40,180        | \$ -                     |
| Health Contracts - Current Year              | -                        | 20,511        | -             | 20,511        | -                        |
| Health Premiums                              | -                        | 2,580,831     | -             | 2,580,831     | -                        |
| Total Revenue and Other Credits to Income    | \$ -                     | \$ 79,460,541 | \$ 12,357,771 | \$ 67,102,770 | \$ -                     |
|  |                          | A-2a          | A-5           |               |                          |
| Cash Receipts                                |                          | A-4           | \$ 62,228,389 |               |                          |
| Capital Fund Surplus                         |                          | A-17          | 218,000       |               |                          |
| Qualified Bonds Paid by State                |                          | A-3a          | 4,971,459     |               |                          |
|  |                          |               | \$ 67,417,848 |               |                          |
| Less:  |                          |               |               |               |                          |
| Cash Disbursements                           |                          | A-4           | 41,000        |               |                          |
| Re-Allocated from Other Reserves             |                          | A-22          | 245,878       |               |                          |
| ABC License Surcharge Transferred to Reserve |                          | A-32          | 28,200        |               |                          |
|  |                          |               |               | 315,078       |                          |
|  |                          |               | \$ 67,102,770 |               | -                        |



**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
SCHEDULE OF DEFERRED CHARGES**

|   |                  |                  |                            |
|---|------------------|------------------|----------------------------|
| Balance: June 30, 2013                      | <u>Ref.</u><br>A |                  | \$ 9,060,000               |
| Increased by:                               |                  |                  |                            |
| Emergency Authorizations:                   |                  |                  |                            |
| Snow Removal, Reso. 14-215                  | A-1              | \$ 800,000       |                            |
| Accrued Sick and Vacation Time, Ord. 14-009 | A-1              | <u>1,650,000</u> |                            |
|   | A-3a             |                  | <u>2,450,000</u>           |
|   |                  |                  | 11,510,000                 |
| Decreased by:                               |                  |                  |                            |
| Deferred Charges Raised in Budget:          |                  |                  |                            |
| Special Emergency Authorizations            |                  |                  |                            |
| Accrued Sick and Vacation Time - 2011       |                  | 806,000          |                            |
| Accrued Sick and Vacation Time - 2012       |                  | 568,000          |                            |
| Accrued Sick and Vacation Time - 2013       |                  | 454,000          |                            |
| Revaluation                                 |                  | <u>420,000</u>   |                            |
|   | A-27             |                  | <u>2,248,000</u>           |
| Balance: June 30, 2014                      | A                |                  | <u><u>\$ 9,262,000</u></u> |
| Analysis of Balance:                        |                  |                  |                            |
| Special Emergency Appropriation:            |                  |                  |                            |
| Revaluation                                 |                  |                  | \$ 1,680,000               |
| Snow Removal                                |                  |                  | 800,000                    |
| Accrued Sick and Vacation Time - FY 2014    |                  |                  | 1,650,000                  |
| Accrued Sick and Vacation Time - FY 2013    |                  |                  | 1,816,000                  |
| Accrued Sick and Vacation Time - FY 2012    |                  |                  | 1,704,000                  |
| Accrued Sick and Vacation Time - FY 2011    |                  |                  | <u>1,612,000</u>           |
|   |                  |                  | <u><u>\$ 9,262,000</u></u> |

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
SCHEDULE OF INTERFUNDS PAYABLE**

|  | Ref.   | Total             | General<br>Capital | Grants<br>Fund    | Other            | Trust Funds          |                  |               |                  |
|--|--------|-------------------|--------------------|-------------------|------------------|----------------------|------------------|---------------|------------------|
|  |        |                   |                    |                   |                  | Dedicated<br>Revenue | Private Duty     | SID           | CDBG             |
| <b>Increased by Credits:</b>           |        |                   |                    |                   |                  |                      |                  |               |                  |
| Transfers                              | contra | \$ 441,628        | \$ 84,770          | \$ 356,858        | \$ -             | \$ -                 | \$ -             | \$ -          | \$ -             |
| Other Reserve                          | A-22   | 2,022             | -                  | -                 | -                | -                    | -                | -             | 2,022            |
| State and Federal Grants Budget        | A-3a   | 10,730,509        | -                  | 10,730,509        | -                | -                    | -                | -             | -                |
| Life Hazard Use Fees                   | A-3a   | 263,584           | -                  | 263,584           | -                | -                    | -                | -             | -                |
| State and Federal Grants Matching      | A-3a   | 707,312           | -                  | 707,312           | -                | -                    | -                | -             | -                |
| Cash Receipts                          | A-4    | 66,278,818        | 33,066,276         | 18,633,147        | 1,133,710        | 576,572              | 5,241,657        | 55,461        | 7,571,995        |
| Capital Improvement Fund Appropriation | A-3a   | 62,000            | 62,000             | -                 | -                | -                    | -                | -             | -                |
| Chargebacks to Budget                  | A-3a   | 410,150           | -                  | 404,534           | -                | -                    | 5,616            | -             | -                |
| Appropriation Reserves Reimbursed      | A-18   | 20,972            | -                  | 14,309            | -                | -                    | 6,663            | -             | -                |
| Miscellaneous Revenues Not Anticipated | A-2b   | 1,000             | -                  | -                 | 1,000            | -                    | -                | -             | -                |
| <b>Total Increases</b>                 |        | <b>78,917,995</b> | <b>33,213,046</b>  | <b>31,110,253</b> | <b>1,134,710</b> | <b>576,572</b>       | <b>5,253,936</b> | <b>55,461</b> | <b>7,574,017</b> |
| <b>Decreased by Debits:</b>            |        |                   |                    |                   |                  |                      |                  |               |                  |
| Transfers                              | contra | 441,628           | 342,000            | 84,770            | -                | 4,615                | -                | -             | 10,243           |
| Appropriation Reserves                 | A-18   | 156,849           | -                  | 156,849           | -                | -                    | -                | -             | -                |
| State and Federal Grants Budget        | A-2a   | 10,730,509        | -                  | 10,730,509        | -                | -                    | -                | -             | -                |
| Budget Reimbursements                  | A-3a   | 1,845,804         | 8,526              | 1,824,930         | -                | 480                  | -                | -             | 11,868           |
| Other Reserve                          | A-22   | 618               | -                  | -                 | -                | -                    | -                | -             | 618              |
| Tax Appeals                            | A-33   | 1,104,509         | 1,104,509          | -                 | -                | -                    | -                | -             | -                |
| Surplus Anticipated                    | A-15   | 218,000           | 218,000            | -                 | -                | -                    | -                | -             | -                |
| Life Hazard Use Fees                   | A-2a   | 263,584           | -                  | 263,584           | -                | -                    | -                | -             | -                |
| Cancelled to Operations                | A-1    | 1,728             | -                  | 1,728             | -                | -                    | -                | -             | -                |
| Cash Disbursements                     | A-4    | 64,032,341        | 31,417,586         | 18,047,883        | 1,134,710        | 571,477              | 5,253,936        | 55,461        | 7,551,288        |
| <b>Total Decreases</b>                 |        | <b>78,795,570</b> | <b>33,090,621</b>  | <b>31,110,253</b> | <b>1,134,710</b> | <b>576,572</b>       | <b>5,253,936</b> | <b>55,461</b> | <b>7,574,017</b> |
| <b>Balance: June 30, 2014</b>          |        | <b>\$ 122,425</b> | <b>\$ 122,425</b>  | <b>\$ -</b>       | <b>\$ -</b>      | <b>\$ -</b>          | <b>\$ -</b>      | <b>\$ -</b>   | <b>\$ -</b>      |

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

**SCHEDULE OF APPROPRIATION RESERVES**

|                                 | Balance: June 30, 2013 |            | Balance After<br>Transfers | Accounts<br>Payable | Paid or<br>Charged | Balance<br>Lapsed |
|---------------------------------|------------------------|------------|----------------------------|---------------------|--------------------|-------------------|
|                                 | Reserved               | Encumbered |                            |                     |                    |                   |
| (A) Operations - Within "CAPS"  |                        |            |                            |                     |                    |                   |
| <u>GENERAL GOVERNMENT</u>       |                        |            |                            |                     |                    |                   |
| Office of the Mayor             |                        |            |                            |                     |                    |                   |
| Other Expenses                  | \$ 3,991               | \$ 966     | \$ 4,957                   | -                   | \$ 3,333           | \$ 1,624          |
| City Council                    |                        |            |                            |                     |                    |                   |
| Other Expenses                  | 19,809                 | 65,885     | 85,694                     | 20,000              | 62,572             | 3,122             |
| Office of the City Clerk        |                        |            |                            |                     |                    |                   |
| Other Expenses                  | 21,981                 | 13,716     | 32,697                     | -                   | 29,936             | 2,761             |
| Elections                       |                        |            |                            |                     |                    |                   |
| Salaries and Wages              | -                      | -          | -                          | -                   | (1,000)            | 1,000             |
| Other Expenses                  | 80,984                 | 6,753      | 55,737                     | -                   | 42,982             | 12,755            |
| Insurance                       |                        |            |                            |                     |                    |                   |
| Other Expenses                  | 6,128                  | 2,066,965  | 2,956,978                  | -                   | 2,956,978          | -                 |
| Insurance - Worker Compensation | 32,365                 | 496,748    | 250,213                    | 28,442              | 220,541            | 1,230             |
| Insurance - Liability           | 9,151                  | 194,100    | 77,551                     | -                   | 77,528             | 23                |
| Auditing Services and Costs     |                        |            |                            |                     |                    |                   |
| Annual Audit                    | 41,000                 | -          | 41,000                     | -                   | 36,000             | 5,000             |
| Other Audits                    | 25,000                 | -          | 25,000                     | -                   | 9,000              | 16,000            |
| Cultural Affairs                |                        |            |                            |                     |                    |                   |
| Other Expenses                  | 8,418                  | 456        | 2,874                      | -                   | 2,865              | 9                 |

See Accompanying Notes to Financial Statements

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

**SCHEDULE OF APPROPRIATION RESERVES**

|                                      | Balance: June 30, 2013 |            | Balance After<br>Transfers | Accounts<br>Payable | Paid or<br>Charged | Balance<br>Lapsed |
|--------------------------------------|------------------------|------------|----------------------------|---------------------|--------------------|-------------------|
|                                      | Reserved               | Encumbered |                            |                     |                    |                   |
| <b>DEPARTMENT OF ADMINISTRATION</b>  |                        |            |                            |                     |                    |                   |
| Office of the Business Administrator |                        |            |                            |                     |                    |                   |
| Salaries and Wages                   | \$ 138,751             | \$ -       | \$ 97,751                  | -                   | \$ 58,173          | \$ 39,578         |
| Other Expenses                       | 8,419                  | 18,114     | 26,533                     | -                   | 18,328             | 8,205             |
| Division of Personnel                |                        |            |                            |                     |                    |                   |
| Other Expenses                       | 762                    | 4,159      | 19,521                     | -                   | 16,607             | 2,914             |
| Division of Purchasing               |                        |            |                            |                     |                    |                   |
| Other Expenses                       | 574                    | 2,753      | 3,327                      | -                   | 3,045              | 282               |
| Division of Data Processing          |                        |            |                            |                     |                    |                   |
| Other Expenses                       | 153,579                | 118,717    | 121,296                    | -                   | 97,501             | 23,795            |
| Surveys and General - Other Expenses | 37                     | 28,268     | 33,305                     | -                   | 32,595             | 710               |
| <b>DEPARTMENT OF FINANCE</b>         |                        |            |                            |                     |                    |                   |
| Office of the Director               |                        |            |                            |                     |                    |                   |
| Salaries and Wages                   | 6,095                  | -          | 4,595                      | -                   | 765                | 3,830             |
| Other Expenses                       | 15,787                 | 16,442     | 17,229                     | -                   | 10,594             | 6,635             |
| Division of Treasury                 |                        |            |                            |                     |                    |                   |
| Other Expenses                       | 9,664                  | 1,781      | 3,445                      | -                   | 1,741              | 1,704             |
| Division of Accounts and Control     |                        |            |                            |                     |                    |                   |
| Salaries and Wages                   | 10,462                 | -          | 4,462                      | -                   | 2,432              | 2,030             |
| Other Expenses                       | 2,745                  | 1,828      | 3,573                      | -                   | 2,281              | 1,292             |
| Division of Sewer Collection         |                        |            |                            |                     |                    |                   |
| Other Expenses                       | 1,696                  | 4,312      | 4,608                      | -                   | 4,570              | 38                |
| Division of Assessments              |                        |            |                            |                     |                    |                   |
| Salaries and Wages                   | 2,483                  | -          | 3,983                      | -                   | 1,754              | 2,229             |
| Other Expenses                       | 4,076                  | 5,312      | 9,388                      | -                   | 9,216              | 172               |

See Accompanying Notes to Financial Statements

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

**SCHEDULE OF APPROPRIATION RESERVES**

|  | Balance: June 30, 2013 |            | Balance After<br>Transfers | Accounts<br>Payable | Paid or<br>Charged | Balance<br>Lapsed |
|--|------------------------|------------|----------------------------|---------------------|--------------------|-------------------|
|  | Reserved               | Encumbered |                            |                     |                    |                   |
| <b>DEPARTMENT OF FINANCE - continued</b> |                        |            |                            |                     |                    |                   |
| Division of Revenue Collection           |                        |            |                            |                     |                    |                   |
| Salaries and Wages                       | \$ 10,528              | \$ -       | \$ 9,634                   | \$ -                | \$ 9,634           | \$ -              |
| Other Expenses                           | 42,881                 | 7,906      | 50,787                     | -                   | 40,205             | 10,582            |
| Office of Internal Audit                 |                        |            |                            |                     |                    |                   |
| Other Expenses                           | 1,893                  | 145        | 538                        | -                   | 4                  | 534               |
| <b>DEPARTMENT OF LAW</b>                 |                        |            |                            |                     |                    |                   |
| Office of the Corporation Counsel        |                        |            |                            |                     |                    |                   |
| Salaries and Wages                       | 83,784                 | -          | 83,784                     | -                   | -                  | 83,784            |
| Other Expenses                           | 42,213                 | 9,706      | 36,919                     | 8,000               | 22,128             | 6,791             |
| <b>DEPARTMENT OF PUBLIC SAFETY</b>       |                        |            |                            |                     |                    |                   |
| Taxicab Division                         |                        |            |                            |                     |                    |                   |
| Other Expenses                           | 3,910                  | 306        | 216                        | -                   | -                  | 216               |
| Division of Fire                         |                        |            |                            |                     |                    |                   |
| Salaries and Wages                       | 270                    | -          | 270                        | -                   | (588)              | 858               |
| Other Expenses                           | 13,200                 | 102,242    | 135,442                    | -                   | 118,912            | 16,530            |
| Division of Police                       |                        |            |                            |                     |                    |                   |
| Salaries and Wages                       | 11,431                 | -          | 11,431                     | -                   | (3,672)            | 15,103            |
| Other Expenses                           | 151,025                | 289,150    | 468,175                    | 16,850              | 446,784            | 4,541             |
| Animal Control                           |                        |            |                            |                     |                    |                   |
| Other Expenses                           | 6,500                  | -          | 6,500                      | -                   | 6,500              | -                 |

See Accompanying Notes to Financial Statements

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

**SCHEDULE OF APPROPRIATION RESERVES**

|                                   | Balance: June 30, 2013 |            | Balance After<br>Transfers | Accounts<br>Payable | Paid or<br>Charged | Balance<br>Lapsed |
|-----------------------------------|------------------------|------------|----------------------------|---------------------|--------------------|-------------------|
|                                   | Reserved               | Encumbered |                            |                     |                    |                   |
| <b>DEPARTMENT OF PUBLIC WORKS</b> |                        |            |                            |                     |                    |                   |
| Office of the Director            |                        |            |                            |                     |                    |                   |
| Other Expenses                    | 39                     | \$ 3,133   | \$ 5,172                   | -                   | \$ 4,726           | \$ 446            |
| Division of Engineering           |                        |            |                            |                     |                    |                   |
| Other Expenses                    | 1,688                  | 7,003      | 59,691                     | -                   | 59,032             | 659               |
| Division of Traffic and Lighting  |                        |            |                            |                     |                    |                   |
| Other Expenses                    | 8,738                  | 10,104     | 15,842                     | -                   | 15,791             | 51                |
| Division of Water and Sewers      |                        |            |                            |                     |                    |                   |
| Other Expenses                    | 63,592                 | 37,113     | 100,705                    | -                   | 100,587            | 118               |
| Division of Streets               |                        |            |                            |                     |                    |                   |
| Other Expenses                    | 2,015                  | 32,248     | 44,263                     | -                   | 44,081             | 182               |
| Street Repair                     | 8,224                  | 39,000     | 41,224                     | -                   | 23,641             | 17,583            |
| Snow Removal                      |                        |            |                            |                     |                    |                   |
| Other Expenses                    | 8,548                  | 11,294     | 15,442                     | -                   | 15,231             | 211               |
| Division of Auto Maintenance      |                        |            |                            |                     |                    |                   |
| Other Expenses                    | 7,388                  | 32,365     | 65,853                     | -                   | 65,853             | -                 |
| Division of Public Properties     |                        |            |                            |                     |                    |                   |
| Parks and Shade Trees Section     |                        |            |                            |                     |                    |                   |
| Other Expenses                    | 41,813                 | 64,275     | 71,088                     | -                   | 70,780             | 308               |
| Public Buildings Section          |                        |            |                            |                     |                    |                   |
| Salaries and Wages                | -                      | -          | -                          | -                   | (450)              | 450               |
| Other Expenses                    | 103,181                | 74,348     | 171,529                    | 13,648              | 155,396            | 2,485             |
| Division of Recreation            |                        |            |                            |                     |                    |                   |
| Other Expenses                    | 9,200                  | 89,980     | 101,180                    | -                   | 93,194             | 7,986             |
| Division of Recycling             |                        |            |                            |                     |                    |                   |
| Other Expenses                    | 9,301                  | 6,293      | 17,594                     | -                   | 17,374             | 220               |
| Cable Communications              |                        |            |                            |                     |                    |                   |
| Other Expenses                    | 11,591                 | 1,722      | 2,313                      | -                   | 2,193              | 120               |

See Accompanying Notes to Financial Statements

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

**SCHEDULE OF APPROPRIATION RESERVES**

|  | Balance: June 30, 2013 |            | Balance After<br>Transfers | Accounts<br>Payable | Paid or<br>Charged | Balance<br>Lapsed |
|--|------------------------|------------|----------------------------|---------------------|--------------------|-------------------|
|  | Reserved               | Encumbered |                            |                     |                    |                   |
| <b>DEPARTMENT OF COMMUNITY DEVELOPMENT</b> |                        |            |                            |                     |                    |                   |
| Division of Planning and Zoning            |                        |            |                            |                     |                    |                   |
| Other Expenses                             | \$ 4,456               | \$ 523     | \$ 2,979                   | \$ -                | 2,979              | \$ -              |
| Division of Community Improvements         |                        |            |                            |                     |                    |                   |
| Other Expenses                             | 47,926                 | 7,463      | 40,389                     | -                   | 39,967             | 422               |
| Division of Economic Development           |                        |            |                            |                     |                    |                   |
| Other Expenses                             | 1,344                  | 1,061      | 905                        | -                   | 213                | 692               |
| <b>DEPARTMENT OF HUMAN SERVICES</b>        |                        |            |                            |                     |                    |                   |
| Office of the Director                     |                        |            |                            |                     |                    |                   |
| Other Expenses                             | 6,044                  | 196        | 2,240                      | -                   | (9,189)            | 11,429            |
| Office of Aging and Disabled Services      |                        |            |                            |                     |                    |                   |
| Salaries and Wages                         | -                      | -          | -                          | -                   | (6,846)            | 6,846             |
| Other Expenses                             | 1,387                  | 672        | 2,059                      | -                   | (4,598)            | 6,657             |
| Social Services                            | 25,863                 | 68,020     | 93,883                     | -                   | 84,716             | 9,167             |
| Division of Consumer Protection            |                        |            |                            |                     |                    |                   |
| Other Expenses                             | 2,739                  | 235        | 474                        | -                   | 249                | 225               |
| Division of Youth Services                 |                        |            |                            |                     |                    |                   |
| Other Expenses                             | 7,069                  | 24,848     | 25,917                     | -                   | 17,239             | 8,678             |
| Division of Health                         |                        |            |                            |                     |                    |                   |
| Other Expenses                             | 18,398                 | 30,463     | 38,861                     | -                   | 38,374             | 487               |

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

**SCHEDULE OF APPROPRIATION RESERVES**

|                                  | Balance: June 30, 2013 |            | Balance After<br>Transfers | Accounts<br>Payable | Paid or<br>Charged | Balance<br>Lapsed |
|----------------------------------|------------------------|------------|----------------------------|---------------------|--------------------|-------------------|
|                                  | Reserved               | Encumbered |                            |                     |                    |                   |
| <b>STATUTORY AGENCIES</b>        |                        |            |                            |                     |                    |                   |
| Museum                           | \$ 10,761              | \$ 11,031  | \$ 11,792                  | \$ -                | \$ 4,209           | \$ 7,583          |
| Other Expenses                   | 6,437                  | -          | -                          | -                   | -                  | -                 |
| Board of Adjustment              | 7,283                  | 1,895      | 9,828                      | -                   | 9,733              | 95                |
| Salaries and Wages               |                        |            |                            |                     |                    |                   |
| Other Expenses                   | 10,000                 | -          | -                          | -                   | (20,000)           | 20,000            |
| Office of Emergency Management   | 8,801                  | 5,715      | 9,516                      | -                   | 4,706              | 4,810             |
| Salaries and Wages               |                        |            |                            |                     |                    |                   |
| Other Expenses                   | 4,316                  | -          | -                          | -                   | -                  | -                 |
| Planning Board                   | 561                    | 1,486      | 5,847                      | -                   | 5,847              | -                 |
| Salaries and Wages               |                        |            |                            |                     |                    |                   |
| Other Expenses                   | 10,297                 | 2,258      | 12,555                     | -                   | 2,973              | 9,582             |
| Youth Guidance Council           |                        |            |                            |                     |                    |                   |
| Other Expenses                   | 782                    | 3,179      | 3,961                      | -                   | 3,877              | 84                |
| Historic Preservation Commission |                        |            |                            |                     |                    |                   |
| Other Expenses                   | 29,454                 | 37,300     | 44,754                     | -                   | 31,281             | 13,473            |
| Municipal Court                  |                        |            |                            |                     |                    |                   |
| Other Expenses                   |                        |            |                            |                     |                    |                   |
| <b>UNIFORM CONSTRUCTION CODE</b> |                        |            |                            |                     |                    |                   |
| Community Improvements           | 815                    | -          | 815                        | -                   | -                  | 815               |
| Other Expenses                   |                        |            |                            |                     |                    |                   |

See Accompanying Notes to Financial Statements



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

**SCHEDULE OF APPROPRIATION RESERVES**

|   | Balance: June 30, 2013 |            | Balance After<br>Transfers | Accounts<br>Payable | Paid or<br>Charged | Balance<br>Lapsed |
|---|------------------------|------------|----------------------------|---------------------|--------------------|-------------------|
|   | Reserved               | Encumbered |                            |                     |                    |                   |
| <b>UNCLASSIFIED</b>   |                        |            |                            |                     |                    |                   |
| Electricity   | \$ 10,000              | \$ 162,668 | \$ 132,596                 | \$ -                | \$ 132,596         | \$ -              |
| Street Lighting   | -                      | 462,969    | 402,286                    | -                   | 402,286            | -                 |
| Telephone Service   | 2,377                  | 166,908    | 163,734                    | -                   | 48,926             | 114,808           |
| Gas   | 4,000                  | 77,140     | 15,926                     | -                   | 15,926             | -                 |
| Fuel Oil  | 55                     | 1,252      | -                          | -                   | -                  | -                 |
| Gasoline  | 15,222                 | 88,226     | 86,986                     | -                   | 86,986             | -                 |
| Solid Waste   | 385,225                | 337,524    | 748,005                    | -                   | 747,621            | 384               |
| <br>  |                        |            |                            |                     |                    |                   |
| (E) Deferred Charges and Statutory Expenditures within "CAPS" |                        |            |                            |                     |                    |                   |
| (2) STATUTORY EXPENDITURES                                    |                        |            |                            |                     |                    |                   |
| Contribution to:  |                        |            |                            |                     |                    |                   |
| Public Employees Retirement System (PERS)                     | 366                    | -          | -                          | -                   | (7,612)            | 7,612             |
| Police and Firemen's Retirement System (PFRS)                 | 359                    | -          | -                          | -                   | -                  | -                 |
| Social Security System (O.A.S.I.)                             | 17,576                 | -          | -                          | -                   | (7,997)            | 7,997             |
| Consolidated Police and Fire Retirement Fund                  | 334                    | -          | -                          | -                   | -                  | -                 |
| Defined Contribution Retirement Program                       | 294                    | -          | 131                        | -                   | 131                | -                 |
| Medicare  | 10,595                 | -          | -                          | -                   | (1,879)            | 1,879             |
| Unemployment Compensation Insurance                           | 281                    | -          | -                          | -                   | (360)              | 360               |
| State Disability  | 781                    | -          | -                          | -                   | (423)              | 423               |
| <br>  |                        |            |                            |                     |                    |                   |
| (A) Operations - Excluded From "CAPS"                         |                        |            |                            |                     |                    |                   |
| Maintenance of Free Public Libraries                          | 64,193                 | 44,074     | 108,267                    | -                   | 108,267            | -                 |
| Hurricane Sandy 2012  | 3,061                  | -          | 3,061                      | -                   | 3,061              | -                 |

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

**SCHEDULE OF APPROPRIATION RESERVES**

|   | Balance: June 30, 2013 |                     | Balance After<br>Transfers | Accounts<br>Payable | Paid or<br>Charged  | Balance<br>Lapsed |
|---|------------------------|---------------------|----------------------------|---------------------|---------------------|-------------------|
|   | Reserved               | Encumbered          |                            |                     |                     |                   |
| (C) Capital Improvements - Excluded from "CAPS" |                        |                     |                            |                     |                     |                   |
| Apollo Site Contamination Investigation         | \$ 18,349              | \$ 21,651           | \$ 40,000                  | \$ 17,777           | \$ 3,874            | \$ 18,349         |
| (F) Judgments                                   | 25,000                 | -                   | 25,000                     | -                   | -                   | 25,000            |
| <b>TOTAL GENERAL APPROPRIATIONS</b>             | <b>\$ 2,009,711</b>    | <b>\$ 5,424,365</b> | <b>\$ 7,434,076</b>        | <b>\$ 104,717</b>   | <b>\$ 6,744,806</b> | <b>\$ 584,553</b> |
| Ref.  | A                      | A-19                |                            | A-19                |                     | A-1               |
| Cash Disbursements                              |                        |                     | A-4                        | \$ 6,233,993        |                     |                   |
| Reclass to Current Year Budget                  |                        |                     | A-3a                       | 1,231,412           |                     |                   |
| Reimburse Interfunds                            |                        |                     | A-17                       | 20,972              |                     |                   |
| Tax Overpayment                                 |                        |                     | A-21                       | 1,132               |                     |                   |
| Less:   |                        |                     |                            |                     | \$ 7,487,509        |                   |
| Cash Receipts                                   |                        |                     | A-4                        | 506,157             |                     |                   |
| Reimbursed by Interfunds                        |                        |                     | A-17                       | 156,849             |                     |                   |
| Sick and Vacation Reserve                       |                        |                     | A-28                       | 79,697              |                     |                   |
|   |                        |                     |                            |                     | 742,703             |                   |
|   |                        |                     |                            |                     | <b>\$ 6,744,806</b> |                   |

See Accompanying Notes to Financial Statements

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

**SCHEDULE OF REQUISITIONS AND ACCOUNTS PAYABLE**

|  |                      |               |                     |
|--|----------------------|---------------|---------------------|
| Balance: June 30, 2013                           | <u>Ref.</u><br>A     |               | \$ 6,734,076        |
| Increased by Open Contracts and Purchase Orders: |                      |               |                     |
| 2013 Appropriation Reserves                      | A-18                 | \$ 104,717    |                     |
| 2014 Budget Appropriations                       | A-3                  | 4,369,340     |                     |
| Reserve for State Library Aid                    | A-30                 | <u>4,718</u>  |                     |
|  |                      |               | <u>4,478,775</u>    |
|  |                      |               | 11,212,851          |
| Decreased by:                                    |                      |               |                     |
| Cash Disbursements                               | A-4                  | 23,080        |                     |
| Opening Requisition Balances Added to:           |                      |               |                     |
| 2013 Appropriation Reserves                      | A-18                 | 5,424,365     |                     |
| Reserve for State Library Aid                    | A-30                 | <u>10,246</u> |                     |
|  |                      |               | <u>5,457,691</u>    |
| Balance: June 30, 2014                           | A                    |               | <u>\$ 5,755,160</u> |
|  | Requisitions Payable |               | \$ 1,381,102        |
|  | Accounts Payable     |               | <u>4,374,058</u>    |
|  |                      |               | <u>\$ 5,755,160</u> |

Exhibit A-20

**SCHEDULE OF PREPAID TAXES**

|                               |                  |                   |
|-------------------------------|------------------|-------------------|
| Balance: June 30, 2013        | <u>Ref.</u><br>A | \$ 129,230        |
| Increased by:                 |                  |                   |
| Cash Receipts                 | A-5              | <u>130,774</u>    |
|                               |                  | 260,004           |
| Decreased by:                 |                  |                   |
| Applied to Current Year Taxes | A-7              | <u>129,230</u>    |
| Balance: June 30, 2014        | A                | <u>\$ 130,774</u> |

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
SCHEDULE OF TAX OVERPAYMENTS**

|   |                  |                |                            |
|---|------------------|----------------|----------------------------|
| Balance: June 30, 2013                      | <u>Ref.</u><br>A |                | \$ 1,939,969               |
| Increased by:                               |                  |                |                            |
| Transfer from Reserve for State Tax Appeals | A-33             | \$ 3,564,571   |                            |
| Appropriation Reserve                       | A-18             | 1,132          |                            |
| From Current Taxes                          | A-2a             | 1,535,646      |                            |
| Other Reserves                              | A-22             | 4,057          |                            |
| Overpayments Funded by Operations           | A-1              | <u>322,535</u> |                            |
|   |                  |                | <u>5,427,941</u>           |
|   |                  |                | 7,367,910                  |
| Decreased by:                               |                  |                |                            |
| Cash Disbursements                          | A-4              |                | <u>4,785,838</u>           |
| Balance: June 30, 2014                      | A                |                | <u><u>\$ 2,582,072</u></u> |

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
SCHEDULE OF OTHER RESERVES**

|  | Ref.   | Total     | Property Tax<br>Suspense | Other<br>Reserve | Unallocated<br>Taxes | Unallocated<br>Sewer |
|--|--------|-----------|--------------------------|------------------|----------------------|----------------------|
| Balance: June 30, 2014                 | A      | \$ 22,948 | \$ 22,948                | \$ -             | \$ -                 | \$ -                 |
| Increased by Credits:                  |        |           |                          |                  |                      |                      |
| Transfers                              | contra | 10,805    | -                        | 10,805           | -                    | -                    |
| Cash Receipts                          | A-5    | 2,251,524 | 24,229                   | 9,744            | 2,217,551            | -                    |
| Miscellaneous Revenues Not Anticipated | A-2b   | 4,910     | -                        | 4,910            | -                    | -                    |
| Chargebacks to Budget                  | A-3a   | 2,523     | -                        | 2,523            | -                    | -                    |
| Reclass - Revenue                      | A-15   | 245,878   | -                        | 245,878          | -                    | -                    |
| Sewer Revenue                          | A-10   | 8,691     | -                        | -                | -                    | 8,691                |
| Charges to Operations                  | A-1    | 170,341   | -                        | 170,341          | -                    | -                    |
| Interfunds                             | A-17   | 618       | -                        | 618              | -                    | -                    |
| Total Increases                        |        | 2,695,290 | 24,229                   | 444,819          | 2,217,551            | 8,691                |
| Decreased by Debits:                   |        |           |                          |                  |                      |                      |
| Transfers                              | contra | 10,805    | 10,805                   | -                | -                    | -                    |
| Tax Overpayments                       | A-21   | 4,057     | -                        | 4,057            | -                    | -                    |
| Interfunds                             | A-17   | 2,022     | -                        | 2,022            | -                    | -                    |
| Taxes                                  | A-7    | 2,217,551 | -                        | -                | 2,217,551            | -                    |
| Cash Disbursements                     | A-4    | 447,431   | -                        | 438,740          | -                    | 8,691                |
| Total Decreases                        |        | 2,681,866 | 10,805                   | 444,819          | 2,217,551            | 8,691                |
| Balance: June 30, 2014                 | A      | \$ 36,372 | \$ 36,372                | \$ -             | \$ -                 | \$ -                 |

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

**SCHEDULE OF PREPAID SEWERS**

|                                 |                  |                        |
|---------------------------------|------------------|------------------------|
| Balance: June 30, 2013          | <u>Ref.</u><br>A | \$ 3,492               |
| Increased by:                   |                  |                        |
| Cash Receipts                   | A-5              | <u>2,672</u>           |
|                                 |                  | 6,164                  |
| Decreased by:                   |                  |                        |
| Applied to Current Year Charges | A-10             | <u>3,492</u>           |
| Balance: June 30, 2014          | A                | <u><u>\$ 2,672</u></u> |

## Exhibit A-24

**SCHEDULE OF SEWER OVERPAYMENTS**

|                                    |                  |                         |
|------------------------------------|------------------|-------------------------|
| Balance: June 30, 2013             | <u>Ref.</u><br>A | \$ 82,723               |
| Increased by:                      |                  |                         |
| Overpayments of 2014 Sewer Charges | A-10             | \$ 17,274               |
| Cash Receipts                      | A-4              | <u>189</u>              |
|                                    |                  | <u>17,463</u>           |
|                                    |                  | 100,186                 |
| Decreased by:                      |                  |                         |
| Cancellations                      | A-1              | <u>51,987</u>           |
| Balance: June 30, 2014             | A                | <u><u>\$ 48,199</u></u> |

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

**SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE**

|  | <u>Ref.</u> |                             |
|--|-------------|-----------------------------|
| Balance: June 30, 2013                           |             | \$ -                        |
| Increased by:                                    |             |                             |
| Levy - School Year July 1, 2013 to June 30, 2014 | A-2a        | 39,460,570                  |
|  |             | <u>39,460,570</u>           |
| Decreased by:                                    |             |                             |
| Cash Disbursements                               | A-4         | 39,460,570                  |
|  |             | <u>39,460,570</u>           |
| Balance: June 30, 2014                           |             | <u><u>\$ -</u></u>          |
| 2014 Liability for Local District School Tax:    |             |                             |
| Tax Paid   |             | \$ 39,460,570               |
| Tax Payable - June 30, 2014                      |             | <u>-</u>                    |
|  |             | 39,460,570                  |
| Less: Tax Payable June 30, 2013                  |             | <u>-</u>                    |
| Amount Charged to 2014 Operations                | A-1         | <u><u>\$ 39,460,570</u></u> |

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
SCHEDULE OF COUNTY TAXES PAYABLE**

|  |                  |                             |
|--|------------------|-----------------------------|
| Balance: June 30, 2013                 | <u>Ref.</u><br>A | \$ -                        |
| Increased by:                          |                  |                             |
| General County Levy                    |                  | \$ 46,661,518               |
| County Open Space Preservation Levy    |                  | 660,186                     |
| Due County for Added and Omitted Taxes |                  | <u>158,548</u>              |
|  | A-2a             | <u>47,480,252</u>           |
|  |                  | 47,480,252                  |
| Decreased by:                          |                  |                             |
| Cash Disbursements                     | A-4              | <u>47,480,252</u>           |
| Balance: June 30, 2014                 | A                | <u><u>\$ -</u></u>          |
| 2014 Liability for County Tax:         |                  |                             |
| Tax Paid                               |                  | \$ 47,480,252               |
| Tax Payable - June 30, 2014            |                  | <u>-</u>                    |
|  |                  | 47,480,252                  |
| Less: Tax Payable June 30, 2013        |                  | <u>-</u>                    |
| Amount Charged to 2014 Operations      |                  | <u><u>\$ 47,480,252</u></u> |
|  | A-1              | \$ 47,321,704               |
|  | A-1              | <u>158,548</u>              |
|  |                  | <u><u>\$ 47,480,252</u></u> |



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

**SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE**

| Ordinance Number               | Original      |              | Date of Issue | Maturity Date | Interest Rate | Balance June 30, 2013 | Notes Issued | Refunded    | Paid by Appropriation | Balance June 30, 2014 |
|--------------------------------|---------------|--------------|---------------|---------------|---------------|-----------------------|--------------|-------------|-----------------------|-----------------------|
|                                | Date of Issue | Amount       |               |               |               |                       |              |             |                       |                       |
| Accrued Sick and Vacation Time |               |              |               |               |               |                       |              |             |                       |                       |
| 11-011                         | 02/08/2011    | \$ 4,030,000 | 6/3/2014      | 6/3/2015      | 1.500%        | \$ -                  | -            | \$ 664,400  | -                     | \$ 664,400            |
|                                |               | (1)          | 6/4/2013      | 6/4/2014      | 2.000%        | 1,102,800             | -            | (664,400)   | 438,400               | -                     |
|                                |               | (2)          | 6/3/2014      | 6/3/2015      | 1.500%        | -                     | -            | 947,600     | -                     | 947,600               |
|                                |               |              | 6/4/2013      | 6/4/2014      | 2.125%        | 1,315,200             | -            | (947,600)   | 367,600               | -                     |
| Accrued Sick and Vacation Time |               |              |               |               |               |                       |              |             |                       |                       |
| 12-012                         | 02/14/2012    | 2,840,000    | 6/3/2014      | 6/3/2015      | 1.500%        | -                     | -            | 1,274,400   | -                     | 1,274,400             |
|                                |               | (1)          | 6/4/2013      | 6/4/2014      | 2.000%        | 1,699,200             | -            | (1,274,400) | 424,800               | -                     |
|                                |               | (2)          | 6/3/2014      | 6/3/2015      | 1.500%        | -                     | -            | 429,600     | -                     | 429,600               |
|                                |               |              | 6/4/2013      | 6/4/2014      | 2.125%        | 572,800               | -            | (429,600)   | 143,200               | -                     |
| Accrued Sick and Vacation Time |               |              |               |               |               |                       |              |             |                       |                       |
| 12-051                         | 12/18/2012    | 2,270,000    | 6/3/2014      | 6/3/2015      | 1.500%        | -                     | -            | 1,067,200   | -                     | 1,067,200             |
|                                |               | (1)          | 6/4/2013      | 6/4/2014      | 2.000%        | 1,334,000             | -            | (1,067,200) | 266,800               | -                     |
|                                |               | (2)          | 6/3/2014      | 6/3/2015      | 1.500%        | -                     | -            | 748,800     | -                     | 748,800               |
|                                |               |              | 6/4/2013      | 6/4/2014      | 2.125%        | 936,000               | -            | (748,800)   | 187,200               | -                     |
| Accrued Sick and Vacation Time |               |              |               |               |               |                       |              |             |                       |                       |
| 14-009                         | 06/03/2014    | 1,650,000    | 6/3/2014      | 6/3/2015      | 1.500%        | -                     | 1,150,000    | -           | -                     | 1,150,000             |
|                                |               | (1)          | 6/3/2014      | 6/3/2015      | 1.500%        | -                     | 500,000      | -           | -                     | 500,000               |
|                                |               | (2)          |               |               |               |                       |              |             |                       |                       |

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

**SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE**

| Ordinance<br>Number   | Original         |              | Date of<br>Issue | Maturity<br>Date | Interest<br>Rate                      | Balance<br>June 30, 2013 | Notes<br>Issued     | Refunded     | Paid by<br>Appropriation | Balance<br>June 30, 2014 |
|-----------------------|------------------|--------------|------------------|------------------|---------------------------------------|--------------------------|---------------------|--------------|--------------------------|--------------------------|
|                       | Date of<br>Issue | Amount       |                  |                  |                                       |                          |                     |              |                          |                          |
| Revaluation<br>13-011 | 03/26/2013       | \$ 2,100,000 |                  |                  |                                       |                          |                     |              |                          |                          |
|                       |                  | (1)          | 6/3/2014         | 6/3/2015         | 1.500%                                | \$ -                     | -                   | \$ 1,680,000 | \$ -                     | \$ 1,680,000             |
|                       |                  |              | 6/4/2013         | 6/4/2014         | 2.000%                                | 2,100,000                | -                   | (1,680,000)  | 420,000                  | -                        |
|                       |                  |              |                  |                  |                                       | <u>\$ 9,060,000</u>      | <u>\$ 1,650,000</u> | <u>\$ -</u>  | <u>\$ 2,248,000</u>      | <u>\$ 8,462,000</u>      |
|                       |                  |              |                  |                  | Ref.                                  | A                        |                     |              | A-16                     | A                        |
|                       |                  |              |                  |                  | Cash Received on New Notes Issued     |                          | \$ 1,650,000        |              |                          |                          |
|                       |                  |              |                  |                  | Cash Received on Renewed Notes        |                          | <u>6,812,000</u>    |              |                          |                          |
|                       |                  |              |                  |                  |                                       | A-4                      | <u>8,462,000</u>    |              |                          |                          |
|                       |                  |              |                  |                  | Less: Cash Disbursed on Notes Renewed | A-4                      | <u>6,812,000</u>    |              |                          |                          |
|                       |                  |              |                  |                  |                                       |                          | <u>\$ 1,650,000</u> |              |                          |                          |

- (1) Total Issue of \$5,836,000 Tax-Exempt Notes  
(2) Total Issue of \$2,626,000 Federally Taxable Notes

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

**SCHEDULE OF RESERVE FOR ACCRUED SICK AND VACATION TIME**

|  | <u>Ref.</u> |                  |                          |
|--|-------------|------------------|--------------------------|
| Balance: June 30, 2013                       | A           |                  | \$ 525,837               |
| Increased by:                                |             |                  |                          |
| Special Emergency Appropriation, Ord. 14-009 | A-3a        |                  | 1,650,000                |
|  |             |                  | <u>2,175,837</u>         |
| Decreased by:                                |             |                  |                          |
| Cash Disbursements                           | A-4         | \$ 10,862        |                          |
| Reimburse Appropriation Reserves             | A-18        | 79,697           |                          |
| Reimburse Current Year Appropriations        | A-3a        | <u>1,472,115</u> |                          |
|  |             |                  | <u>1,562,674</u>         |
| Balance: June 30, 2014                       | A           |                  | <u><u>\$ 613,163</u></u> |

Exhibit A-29

**SCHEDULE OF RESERVE FOR DEPOSITS ON SALE OF  
PROPERTY ACQUIRED FOR TAXES**

|                                 | <u>Ref.</u> |  |                        |
|---------------------------------|-------------|--|------------------------|
| Balance: June 30, 2014 and 2013 | A           |  | <u><u>\$ 6,250</u></u> |

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

**SCHEDULE OF RESERVE FOR STATE LIBRARY AID**

|                                 |                  |               |                         |
|---------------------------------|------------------|---------------|-------------------------|
| Balance: June 30, 2013          | <u>Ref.</u><br>A |               | \$ 54,987               |
| Increased by:                   |                  |               |                         |
| Cash Receipts                   | A-4              | \$ 79,051     |                         |
| Prior Year Requisitions Payable | A-19             | <u>10,246</u> |                         |
|                                 |                  |               | <u>89,297</u>           |
|                                 |                  |               | 144,284                 |
| Decreased by:                   |                  |               |                         |
| Cash Disbursements              | A-4              | 108,716       |                         |
| Requisitions Payable            | A-19             | <u>4,718</u>  |                         |
|                                 |                  |               | <u>113,434</u>          |
| Balance: June 30, 2014          | A                |               | <u><u>\$ 30,850</u></u> |

Exhibit A-31

**SCHEDULE OF RESERVE FOR LIBRARY FINES AND DONATIONS**

|                        |                  |  |                        |
|------------------------|------------------|--|------------------------|
| Balance: June 30, 2013 | <u>Ref.</u><br>A |  | \$ 4,166               |
| Decreased by:          |                  |  |                        |
| Cash Disbursements     | A-4              |  | <u>1,189</u>           |
| Balance: June 30, 2014 | A                |  | <u><u>\$ 2,977</u></u> |

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

**SCHEDULE OF RESERVE FOR ABC LICENSE SURCHARGE**

|                        | <u>Ref.</u> |                          |
|------------------------|-------------|--------------------------|
| Balance: June 30, 2013 | A           | \$ 206,800               |
| Increased by:          |             |                          |
| Surcharges Collected   | A-15        | <u>28,200</u>            |
| Balance: June 30, 2014 | A           | <u><u>\$ 235,000</u></u> |

## Exhibit A-33

**SCHEDULE OF RESERVE FOR STATE TAX APPEALS**

|                                       | <u>Ref.</u> |                |                          |
|---------------------------------------|-------------|----------------|--------------------------|
| Balance: June 30, 2013                | A           |                | \$ 500,000               |
| Increased by:                         |             |                |                          |
| Appeals Funded by Operations          | A-1         | \$ 1,960,062   |                          |
| Appeals Refunded by Capital Ordinance | A-17        | 1,104,509      |                          |
| Contested Amount of 2014 Taxes        | A-2a        | <u>497,164</u> |                          |
|                                       |             |                | <u>3,561,735</u>         |
|                                       |             |                | 4,061,735                |
| Decreased by:                         |             |                |                          |
| From Tax Overpayments                 | A-21        |                | <u>3,564,571</u>         |
| Balance: June 30, 2014                | A           |                | <u><u>\$ 497,164</u></u> |

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

**SCHEDULE OF RESERVE FOR REVALUATION**

|                        |                  |                            |
|------------------------|------------------|----------------------------|
| Balance: June 30, 2013 | <u>Ref.</u><br>A | \$ 2,099,600               |
| Decreased by:          |                  |                            |
| Cash Disbursements     | A-4              | <u>24,981</u>              |
| Balance: June 30, 2014 | A                | <u><u>\$ 2,074,619</u></u> |

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

Federal and State Grants Fund Schedules

City of Paterson  
FY 2014

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

| Description  | Balance,<br>June 30, 2013 | Current Year Awards  |                           | Cash<br>Receipts | Unappropriated<br>Reserve | Re-Allocations /<br>Cancellations | Balance,<br>June 30, 2014 |
|--|---------------------------|----------------------|---------------------------|------------------|---------------------------|-----------------------------------|---------------------------|
|  |                           | Budget as<br>Adopted | Added by<br>NISA 40A:4-87 |                  |                           |                                   |                           |
| NJ Department of Commerce and Economic Development (UEZ)                 |                           |                      |                           |                  |                           |                                   |                           |
| Main St. Improvement Program - Phase I FY04                              | \$ 48,431                 | \$ -                 | \$ -                      | -                | \$ -                      | -                                 | \$ 48,431                 |
| Business Improvement Grant - Phase II                                    | 91,308                    | -                    | -                         | -                | -                         | -                                 | 91,308                    |
| Marketing & Business Dev. - Phase II FY08                                | 92,083                    | -                    | -                         | 11,537           | -                         | -                                 | 80,546                    |
| Sidewalk Matching Grant - Phase II FY08                                  | 18,233                    | -                    | -                         | -                | -                         | -                                 | 18,233                    |
| Streetscape Planters Project   | 9,035                     | -                    | -                         | -                | -                         | -                                 | 9,035                     |
| Surveillance Cameras   | 330,593                   | -                    | -                         | 234,343          | -                         | (760)                             | 95,490                    |
| Passed through Paterson Restoration Corp:                                |                           |                      |                           |                  |                           |                                   |                           |
| Small Business Dev. Center   | 36,370                    | -                    | -                         | 35,400           | -                         | (970)                             | -                         |
| Clean Communities Project  | 307,969                   | -                    | -                         | 97,329           | -                         | -                                 | 210,640                   |
| Administration   | 218,230                   | -                    | -                         | 47,785           | -                         | (158,393)                         | 12,052                    |
| Administration   | -                         | 198,800              | -                         | 75,557           | -                         | -                                 | 123,243                   |
| William Paterson University Small  |                           |                      |                           |                  |                           |                                   |                           |
| Business Development Center Year 15                                      | -                         | 50,000               | -                         | 13,135           | -                         | -                                 | 36,865                    |
| NJ Department of Environmental Protection                                |                           |                      |                           |                  |                           |                                   |                           |
| Municipal Storm Water Regulation Program                                 | 10,310                    | -                    | -                         | -                | -                         | -                                 | 10,310                    |
| Blue Acres Fund  | 1,440,779                 | -                    | -                         | -                | -                         | -                                 | 1,440,779                 |
| Solid Waste Administration:  |                           |                      |                           |                  |                           |                                   |                           |
| 2011 Recycling Tonnage Grant   | -                         | 222,858              | -                         | 222,858          | -                         | -                                 | -                         |
| FY2014 Clean Communities Program   | -                         | -                    | 159,203                   | 159,203          | -                         | -                                 | -                         |
| NJ Economic Development Authority - Hazardous Discharge Site Remediation |                           |                      |                           |                  |                           |                                   |                           |
| Addy Mill  | 30,432                    | -                    | -                         | -                | -                         | -                                 | 30,432                    |
| Cliff Street / Belmont Apartments  | 20,264                    | -                    | -                         | -                | -                         | -                                 | 20,264                    |
| Apollo Dye   | -                         | -                    | -                         | 110,876          | -                         | 110,876                           | -                         |



**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

| Description   | Balance,<br>June 30, 2013 | Current Year Awards  |                           |  | Cash<br>Receipts | Unappropriated<br>Reserve | Re-Allocations /<br>Cancellations | Balance,<br>June 30, 2014 |
|---|---------------------------|----------------------|---------------------------|--|------------------|---------------------------|-----------------------------------|---------------------------|
|   |                           | Budget as<br>Adopted | Added by<br>NISA 40A:4-87 |  |                  |                           |                                   |                           |
| NJ Department of Community Affairs                                |                           |                      |                           |  |                  |                           |                                   |                           |
| Life Hazard Use Fees - LEA Rebate 2013                            | \$ 276,252                | \$ -                 | \$ -                      |  | \$ 254,739       | \$ -                      | (21,513)                          | \$ -                      |
| Life Hazard Use Fees - LEA Rebate 2014                            | -                         | 263,584              | -                         |  | 76,843           | -                         | -                                 | 186,741                   |
| Recreation Opp. for Individuals with Disabilities                 | 13,000                    | -                    | -                         |  | 13,000           | -                         | -                                 | -                         |
| NJ Department of Law and Public Safety                            |                           |                      |                           |  |                  |                           |                                   |                           |
| Safe and Secure Communities Program                               | -                         | 66,521               | -                         |  | 66,521           | -                         | -                                 | -                         |
| Alcohol Education Rehabilitation                                  | -                         | 422                  | -                         |  | -                | 422                       | -                                 | -                         |
| Enforcement Fund / Alcohol Education                              | -                         | 41,714               | -                         |  | 41,714           | -                         | -                                 | -                         |
| Body Armor Replacement Fund                                       | -                         | -                    | -                         |  | -                | -                         | -                                 | -                         |
| Passed Through Passaic County Youth Services Commission           |                           |                      |                           |  |                  |                           |                                   |                           |
| Evening Reporting Program 2013                                    | 106,830                   | -                    | -                         |  | 99,896           | -                         | -                                 | 6,934                     |
| Evening Reporting Program 2012                                    | 9,999                     | -                    | -                         |  | 9,999            | -                         | -                                 | -                         |
| Evening Reporting Program 2014                                    | -                         | -                    | 105,975                   |  | -                | -                         | -                                 | 105,975                   |
| NJ Department of Health and Senior Services                       |                           |                      |                           |  |                  |                           |                                   |                           |
| Passed through County of Passaic:                                 |                           |                      |                           |  |                  |                           |                                   |                           |
| Bioterrorism Grant  | 80,300                    | -                    | -                         |  | 80,300           | -                         | -                                 | -                         |
| Public Health Preparedness and Response<br>for Bioterrorism Grant | -                         | 218,398              | -                         |  | 156,656          | -                         | -                                 | 61,742                    |
| NJ Department of Health and Senior Services                       |                           |                      |                           |  |                  |                           |                                   |                           |
| Passed through County of Passaic Youth Services Commission        |                           |                      |                           |  |                  |                           |                                   |                           |
| Paterson Station House Adjustment Component:                      |                           |                      |                           |  |                  |                           |                                   |                           |
| 2012 Program  | 12,000                    | -                    | -                         |  | 12,000           | -                         | -                                 | -                         |
| Paterson Station House Adj. Program (2013)                        | -                         | 19,021               | -                         |  | 19,021           | -                         | -                                 | -                         |
| Paterson Station House Adj. Program (2014)                        | -                         | -                    | 18,869                    |  | -                | -                         | -                                 | 18,869                    |
| Paterson Station House Adjustment Program                         | -                         | -                    | 10,000                    |  | 10,000           | -                         | -                                 | -                         |

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

| Description  | Balance,<br>June 30, 2013 | Current Year Awards  |                           | Cash<br>Receipts | Unappropriated<br>Reserve | Re-Allocations /<br>Cancellations | Balance,<br>June 30, 2014 |
|--|---------------------------|----------------------|---------------------------|------------------|---------------------------|-----------------------------------|---------------------------|
|  |                           | Budget as<br>Adopted | Added by<br>NISA 40A:4-87 |                  |                           |                                   |                           |
| NJ Department of Children and Families   |                           |                      |                           |                  |                           |                                   |                           |
| School Based Youth Services  | \$ -                      | \$ 304,690           | \$ -                      | \$ 304,690       | \$ -                      | \$ -                              | -                         |
| Parent Linking Program   | -                         | 132,716              | -                         | 132,679          | -                         | (37)                              | -                         |
| Passed Through Passaic County Youth Services Commission                              |                           |                      |                           |                  |                           |                                   |                           |
| Total Lifestyle Support Program  | 81,291                    | -                    | -                         | 81,044           | -                         | -                                 | 247                       |
| Total Lifestyle Support Program - Additional   | 90,036                    | -                    | -                         | 65,483           | -                         | -                                 | 24,553                    |
| Total Lifestyle and Support Program  | -                         | -                    | 82,633                    | -                | -                         | -                                 | 82,633                    |
| Passaic County Youth Services Commission   |                           |                      |                           |                  |                           |                                   |                           |
| NJ Historic Trust Hinchliffe Stadium Grant   | 500,000                   | -                    | -                         | -                | -                         | -                                 | 500,000                   |
| NJ Highlands Water Protection and Planning Council                                   |                           |                      |                           |                  |                           |                                   |                           |
| Transfer of Development Rights Feasibility<br>Grant Program                          | -                         | -                    | 50,000                    | -                | -                         | -                                 | 50,000                    |
| NJ Governor's Council on Alcohol and Drug Abuse (GCADA)                              |                           |                      |                           |                  |                           |                                   |                           |
| Passed through County of Passaic:  |                           |                      |                           |                  |                           |                                   |                           |
| Paterson Municipal Alliance Prevention Progr   | 39,680                    | 19,840               | -                         | 32,269           | -                         | -                                 | 27,251                    |
| NJ Department of State   |                           |                      |                           |                  |                           |                                   |                           |
| NJ Historical Commission   |                           |                      |                           |                  |                           |                                   |                           |
| Deleware-Lenape Culture Permanent<br>Exhibit of the Paterson Museum                  | -                         | -                    | 1,200                     | 960              | -                         | -                                 | 240                       |
| NJ State Council on the Arts - Partner Agency of the National Endowment for the Arts |                           |                      |                           |                  |                           |                                   |                           |
| Quarterly Visual Art Exhibition Series   | -                         | -                    | 1,600                     | 1,600            | -                         | -                                 | -                         |

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

| Description   | Balance,<br>June 30, 2013 | Current Year Awards  |                           | Cash<br>Receipts | Unappropriated<br>Reserve | Re-Allocations /<br>Cancellations | Balance,<br>June 30, 2014 |
|---|---------------------------|----------------------|---------------------------|------------------|---------------------------|-----------------------------------|---------------------------|
|   |                           | Budget as<br>Adopted | Added by<br>NISA 40A:4-87 |                  |                           |                                   |                           |
| US Department of Health and Human Services  |                           |                      |                           |                  |                           |                                   |                           |
| SPNS Grant  | \$ 20,500                 | \$ -                 | \$ -                      | 20,500           | \$ -                      | \$ -                              | -                         |
| Ryan White HIV Program / HIV Emergency  |                           |                      |                           |                  |                           |                                   |                           |
| Relief Project Grants   | 1,043,016                 | 2,238,346            | -                         | 3,279,423        | -                         | (1,939)                           | -                         |
| Ryan White HIV Program / HIV Emergency  |                           |                      |                           |                  |                           |                                   |                           |
| Relief Project Grants   | -                         | 1,111,342            | -                         | 495,200          | -                         | -                                 | 616,142                   |
| Passed through NJ Department of Health and Senior Services:                                     |                           |                      |                           |                  |                           |                                   |                           |
| Sexually Transmitted Disease  | 38,508                    | -                    | -                         | 38,508           | -                         | -                                 | -                         |
| Sexually Transmitted Disease (STD) 2014   | -                         | 88,535               | -                         | 66,354           | -                         | -                                 | 22,181                    |
| Tuberculosis Control - State Funds  | 49,530                    | -                    | -                         | 49,530           | -                         | -                                 | -                         |
| Tuberculosis Control (TB), Specialty  |                           |                      |                           |                  |                           |                                   |                           |
| Clinic Services 2014  | -                         | 208,700              | -                         | 151,704          | -                         | -                                 | 56,996                    |
| Tuberculosis Control - Federal Funds  | 77,793                    | -                    | -                         | 77,793           | -                         | -                                 | -                         |
| Tuberculosis Clinical, Nursing Case   |                           |                      |                           |                  |                           |                                   |                           |
| Management and Outreach Services  | -                         | 97,254               | -                         | 21,295           | -                         | -                                 | 75,959                    |
| Childhood Lead Poisoning Control  | 54,431                    | -                    | -                         | 54,431           | -                         | -                                 | -                         |
| Child Health 2014   | -                         | 230,846              | -                         | 164,214          | -                         | -                                 | 66,632                    |
| HIV Testing   | 123,849                   | -                    | -                         | 59,345           | -                         | (64,504)                          | -                         |
| HIV/AIDS Counseling and   |                           |                      |                           |                  |                           |                                   |                           |
| Testing/Notification Assistance Program   | -                         | 243,400              | -                         | 104,233          | -                         | -                                 | 139,167                   |
| Passed through National Association of County and City Health Officials:                        |                           |                      |                           |                  |                           |                                   |                           |
| Medical Reserve Corps Grant   | -                         | -                    | 3,500                     | 3,500            | -                         | -                                 | -                         |
| Passed through County of Passaic Department of Senior Services, Disability and Veterans Affairs |                           |                      |                           |                  |                           |                                   |                           |
| Senior Citizen & Disabled Transportation 2012   | 222,000                   | -                    | -                         | 218,018          | -                         | -                                 | 3,982                     |
| Senior Citizen & Disabled Transportation 2012   | 48,992                    | -                    | -                         | -                | -                         | (48,992)                          | -                         |
| Senior Citizen & Disabled Transportation  |                           |                      |                           |                  |                           |                                   |                           |
| Assistance (1)  | -                         | -                    | 222,000                   | -                | -                         | -                                 | 222,000                   |

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

| Description  | Balance,<br>June 30, 2013 | Current Year Awards  |                           | Cash<br>Receipts | Unappropriated<br>Reserve | Re-Allocations /<br>Cancellations | Balance,<br>June 30, 2014 |
|--|---------------------------|----------------------|---------------------------|------------------|---------------------------|-----------------------------------|---------------------------|
|  |                           | Budget as<br>Adopted | Added by<br>NISA 40A:4-87 |                  |                           |                                   |                           |
| US Department of Justice   |                           |                      |                           |                  |                           |                                   |                           |
| COPS Hiring Recovery Program   | \$ 804,867                | \$ -                 | \$ -                      | \$ 804,867       | \$ -                      | \$ -                              | -                         |
| COPS Hiring Program (CHP)  | -                         | 1,672,510            | -                         | -                | -                         | -                                 | 1,672,510                 |
| Bulletproof Vest Partnership Program                                     | -                         | 3,285                | -                         | 3,285            | -                         | -                                 | -                         |
| Edward Byrne Violent Crimes  | 5,569                     | -                    | -                         | 5,569            | -                         | -                                 | -                         |
| Edward Byrne Violent Crimes  | 92,000                    | -                    | -                         | 92,000           | -                         | -                                 | -                         |
| Passed through NJ Department of Law and Public Safety                    |                           |                      |                           |                  |                           |                                   |                           |
| Project Safe Neighborhood Program J911                                   | 8,000                     | -                    | -                         | 8,000            | -                         | -                                 | -                         |
| Byrne Memorial Law Enforcement Tech. Grant                               | 179,984                   | -                    | -                         | 76,762           | -                         | -                                 | 103,222                   |
| Passed through City of Passaic   |                           |                      |                           |                  |                           |                                   |                           |
| Byrne Memorial Justice Assistance Grant (200                             | 12,254                    | -                    | -                         | -                | -                         | -                                 | 12,254                    |
| Byrne Memorial Justice Assistance Grant (201                             | 19,669                    | -                    | -                         | 3,659            | -                         | -                                 | 16,010                    |
| Byrne Memorial Justice Assistance Grant (201                             | 127,933                   | -                    | -                         | 86,612           | -                         | -                                 | 41,321                    |
| Byrne Memorial Justice Assistance Grant (201                             | 67,440                    | -                    | -                         | 30,051           | -                         | -                                 | 37,389                    |
| 2013 Byrne Memorial Justice Assistance                                   |                           |                      |                           |                  |                           |                                   |                           |
| Grant - Joint Application for the Cities of                              |                           |                      |                           |                  |                           |                                   |                           |
| Clifton, Passaic and Paterson  |                           | 131,306              | -                         | -                | -                         | -                                 | 131,306                   |
| US Department of Energy  |                           |                      |                           |                  |                           |                                   |                           |
| Energy Efficiency and Renewal Grant                                      | 1,149,800                 | -                    | -                         | -                | -                         | -                                 | 1,149,800                 |
| US Department of Homeland Security - Federal Emergency Management Agency |                           |                      |                           |                  |                           |                                   |                           |
| FEMA Firefighter Station Construction                                    | 4,500,000                 | -                    | -                         | 4,500,000        | -                         | -                                 | -                         |
| FY2012 SAFER Veteran Hiring Program                                      | 6,051,794                 | 82,480               | -                         | 3,187,813        | -                         | -                                 | 2,946,461                 |
| Assistance to Firefighters   | 177,868                   | -                    | -                         | 177,868          | -                         | -                                 | -                         |
| Hurricane Sandy  | 415,934                   | -                    | -                         | 392,351          | -                         | -                                 | 23,583                    |
| Hazardous Mitigation Grant   | 4,322,336                 | -                    | -                         | -                | -                         | -                                 | 4,322,336                 |
| FY2011 Assistance to Firefighters Grant -                                |                           |                      |                           |                  |                           |                                   |                           |
| Fire Prevention and Safety Grants  | -                         | 68,204               | -                         | 68,204           | -                         | -                                 | -                         |

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

| Description   | Balance,<br>June 30, 2013 | Current Year Awards  |                           | Cash<br>Receipts | Unappropriated<br>Reserve | Re-Allocations /<br>Cancellations | Balance,<br>June 30, 2014 |
|---|---------------------------|----------------------|---------------------------|------------------|---------------------------|-----------------------------------|---------------------------|
|   |                           | Budget as<br>Adopted | Added by<br>NISA 40A:4-87 |                  |                           |                                   |                           |
| US Department of Homeland Security - Federal Emergency Management Agency (continued)  |                           |                      |                           |                  |                           |                                   |                           |
| Passed through NJ Department of Law and Public Safety   |                           |                      |                           |                  |                           |                                   |                           |
| 2012 Emergency Management   |                           |                      |                           |                  |                           |                                   |                           |
| Performance Grant Program   | \$ -                      | \$ 10,000            | \$ -                      | \$ 10,000        | \$ -                      | \$ -                              | -                         |
| State Police, Fire Urban Search and Rescue (USAR): Metro Strike Team, Structure Collapse and Annual Must Exercise FD Programs | -                         | 99,505               | 29,536                    | 109,515          | 19,526                    | -                                 | -                         |
| US Department of Agriculture  |                           |                      |                           |                  |                           |                                   |                           |
| Passed through NJ Department of Health and Senior Services  |                           |                      |                           |                  |                           |                                   |                           |
| Senior Farmer's Market Nutrition Project  | -                         | 500                  | -                         | 500              | -                         | -                                 | -                         |
| US Department of Housing and Urban Development  |                           |                      |                           |                  |                           |                                   |                           |
| Passed through County of Passaic  |                           |                      |                           |                  |                           |                                   |                           |
| CDBG-R Disaster Recovery Fuds   | -                         | 2,075,000            | -                         | -                | -                         | -                                 | 2,075,000                 |
| US Department of Transportation/FHWA  |                           |                      |                           |                  |                           |                                   |                           |
| Passed through NJ Transportation Planning Authority / NJIT-Rutgers office of Research and Sponsored Programs                  |                           |                      |                           |                  |                           |                                   |                           |
| HUD Sustainable Community Planning Grant - North Jersey Sustainable Community Program Administration                          | -                         | 10,000               | -                         | -                | -                         | -                                 | 10,000                    |
| Passed through NJ Department of Transportation  |                           |                      |                           |                  |                           |                                   |                           |
| Spruce - McBride Intersection   | 200,000                   | -                    | -                         | 24,001           | -                         | -                                 | 175,999                   |
| Paterson Restoration Corporation  |                           |                      |                           |                  |                           |                                   |                           |
| Division of Community Improvements  |                           |                      |                           |                  |                           |                                   |                           |
| Technology Upgrade Grant  | -                         | 125,000              | -                         | 125,000          | -                         | -                                 | -                         |
| Rogers Building Scaffolding Grant   | -                         | -                    | 14,800                    | 14,800           | -                         | -                                 | -                         |

**CITY OF PATERSON**  
**FEDERAL AND STATE GRANT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

| Description  | Balance,<br>June 30, 2013 | Current Year Awards  |                           |                      | Cash<br>Receipts | Unappropriated<br>Reserve | Re-Allocations /<br>Cancellations | Balance,<br>June 30, 2014 |
|--|---------------------------|----------------------|---------------------------|----------------------|------------------|---------------------------|-----------------------------------|---------------------------|
|  |                           | Budget as<br>Adopted | Added by<br>NISA 40A:4-87 |                      |                  |                           |                                   |                           |
| Passaic County Open Space and Farmland Preservation Trust Fund |                           |                      |                           |                      |                  |                           |                                   |                           |
| Overlook Park Improvements                                     | \$ 143,059                | \$ -                 | \$ -                      |                      | \$ -             | -                         | \$ -                              | \$ 143,059                |
| Mary Ellen Kramer Park Improvements                            | 78,756                    | -                    | -                         | 57,079               | -                | -                         | -                                 | 21,677                    |
| Mary Ellen Kramer Park Imp. - Phase II                         | 125,000                   | -                    | -                         | -                    | -                | -                         | -                                 | 125,000                   |
| Mary Ellen Kramer Park Imp. - Phase III                        | 50,000                    | -                    | -                         | -                    | -                | -                         | -                                 | 50,000                    |
| Mary Ellen Kramer Park Imp. - Phase IV                         | 95,000                    | -                    | -                         | -                    | -                | -                         | -                                 | 95,000                    |
| Mary Ellen Kramer Park Rollover                                | 45,000                    | -                    | -                         | -                    | -                | -                         | -                                 | 45,000                    |
| Middle-Lower Raceway   | 45,000                    | -                    | -                         | -                    | -                | -                         | -                                 | 45,000                    |
| Middle-Lower Raceway - Invest. & Design                        | 40,000                    | -                    | -                         | -                    | -                | -                         | -                                 | 40,000                    |
| Passaic River Waterfront Study                                 | 30,000                    | -                    | -                         | -                    | -                | -                         | -                                 | 30,000                    |
| Analysis of Pocket Parks                                       | 30,000                    | -                    | -                         | 18,328               | -                | -                         | -                                 | 11,672                    |
| Pennington Park Gazebo   | 175,000                   | -                    | -                         | 101,555              | -                | -                         | -                                 | 73,445                    |
| Penning Park Rollover  | 524,350                   | -                    | -                         | 524,350              | -                | -                         | -                                 | -                         |
| 2013 Eastside Park Concession Stand /                          |                           |                      |                           |                      |                  |                           |                                   |                           |
| Cricket House  | -                         | 260,000              | -                         | -                    | -                | -                         | -                                 | 260,000                   |
| Downtown Commercial Historic District Grant                    | 18,000                    | -                    | -                         | -                    | -                | -                         | -                                 | 18,000                    |
|  | <u>\$ 25,076,657</u>      | <u>\$ 10,294,777</u> | <u>\$ 699,316</u>         | <u>\$ 17,693,654</u> | <u>\$ 19,948</u> | <u>\$ (186,232)</u>       | <u>\$ 18,170,916</u>              |                           |
| <u>Ref.</u>  | A                         | A-36                 | A-36                      | A-36                 | A-39             | A-38                      | A                                 |                           |
| Life Hazard Use Fees   | \$ 263,584                |                      |                           |                      |                  |                           |                                   |                           |
| Public and Private Proj  | 10,031,193                |                      |                           |                      |                  |                           |                                   |                           |
|  | <u>\$ 10,294,777</u>      |                      |                           |                      |                  |                           |                                   |                           |

(1) Includes State Casino Revenue Funding of \$175,540 and Federal Title III Older Americans Act Funding of \$46,460.

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

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

|                                      |                  |                   |                    |
|--------------------------------------|------------------|-------------------|--------------------|
| Balance: June 30, 2013               | <u>Ref.</u><br>A |                   | \$ -               |
| Increased by Credits:                |                  |                   |                    |
| Adopted Grant Revenues               |                  | \$ 10,031,193     |                    |
| Life Hazard Use Fees                 |                  | 263,584           |                    |
|                                      | A-35             | <u>10,294,777</u> |                    |
| Chapter 159 Grant Revenues           | A-35             | 699,316           |                    |
| Allocation of Interfund              | A-4              | 1,139,580         |                    |
| Cancelled to Current Fund Operations | A-38             | 1,728             |                    |
| Grant Expenditures Paid by Current   | A-38             | <u>18,191,046</u> |                    |
|                                      |                  |                   | <u>30,326,447</u>  |
|                                      |                  |                   | 30,326,447         |
| Decreased by Debits:                 |                  |                   |                    |
| Appropriated in Adopted Budget       |                  | \$ 10,031,193     |                    |
| Chapter 159 Appropriation            |                  | 699,316           |                    |
|                                      |                  | <u>10,730,509</u> |                    |
| Life Hazard Use Fees                 |                  | 263,584           |                    |
|                                      | A-38             | <u>10,994,093</u> |                    |
| City Match                           | A-38             | 707,312           |                    |
| Allocation of Interfund              | A-4              | 930,677           |                    |
| Grant Funds Collected in Current     | A-35             | 17,693,654        |                    |
| Unappropriated Grants                | A-39             | <u>711</u>        |                    |
|                                      |                  |                   | <u>30,326,447</u>  |
|                                      |                  |                   | 30,326,447         |
| Balance: June 30, 2014               | A                |                   | <u><u>\$ -</u></u> |

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF REQUISITIONS AND ACCOUNTS PAYABLE**

|                          |                  |                            |
|--------------------------|------------------|----------------------------|
| June 30, 2013            | <u>Ref.</u><br>A | \$ 7,402,782               |
| Increased by:            |                  |                            |
| Requisitions Outstanding | A-38             | <u>2,073,448</u>           |
|                          |                  | 9,476,230                  |
| Decreased by:            |                  |                            |
| Prior Year Requisitions  | A-38             | <u>7,402,782</u>           |
| June 30, 2014            | A                | <u><u>\$ 2,073,448</u></u> |



**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

| Department and Program   | Balance: June 30, 2013 |            | Current Year Awards | City Match | Paid or Charged | Adjusted/Cancelled | Balance: June 30, 2014 |           |
|--|------------------------|------------|---------------------|------------|-----------------|--------------------|------------------------|-----------|
|  | Reserved               | Encumbered |                     |            |                 |                    | Encumbered             | Reserved  |
| <b>FEDERAL GRANTS</b>  |                        |            |                     |            |                 |                    |                        |           |
| <u>US Department of Health and Human Services</u>  |                        |            |                     |            |                 |                    |                        |           |
| Special Project of National Significance 9/12-8/13   | \$ 3,000               | \$ 17,500  | \$ -                | \$ -       | \$ 20,500       | \$ -               | \$ -                   | -         |
| Minority Aids Initiative Program 3/13-2/14   | 109,221                | -          | 174,476             | -          | 283,382         | 315                | -                      | -         |
| (Ryan White 3/1/13-2/28/14) HIV Emergency Relief Project Grants  | 769,247                | 164,548    | 2,063,870           | -          | 2,996,041       | 1,624              | -                      | -         |
| Minority Aids Initiative Program 3/14-2/15   | -                      | -          | 93,463              | -          | 20,676          | -                  | -                      | 72,787    |
| (Ryan White 3/1/14-2/28/15) HIV Emergency Relief Project Grants  | -                      | -          | 1,017,879           | -          | 475,863         | -                  | 93,304                 | 448,712   |
| Passed through NJ Department of Health and Senior Services   |                        |            |                     |            |                 |                    |                        |           |
| Sexually Transmitted Disease (STD) 2014  | -                      | -          | 88,535              | -          | 88,108          | -                  | 48                     | 379       |
| Sexually Transmitted Disease Control 2013  | 16,917                 | 220        | -                   | -          | 17,137          | -                  | -                      | -         |
| Tuberculosis Control   | -                      | -          | 208,700             | -          | 206,021         | -                  | 956                    | 1,723     |
| Tuberculosis Control 2013  | 949                    | 380        | -                   | -          | 1,329           | -                  | -                      | -         |
| Tuberculosis Control Federal Grant 2013  | 49,258                 | 3,075      | -                   | -          | 52,333          | -                  | -                      | -         |
| Tuberculosis Clinical, Nursing Case Mgmt. and Outreach Services  | -                      | -          | 97,254              | -          | 46,966          | -                  | 1,410                  | 48,878    |
| Child Health 2014  | -                      | -          | 230,846             | -          | 218,518         | -                  | 7,670                  | 4,658     |
| Childhood Lead Poisoning 2013  | 4,608                  | 2,571      | -                   | -          | 7,179           | -                  | -                      | -         |
| Passed through National Association of County and City Health Officials  |                        |            |                     |            |                 |                    |                        |           |
| Medical Reserve Corps Grant  | -                      | -          | 3,500               | -          | -               | -                  | -                      | 3,500     |
| Passed through County of Passaic Department of Senior Services, Disability and Veterans Affairs                  |                        |            |                     |            |                 |                    |                        |           |
| Senior Citizen/Disabled Transportation Program 2012  | -                      | -          | -                   | -          | (3,033)         | 3,033              | -                      | -         |
| Senior Citizen/Disabled Transportation Program 2013  | 93,909                 | 618        | -                   | -          | 94,527          | -                  | -                      | -         |
| Senior Citizen/Disabled Transportation Program 2011  | 34,683                 | -          | -                   | -          | (11,275)        | 45,958             | -                      | -         |
| Senior Citizen & Disabled Transportation Assistance (1)  | -                      | -          | 222,000             | -          | 73,781          | -                  | 148                    | 148,071   |
| <u>US Department of Justice</u>  |                        |            |                     |            |                 |                    |                        |           |
| COPS Hiring Recovery Program   | 804,867                | -          | -                   | -          | 804,867         | -                  | -                      | -         |
| COPS Hiring Program (CHP)  | -                      | -          | 1,672,510           | -          | -               | -                  | -                      | 1,672,510 |
| Bulletproof Vest Partnership Program   | -                      | -          | 3,285               | -          | -               | -                  | 3,285                  | -         |
| Bulletproof Vest Program 2012  | -                      | 31,275     | -                   | -          | 31,275          | -                  | -                      | -         |
| Passed through City of Passaic   |                        |            |                     |            |                 |                    |                        |           |
| Edward Byrne Memorial Justice Assistance Equipment Grant 2009  | 425                    | -          | -                   | -          | 425             | -                  | -                      | -         |
| Edward Byrne Memorial Justice Assistance Equipment Grant 2011  | 24,176                 | 32,714     | -                   | -          | 55,724          | -                  | 720                    | 446       |
| 2013 Byrne Memorial Justice Assistance Grant - Joint Application for the Cities of Clifton, Passaic and Paterson | -                      | -          | 131,306             | -          | -               | -                  | -                      | 131,306   |
| Edward Byrne Memorial Justice Assistance Salaries Grant 2013   | 122,411                | 12,500     | -                   | -          | 46,067          | -                  | 27,391                 | 61,453    |
| Edward Byrne Memorial Law Enforcement Technology Grant   | 26,519                 | 103,245    | -                   | -          | 32,695          | -                  | 97,069                 | -         |

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

| Department and Program   | Balance: June 30, 2013 |            | Current Year Awards | City Match | Paid or Charged | Adjusted/Cancelled | Balance: June 30, 2014 |            |
|--|------------------------|------------|---------------------|------------|-----------------|--------------------|------------------------|------------|
|  | Reserved               | Encumbered |                     |            |                 |                    | Encumbered             | Reserved   |
| <b><u>FEDERAL GRANTS (continued)</u></b>   |                        |            |                     |            |                 |                    |                        |            |
| <u>US Department of Energy</u>   |                        |            |                     |            |                 |                    |                        |            |
| Energy Efficiency & Renewal  | \$ 994,254             | \$ 47,813  | \$ -                | \$ -       | \$ 12,120       | \$ -               | \$ 57,205              | \$ 972,742 |
| <u>US Department of Homeland Security - Federal Emergency Management Agency</u>                              |                        |            |                     |            |                 |                    |                        |            |
| FY2012 SAFER Veteran Hiring Program  | 6,387,629              | -          | 82,480              | -          | 3,426,491       | -                  | -                      | 3,043,618  |
| FEMA Firefighters Station Construction   | -                      | 4,500,000  | -                   | -          | 4,249,558       | -                  | 250,442                | -          |
| FEMA - Assistance to Firefighters Grant 2009   | -                      | 2,520      | -                   | -          | 2,176           | 344                | -                      | -          |
| FEMA - Assistance to Firefighters Grant 2010   | 18,956                 | 65,843     | -                   | -          | 18,848          | -                  | -                      | 65,951     |
| FEMA - Assistance to Firefighters Grant  | 16,210                 | 206,125    | -                   | -          | 222,335         | -                  | -                      | -          |
| FY2011 Assistance to Firefighters Grant - Fire Prevention and Safety Grants                                  | -                      | -          | 68,204              | 17,051     | 85,155          | -                  | -                      | 100        |
| Blue Acres Fund  | 5,722,656              | 22,890     | -                   | -          | 80,551          | -                  | 372,336                | 5,292,659  |
| Passed through NJ Department of Law and Public Safety  | -                      | -          | 10,000              | -          | 10,000          | -                  | -                      | -          |
| 2012 Emergency Management Performance Grant Program  | 10,000                 | -          | -                   | -          | 10,000          | -                  | -                      | -          |
| Emergency Management Assistance Funding 10/09-9/10   | -                      | -          | -                   | -          | -               | -                  | -                      | -          |
| <u>US Department of Housing and Urban Development</u>  |                        |            |                     |            |                 |                    |                        |            |
| Passed through County of Passaic   | -                      | -          | 2,075,000           | -          | -               | -                  | -                      | 2,075,000  |
| CDBG-R Disaster Recovery Funds   | -                      | -          | -                   | -          | -               | -                  | -                      | -          |
| <u>US Department of Transportation/FHWA</u>  |                        |            |                     |            |                 |                    |                        |            |
| Passed through NJ Transportation Planning Authority / NJIT-Rutgers office of Research and Sponsored Programs | -                      | -          | 10,000              | -          | 15              | -                  | -                      | 9,985      |
| HUD Sustainable Community Planning Grant - North Jersey Sustainable Community Program Administration         | -                      | -          | -                   | -          | -               | -                  | -                      | -          |
| TOTAL FEDERAL GRANTS   | 15,209,895             | 5,213,837  | 8,253,308           | 17,051     | 13,676,355      | 51,274             | 911,984                | 14,054,478 |

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

| Department and Program   | Balance: June 30, 2013 |            | Current Year Awards | City Match | Paid or Charged | Adjusted/Cancelled | Balance: June 30, 2014 |           |
|--|------------------------|------------|---------------------|------------|-----------------|--------------------|------------------------|-----------|
|  | Reserved               | Encumbered |                     |            |                 |                    | Encumbered             | Reserved  |
| <b>STATE GRANTS</b>  |                        |            |                     |            |                 |                    |                        |           |
| <u>NJ Department of Commerce and Economic Development</u>      |                        |            |                     |            |                 |                    |                        |           |
| Urban Enterprise Zone Grants                                   |                        |            |                     |            |                 |                    |                        |           |
| Main Street Improvement Program - Phase I                      | \$ 48,431              | \$ -       | \$ -                | -          | \$ -            | -                  | \$ -                   | \$ 48,431 |
| Business Improvement Phase II Matching Grant 2006              | 2,198                  | -          | -                   | -          | -               | -                  | -                      | 2,198     |
| Marketing & Business Development Prog. Phase II                | 86,026                 | -          | -                   | -          | 11,537          | -                  | -                      | 74,489    |
| Streetscape Planters Project                                   | 9,035                  | -          | -                   | -          | -               | -                  | -                      | 9,035     |
| Surveillance Cameras   | 760                    | 329,834    | -                   | -          | 329,834         | 760                | -                      | -         |
| Passed through Paterson Restoration Corp.                      |                        |            |                     |            |                 |                    |                        |           |
| Small Business Development Center Year 13                      | -                      | -          | -                   | -          | (970)           | 970                | -                      | -         |
| Small Business Development Center Year 14                      | -                      | 36,371     | -                   | -          | 36,371          | -                  | -                      | -         |
| William Paterson University Small Business Dev. Center Year 15 | -                      | -          | 50,000              | -          | 19,523          | -                  | 30,477                 | -         |
| Clean Communities Project                                      | 210,055                | 65,952     | -                   | -          | 131,319         | -                  | 583                    | 144,105   |
| Administration 2012  | 2,630                  | -          | -                   | -          | 2,630           | -                  | -                      | -         |
| Administration 2013  | 177,315                | 8,059      | -                   | -          | 26,981          | 158,393            | -                      | -         |
| Administration 2014  | -                      | -          | 198,800             | -          | 175,397         | -                  | 1,751                  | 21,652    |
| <u>NJ Department of Transportation</u>                         |                        |            |                     |            |                 |                    |                        |           |
| Spruce-McBride Avenue Intersection                             | 172,397                | 3,169      | -                   | -          | -               | -                  | 2,170                  | 173,396   |
| <u>NJ Department of Environmental Protection</u>               |                        |            |                     |            |                 |                    |                        |           |
| Municipal Storm Water Regulation Program                       | 538                    | -          | -                   | -          | -               | -                  | -                      | 538       |
| Recycling Tonnage Grant 2008                                   | 2,657                  | -          | -                   | -          | 2,657           | -                  | -                      | -         |
| Recycling Tonnage Grant  | -                      | -          | 222,858             | -          | -               | -                  | -                      | 222,858   |
| Recycling Tonnage Grant 2010                                   | 48,669                 | 8,980      | -                   | -          | 57,649          | -                  | -                      | -         |
| Recycling Tonnage Grant 2011                                   | 139,852                | 3,188      | -                   | -          | 143,040         | -                  | -                      | -         |
| NJDEP Recycling Tonnage Grant                                  | 238,701                | -          | -                   | -          | 111,917         | -                  | 13,611                 | 113,173   |
| Clean Communities 2009   | -                      | 15,751     | -                   | -          | 15,751          | -                  | -                      | -         |
| NJDEP Clean Communities  | 169,792                | -          | -                   | -          | 168,584         | -                  | 733                    | 475       |
| NJDEP Clean Communities  | -                      | -          | 159,203             | -          | -               | -                  | -                      | 159,203   |
| Clean Communities 2012   | -                      | 3,792      | -                   | -          | 3,792           | -                  | -                      | -         |

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

| Department and Program  | Balance: June 30, 2013 |            | Current Year Awards | City Match | Paid or Charged | Adjusted/Cancelled | Balance: June 30, 2014 |          |
|---|------------------------|------------|---------------------|------------|-----------------|--------------------|------------------------|----------|
|   | Reserved               | Encumbered |                     |            |                 |                    | Encumbered             | Reserved |
| <b>STATE GRANTS (continued)</b>   |                        |            |                     |            |                 |                    |                        |          |
| NJ Economic Development Authority - Hazardous Discharge Site Remediation  | \$                     |            |                     |            |                 |                    |                        |          |
| Cliff Street/Belmont Apartments   | -                      | 20,263     | \$                  | -          | \$              | -                  | 20,263                 | \$       |
| 36-40 Straight Street   | -                      | 2,740      | -                   | -          | -               | -                  | 2,740                  | -        |
| 533-539 Totowa Salvatore Site   | -                      | 24,035     | -                   | -          | -               | -                  | 24,035                 | -        |
| Addy Mill   | 30,432                 | 59,669     | -                   | -          | 6,652           | -                  | 83,449                 | -        |
| Apollo Dye House  | -                      | 29,349     | -                   | -          | 140,225         | (110,876)          | -                      | -        |
| ATP   | -                      | 90,896     | -                   | -          | -               | -                  | 90,896                 | -        |
| ATP   | 500                    | -          | -                   | -          | -               | -                  | -                      | 500      |
| Columbia Textile Phase II   | 200                    | -          | -                   | -          | -               | -                  | -                      | 200      |
| Columbia Textile Phase III  | 82,671                 | 56,581     | -                   | -          | 8,703           | -                  | 130,549                | -        |
| Historic Industrial Mill Buildings Survey   | 97                     | -          | -                   | -          | -               | 97                 | -                      | -        |
| Riverwalk   | -                      | 93,186     | -                   | -          | 26,894          | -                  | 66,292                 | -        |
| Local Tourism Grant - Passaic Falls Overlook Park   | -                      | 41,290     | -                   | -          | -               | -                  | 41,290                 | -        |
| <b>NJ Department of Community Affairs</b>   |                        |            |                     |            |                 |                    |                        |          |
| Life Hazard Use Fees - LEA Rebate 2014  | -                      | -          | 263,584             | -          | 174,870         | -                  | -                      | 88,714   |
| Fire Safety Life Hazard Use Fees 2012   | 57,099                 | -          | -                   | -          | 35,586          | 21,513             | -                      | -        |
| Recreational Opportunities Individuals with Disabilities 2013   | 13,000                 | -          | -                   | -          | 13,000          | -                  | -                      | -        |
| <b>NJ Department of Law and Public Safety</b>   |                        |            |                     |            |                 |                    |                        |          |
| NJDLPS Paterson Safe Neighborhoods Program  | 3,944                  | -          | -                   | -          | 3,944           | -                  | -                      | -        |
| Safe & Secure Communities Program   | -                      | -          | 66,521              | 688,973    | 755,494         | -                  | -                      | -        |
| Body Armor Replacement Fund   | -                      | -          | 41,714              | -          | -               | -                  | 41,714                 | -        |
| Body Armor Replacement Fund 2011  | -                      | 31,516     | -                   | -          | 31,516          | -                  | -                      | -        |
| Body Armor Replacement Fund   | 33,600                 | -          | -                   | -          | 16,632          | -                  | 16,968                 | -        |
| DWI Drunk Driving Enforcement Fund  | 7,578                  | -          | -                   | -          | 7,578           | -                  | -                      | -        |
| State Police, Fire Urban Search and Rescue (USAR): Metro Strike Team, Structure Collapse and Annual Must Exercise FD Programs | -                      | -          | 129,041             | -          | 23,351          | -                  | -                      | 105,690  |
| USAR Reimbursement Funds 2012   | 649                    | -          | -                   | -          | 649             | -                  | -                      | -        |
| Operation Cease Fire  | 15,000                 | -          | -                   | -          | -               | -                  | -                      | 15,000   |

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

| Department and Program   | Balance: June 30, 2013 |            | Current Year Awards | City Match | Paid or Charged | Adjusted/Cancelled | Balance: June 30, 2014 |           |
|--|------------------------|------------|---------------------|------------|-----------------|--------------------|------------------------|-----------|
|  | Reserved               | Encumbered |                     |            |                 |                    | Encumbered             | Reserved  |
| <b><u>STATE GRANTS (continued)</u></b>   |                        |            |                     |            |                 |                    |                        |           |
| <u>NJ Department of Law and Public Safety (continued)</u>                            |                        |            |                     |            |                 |                    |                        |           |
| Passaic County Youth Services Commission   |                        |            |                     |            |                 |                    |                        |           |
| Evening Reporting Program 2009   | \$ 68,606              | \$ -       | -                   | -          | \$ -            | -                  | \$ -                   | \$ 68,606 |
| Evening Reporting Program 2010   | 99,627                 | 386        | -                   | -          | -               | -                  | -                      | 100,013   |
| Evening Reporting Program 2011   | 905                    | -          | -                   | -          | -               | -                  | -                      | 905       |
| Evening Reporting Program 2012   | 4,280                  | 4,707      | -                   | -          | 4,606           | -                  | -                      | 4,381     |
| Evening Reporting Program 2013   | 79,486                 | -          | -                   | -          | 71,872          | -                  | 100                    | 7,514     |
| Evening Reporting Program 2014   | -                      | -          | 105,975             | -          | 11,993          | -                  | -                      | 93,982    |
| <u>NJ Department of Judiciary</u>  |                        |            |                     |            |                 |                    |                        |           |
| Alcohol Education Rehabilitation Enforcement Fund / Alcohol Education Rehab Fund DWI | -                      | -          | 422                 | -          | -               | -                  | -                      | 422       |
| Alcohol Education Enforcement Fund   | 3,182                  | -          | -                   | -          | 1,938           | -                  | -                      | 1,244     |
| Alcohol Education and Rehabilitation 2010  | 4,474                  | -          | -                   | -          | 4,474           | -                  | -                      | -         |
| Alcohol Education and Rehabilitation 2007  | 3,287                  | -          | -                   | -          | 3,287           | -                  | -                      | -         |
| <u>NJ Department of Health and Senior Services</u>                                   |                        |            |                     |            |                 |                    |                        |           |
| HIV/AIDS Counseling and Testing/Notification Assistance Program                      | -                      | -          | 243,400             | -          | 220,953         | -                  | 18,278                 | 4,169     |
| HIV Counseling, Testing & Referral 10/1/12-9/30/13                                   | 65,780                 | 8,037      | -                   | -          | 9,313           | 64,504             | -                      | -         |
| NJDOH Senior Farmer's Market   | -                      | -          | 500                 | -          | 500             | -                  | -                      | -         |
| Passed through County of Passaic   | -                      | -          | -                   | -          | -               | -                  | -                      | -         |
| Bioterrorism Preparedness  | -                      | -          | 218,398             | -          | 211,432         | -                  | 4,006                  | 2,960     |
| Bioterrorism Preparedness 2013   | 5,116                  | 21,779     | -                   | -          | 26,895          | -                  | -                      | -         |
| <u>NJ Department of Human / Youth Services</u>                                       |                        |            |                     |            |                 |                    |                        |           |
| Passed through County of Passaic Youth Services Commission                           | -                      | -          | 18,869              | -          | -               | -                  | -                      | 18,869    |
| Passaic County Paterson Station House Adjustment 2014                                | -                      | -          | 29,021              | 1,288      | 30,284          | -                  | -                      | 25        |
| Passaic County Paterson Station House Adjustment Program                             | 1,288                  | -          | -                   | -          | -               | 1,288              | -                      | -         |
| Passaic County Paterson Station House Adjustment Program                             | -                      | -          | -                   | -          | -               | -                  | -                      | -         |
| <u>NJ Historic Trust</u>   |                        |            |                     |            |                 |                    |                        |           |
| Hinchliffe Stadium Grant   | 500,000                | -          | -                   | -          | -               | -                  | -                      | 500,000   |

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

| Department and Program   | Balance: June 30, 2013 |                  | Current Year Awards | City Match     | Paid or Charged  | Adjusted/Cancelled | Balance: June 30, 2014 |                  |
|--|------------------------|------------------|---------------------|----------------|------------------|--------------------|------------------------|------------------|
|  | Reserved               | Encumbered       |                     |                |                  |                    | Encumbered             | Reserved         |
| <u>NJ Department of Children and Families</u>  |                        |                  |                     |                |                  |                    |                        |                  |
| School Based Youth Services Program - 2013   | \$ 32,971              | \$ 4,957         | \$ -                | -              | \$ 37,891        | \$ 37              | -                      | -                |
| School Based Youth Services Program - 2014   | -                      | -                | 304,690             | -              | 268,062          | -                  | 1,136                  | 35,492           |
| Teen Parenting Program 2013  | -                      | 20,292           | -                   | -              | 20,292           | -                  | -                      | -                |
| Parent Linking Program   | -                      | -                | 132,716             | -              | 5,770            | -                  | 126,946                | -                |
| Passed Through Passaic County Cultural and Heritage Council                          |                        |                  |                     |                |                  |                    |                        |                  |
| Lifestyle Support Program Additional Funding - 2012                                  | 22,731                 | -                | -                   | -              | -                | -                  | -                      | 22,731           |
| Lifestyle Support Program Additional Funding - 1/13-12/14                            | 98,222                 | -                | -                   | -              | 98,222           | -                  | -                      | -                |
| Total Lifestyle Support Program 2011   | 46,561                 | -                | -                   | -              | -                | -                  | -                      | 46,561           |
| Total Lifestyle and Support Program  | -                      | -                | 82,633              | -              | 2,982            | -                  | -                      | 79,651           |
| Lifestyle Support Program 2013   | 32,930                 | -                | -                   | -              | 32,930           | -                  | -                      | -                |
| <u>NJ Highlands Water Protection and Planning Council</u>                            |                        |                  |                     |                |                  |                    |                        |                  |
| Transfer of Development Rights Feasibility Grant Program                             | -                      | -                | 50,000              | -              | -                | -                  | -                      | 50,000           |
| <u>NJ Governor's Council on Alcohol and Drug Abuse (GCADA)</u>                       |                        |                  |                     |                |                  |                    |                        |                  |
| Passed through County of Passaic   | 9,818                  | 45               | -                   | -              | 9,863            | -                  | -                      | -                |
| Municipal Alliance 2011  | 39,680                 | -                | 19,840              | -              | 42,497           | -                  | 16,788                 | 235              |
| Paterson Municipal Alliance Prevention Program                                       |                        |                  |                     |                |                  |                    |                        |                  |
| <u>NJ Department of State</u>  |                        |                  |                     |                |                  |                    |                        |                  |
| NJ Historical Commission   |                        |                  |                     |                |                  |                    |                        |                  |
| Deleware-Lenape Culture Permanent Exhibit of the Paterson Museum                     | -                      | -                | 1,200               | -              | -                | -                  | -                      | 1,200            |
| NJ State Council on the Arts - Partner Agency of the National Endowment for the Arts |                        |                  |                     |                |                  |                    |                        |                  |
| Quarterly Visual Art Exhibition Series   | -                      | -                | 1,600               | -              | -                | -                  | -                      | 1,600            |
| Public Archives & Records Infrastructure Support Grant (PARIS) 2006                  | -                      | 12,629           | -                   | -              | -                | -                  | -                      | 12,629           |
| Public Archives & Records Infrastructure Support Grant (PARIS) 2007                  | -                      | 29,377           | -                   | -              | -                | -                  | 29,377                 | -                |
| Passed Through Passaic County Cultural and Heritage Council                          |                        |                  |                     |                |                  |                    |                        |                  |
| Exhibit Freedom Boulevard Gate   | 440                    | -                | -                   | -              | -                | -                  | -                      | 440              |
| Art Grant  | 330                    | -                | -                   | -              | -                | -                  | -                      | 330              |
| Museum Grant   | 335                    | -                | -                   | -              | -                | -                  | -                      | 335              |
| Museum Council -2009   | 131                    | -                | -                   | -              | -                | -                  | -                      | 131              |
| <b>TOTAL STATE GRANTS</b>  | <b>2,674,006</b>       | <b>1,026,830</b> | <b>2,340,985</b>    | <b>690,261</b> | <b>3,597,162</b> | <b>136,686</b>     | <b>764,152</b>         | <b>2,234,082</b> |

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

| Department and Program                                      | Balance: June 30, 2013 |            | Current Year Awards | City Match | Paid or Charged | Adjusted/Cancelled | Balance: June 30, 2014 |            |
|---|------------------------|------------|---------------------|------------|-----------------|--------------------|------------------------|------------|
|   | Reserved               | Encumbered |                     |            |                 |                    | Encumbered             | Reserved   |
| <b><u>COUNTY, LOCAL AND PRIVATE GRANTS</u></b>              |                        |            |                     |            |                 |                    |                        |            |
| Passaic County Open Space                                   |                        |            |                     |            |                 |                    |                        |            |
| Overlook Park Improvements                                  | \$ 143,059             | \$ -       | \$ -                | -          | \$ -            | -                  | \$ -                   | \$ 143,059 |
| Mary Ellen Kramer Park Improvements Phase I                 | -                      | 78,756     | -                   | -          | 67,246          | -                  | 11,510                 | -          |
| Mary Ellen Kramer Park Improvements Phase II                | -                      | 125,000    | -                   | -          | -               | -                  | 125,000                | -          |
| Mary Ellen Kramer Park Improvements Phase III               | -                      | 50,000     | -                   | -          | -               | -                  | 50,000                 | -          |
| Mary Ellen Kramer Park Improvements Phase IV                | -                      | 95,000     | -                   | -          | -               | -                  | 95,000                 | -          |
| Mary Ellen Kramer Park Improvements Rollover                | -                      | 45,000     | -                   | -          | -               | -                  | 45,000                 | -          |
| Middle - Lower Raceway                                      | 45,000                 | -          | -                   | -          | -               | -                  | -                      | 45,000     |
| Middle - Lower Raceway Investigation and Design             | 40,000                 | -          | -                   | -          | -               | -                  | -                      | 40,000     |
| Passaic River Waterfront Study                              | 30,000                 | -          | -                   | -          | -               | -                  | -                      | 30,000     |
| Analysis Pocket Parks                                       | 30,000                 | -          | -                   | -          | 18,328          | -                  | 405                    | 11,267     |
| Pennington Park Gazebo                                      | 2,000                  | 173,000    | -                   | -          | 141,344         | -                  | 31,656                 | 2,000      |
| Pennington Park Rollover                                    | -                      | 524,350    | -                   | -          | 524,350         | -                  | -                      | -          |
| Eastside Park Concession Stand / Cricket House              | -                      | -          | 260,000             | -          | -               | -                  | -                      | 260,000    |
| Passaic County Prosecutor                                   |                        |            |                     |            |                 |                    |                        |            |
| Passaic County Prosecutor's Office Franklin Reward          | 2,500                  | -          | -                   | -          | -               | -                  | -                      | 2,500      |
| Passaic County Confidential Forfeiture Fund                 | 9,000                  | -          | -                   | -          | -               | -                  | -                      | 9,000      |
| Paterson Restoration Corporation                            |                        |            |                     |            |                 |                    |                        |            |
| Division of Community Improvements Technology Upgrade Grant | -                      | -          | 125,000             | -          | 60,093          | -                  | 23,885                 | 41,022     |
| Rogers Building Scaffolding Grant                           | -                      | -          | 14,800              | -          | -               | -                  | 14,800                 | -          |
| PRC Master Plan Grant                                       | 1,000                  | 41,000     | -                   | -          | 41,000          | -                  | -                      | 1,000      |

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

| Department and Program   | Balance: June 30, 2013      |                     | Current Year Awards  | City Match        | Paid or Charged      | Adjusted/Cancelled | Balance: June 30, 2014     |                      |
|--|-----------------------------|---------------------|----------------------|-------------------|----------------------|--------------------|----------------------------|----------------------|
|  | Reserved                    | Encumbered          |                      |                   |                      |                    | Encumbered                 | Reserved             |
| <b>COUNTY, LOCAL AND PRIVATE GRANTS (continued)</b>                  |                             |                     |                      |                   |                      |                    |                            |                      |
| Downtown Commercial Historic District Grant                          | \$ -                        | \$ 24,000           | \$ -                 | -                 | \$ 24,000            | \$ -               | -                          | -                    |
| 1st Ward Library Renovation Insurance Grant                          | 256,710                     | 1,053               | -                    | -                 | 9,885                | -                  | -                          | 247,878              |
| Anita Tenk Spay & Neuter Program                                     | -                           | 4,956               | -                    | -                 | 4,900                | -                  | 56                         | -                    |
| Cablevision Public Education and Government Access Grant             | 50,900                      | -                   | -                    | -                 | 8,260                | -                  | -                          | 42,640               |
| Community Foundation of NJ - Give & Receive Summer Program           | 7,529                       | -                   | -                    | -                 | 7,529                | -                  | -                          | -                    |
| Community Foundation of NJ - Give & Receive Summer Program           | 133                         | -                   | -                    | -                 | -                    | -                  | -                          | 133                  |
| Greater Paterson Chamber of Commerce - V. Cruz Celebration of 4/5/12 | 5,706                       | -                   | -                    | -                 | 5,706                | -                  | -                          | -                    |
| Hannah Family Memorial Grant   | 1,436                       | -                   | -                    | -                 | -                    | -                  | -                          | 1,436                |
| Museum Brochure Grant Donald Baer                                    | 1,000                       | -                   | -                    | -                 | -                    | -                  | -                          | 1,000                |
| Paterson Museum Mineral Hall Collection Donations                    | 2,515                       | -                   | -                    | -                 | -                    | -                  | -                          | 2,515                |
| Donations Mineral Display Grant                                      | 2,000                       | -                   | -                    | -                 | -                    | -                  | -                          | 2,000                |
| PSE&G Emergency Preparedness Grant (Go Bags)                         | 5,000                       | -                   | -                    | -                 | 4,888                | -                  | -                          | 112                  |
| Silk City Woman's Club Museum Grant                                  | 1,000                       | -                   | -                    | -                 | -                    | -                  | -                          | 1,000                |
| <b>TOTAL COUNTY, LOCAL AND PRIVATE GRANTS</b>                        | <b>636,488</b>              | <b>1,162,115</b>    | <b>399,800</b>       | <b>-</b>          | <b>917,529</b>       | <b>-</b>           | <b>397,312</b>             | <b>883,562</b>       |
| <b>GRAND TOTAL</b>   | <b>\$ 18,520,389</b>        | <b>\$ 7,402,782</b> | <b>\$ 10,994,093</b> | <b>\$ 707,312</b> | <b>\$ 18,191,046</b> | <b>\$ 187,960</b>  | <b>\$ 2,073,448</b>        | <b>\$ 17,172,122</b> |
|  | <u>Ref.</u>                 | <u>A-37</u>         | <u>A-36</u>          | <u>A-36</u>       | <u>A-36</u>          |                    | <u>A-37</u>                | <u>A</u>             |
|  |                             |                     |                      |                   |                      |                    |                            |                      |
|  | Public and Private Programs |                     | \$ 10,730,509        |                   | A-35                 | \$ 186,232         | Cancelled:                 |                      |
|  | Life Hazard Use Fees        |                     | 263,584              |                   | A-36                 | 1,728              | Against Receivable         |                      |
|  |                             |                     | <u>\$ 10,994,093</u> |                   |                      | <u>\$ 187,960</u>  | To Current Fund Operations |                      |

(1) Includes State Casino Revenue Funding of \$175,540 and Federal Title III Older Americans Act Funding of \$46,460.



**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED**

|   | Balance,<br>June 30, 2013 | Transferred<br>To Budget | Received      | Balance,<br>June 30, 2014 |
|---|---------------------------|--------------------------|---------------|---------------------------|
| UASI Rescue Training Fund               | \$ 19,526                 | \$ 19,526                | \$ -          | \$ -                      |
| Alcohol Education Enforcement Fund      | 422                       | 422                      | -             | -                         |
| Pincak Pharmacy Museum<br>Exhibit Grant | -                         | -                        | 711           | 711                       |
|   | <u>\$ 19,948</u>          | <u>\$ 19,948</u>         | <u>\$ 711</u> | <u>\$ 711</u>             |
| <u>Ref.</u>                             | A                         | A-35                     | A-36          | A                         |

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE OF RESERVE FOR GRANT OVERPAYMENTS**

|                                 | <u>Ref.</u> |                  |
|---------------------------------|-------------|------------------|
| Balance: June 30, 2014 and 2013 | A           | <u>\$ 64,215</u> |

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

Trust Fund Schedules

City of Paterson  
FY 2014

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

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS - TREASURER**

|  |        | Animal<br>Control | Community<br>Development | Trust<br>Other |
|--|--------|-------------------|--------------------------|----------------|
|  | Ref.   |                   |                          |                |
| Balance: June 30, 2013                     | B      | \$ 7,420          | \$ 1,852,617             | \$ 4,344,725   |
| Increased by Receipts:                     |        |                   |                          |                |
| Interfund                                  | contra | -                 | -                        | 462            |
| Fund Balance                               | B-1    | -                 | -                        | 322            |
| Interest Earned                            | B-25   | -                 | 779                      | -              |
| Due to Special Improvement Districts       | B-4    | -                 | -                        | 577,624        |
| Grants Receivable                          | B-5    | -                 | 6,199,807                | -              |
| Due to State of New Jersey                 | B-6    | 3,068             | -                        | -              |
| Off Duty Police Officers                   | B-7    | -                 | -                        | 5,166,928      |
| Off Duty Police Officers - Admin.          | B-8    | -                 | -                        | 536,459        |
| Reserve for Animal Control Expenditures    | B-11   | 390,327           | -                        | -              |
| Parking Offense Adjudication Act           | B-14   | -                 | -                        | 58,457         |
| Weights and Measures                       | B-15   | -                 | -                        | 35             |
| Reserve for Public Defender Fees           | B-16   | -                 | -                        | 67,035         |
| Other Deposits                             | B-17   | -                 | -                        | 17,371,075     |
| Overpayments Received                      | B-18   | -                 | -                        | 2,639          |
| Prepaid Revenue                            | B-20   | -                 | -                        | 56,455         |
| Reserve for Payroll Agency                 | B-22   | -                 | -                        | 67,586,334     |
| Reserve for Various Grants                 | B-25   | -                 | 150,627                  | -              |
|  |        | 393,395           | 6,351,213                | 91,423,825     |
| Subtotal - Cash                            |        | 400,815           | 8,203,830                | 95,768,550     |
| Decreased by Disbursements:                |        |                   |                          |                |
| Interfund                                  | contra | 462               | -                        | -              |
| Fund Balance                               | B-1    | -                 | -                        | 15,000         |
| Due to Special Improvement Districts       | B-4    | -                 | -                        | 620,378        |
| Due to State of New Jersey                 | B-6    | 3,051             | -                        | -              |
| Reserve for Off Duty Police Officers       | B-7    | -                 | -                        | 5,144,509      |
| Reserve for Admin-Off Duty Police Officers | B-8    | -                 | -                        | 525,106        |
| Other Deposits                             | B-17   | -                 | -                        | 16,540,478     |
| Overpayments Disbursed                     | B-18   | -                 | -                        | 276            |
| Reserve for Payroll Agency                 | B-22   | -                 | -                        | 67,099,847     |
| Due to Current                             | B-23   | 389,633           | -                        | 174,620        |
| Grant Expenditures                         | B-25   | -                 | 6,788,536                | -              |
|  |        | 393,146           | 6,788,536                | 90,120,214     |
| Balance: June 30, 2014                     | B      | \$ 7,669          | \$ 1,415,294             | \$ 5,648,336   |

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

**SCHEDULE OF TAXES RECEIVABLE - SPECIAL IMPROVEMENT DISTRICTS**

|                         |             | <u>Total</u>    | <u>Bunker<br/>Hill</u> | <u>Downtown<br/>Paterson</u> |
|-------------------------|-------------|-----------------|------------------------|------------------------------|
|                         | <u>Ref.</u> |                 |                        |                              |
| Balance: June 30, 2013  | B           | \$ 3,141        | \$ 7                   | \$ 3,134                     |
| Increased by:           |             |                 |                        |                              |
| Billings                | B-21        | 575,541         | 201,000                | 374,541                      |
|                         |             | <u>578,682</u>  | <u>201,007</u>         | <u>377,675</u>               |
| Decreased by:           |             |                 |                        |                              |
| Transfer to Lien        | B-19        | 19,282          | 18,003                 | 1,279                        |
| Prepaid Revenue Applied | B-21        | 49,504          | 9,919                  | 39,585                       |
| Realized Revenue        | B-21        | 491,564         | 172,908                | 318,656                      |
| Cancellations           | B-21        | 14,345          | 170                    | 14,175                       |
|                         |             | <u>574,695</u>  | <u>201,000</u>         | <u>373,695</u>               |
| Balance: June 30, 2014  | B           | <u>\$ 3,987</u> | <u>\$ 7</u>            | <u>\$ 3,980</u>              |

## Exhibit B-4

**SCHEDULE OF DUE TO SPECIAL IMPROVEMENT DISTRICTS**

|                        |             | <u>Total</u>     | <u>Bunker<br/>Hill</u> | <u>Downtown<br/>Paterson</u> |
|------------------------|-------------|------------------|------------------------|------------------------------|
|                        | <u>Ref.</u> |                  |                        |                              |
| Balance: June 30, 2013 | B           | \$ 67,295        | \$ 17,850              | \$ 49,445                    |
| Increased by:          |             |                  |                        |                              |
| Cash Receipts          | B-2         | 577,624          | 201,446                | 376,178                      |
| Prepaid Applied        | B-20        | 49,539           | 9,955                  | 39,584                       |
|                        |             | <u>627,163</u>   | <u>211,401</u>         | <u>415,762</u>               |
| Decreased by:          |             |                  |                        |                              |
| Cash Disbursements     | B-2         | 620,378          | 200,643                | 419,735                      |
| Balance: June 30, 2014 | B           | <u>\$ 74,080</u> | <u>\$ 28,608</u>       | <u>\$ 45,472</u>             |

**CITY OF PATERSON  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014  
SCHEDULE OF GRANTS RECEIVABLE**

|   | Balance<br>June 30, 2013 | Increased by:<br>Grant Awards | Cancellations     | Decreased by:<br>Deobligations | Cash Receipts       | Balance<br>June 30, 2014 |
|---|--------------------------|-------------------------------|-------------------|--------------------------------|---------------------|--------------------------|
| Community Development Block Grant           | \$ 3,221,067             | \$ 2,816,168                  | \$ -              | \$ -                           | \$ 2,450,427        | \$ 3,586,808             |
| Neighborhood Stabilization                  | 903,925                  | -                             | -                 | -                              | 494,031             | 409,894                  |
| Emergency Shelter Grant                     | 282,478                  | 176,259                       | -                 | -                              | 200,015             | 258,722                  |
| Fire House                                  | 225,790                  | -                             | 225,790           | -                              | -                   | -                        |
| Way Finding Signage                         | -                        | 197,726                       | -                 | -                              | -                   | 197,726                  |
| Housing Opportunities for Persons with AIDS | 2,214,661                | 1,294,558                     | -                 | -                              | 1,311,011           | 2,198,208                |
| HUD Home Program                            | 9,036,847                | 1,060,232                     | -                 | 2,797,205                      | 1,744,323           | 5,555,551                |
|   | <u>\$ 15,884,768</u>     | <u>\$ 5,544,943</u>           | <u>\$ 225,790</u> | <u>\$ 2,797,205</u>            | <u>\$ 6,199,807</u> | <u>\$ 12,206,909</u>     |
|   | B                        | B-25                          | B-25              | B-25                           | B-2                 | B                        |

Ref.

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

**SCHEDULE OF DUE TO STATE OF NEW JERSEY  
ANIMAL CONTROL REGISTRATION FEES**

|                        |                  |                     |
|------------------------|------------------|---------------------|
| Balance: June 30, 2013 | <u>Ref.</u><br>B | \$ 78               |
| Increased by:          |                  |                     |
| Fees Collected         | B-2              | 3,068               |
|                        |                  | <u>3,146</u>        |
| Decreased by:          |                  |                     |
| Cash Disbursements     | B-2              | 3,054               |
|                        |                  | <u>3,054</u>        |
| Balance: June 30, 2014 | B                | <u><u>\$ 92</u></u> |

## Exhibit B-7

**SCHEDULE OF RESERVE FOR OFF-DUTY POLICE OFFICERS**

|                        |                  |                          |
|------------------------|------------------|--------------------------|
| Balance: June 30, 2013 | <u>Ref.</u><br>B | \$ 296,098               |
| Increased by:          |                  |                          |
| Cash Receipts          | B-2              | 5,166,928                |
| Due from Current Fund  | B-23             | 12,278                   |
|                        |                  | <u>5,475,304</u>         |
| Decreased by:          |                  |                          |
| Cash Disbursements     | B-2              | 5,144,509                |
|                        |                  | <u>5,144,509</u>         |
| Balance: June 30, 2014 | B                | <u><u>\$ 330,795</u></u> |

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

**SCHEDULE OF RESERVE FOR ADMINISTRATION OFF-DUTY POLICE OFFICERS**

|  | <u>Ref.</u> |                  |
|--|-------------|------------------|
| Balance: June 30, 2013                             | B           | \$ 40,800        |
| Increased by:                                      |             |                  |
| Transfer from Reserve for Off-Duty Police Officers | B-2         | 536,459          |
|  |             | <u>577,259</u>   |
| Decreased by:                                      |             |                  |
| Off-Duty Salaries                                  | B-2         | 525,106          |
|  |             | <u>525,106</u>   |
| Balance: June 30, 2014                             | B           | <u>\$ 52,153</u> |

## Exhibit B-9

**SCHEDULE OF DUE FROM MUNICIPAL UTILITY AUTHORITY**

|                                 | <u>Ref.</u> |                     |
|---------------------------------|-------------|---------------------|
| Balance: June 30, 2014 and 2013 | B           | <u>\$ 3,199,181</u> |

## Exhibit B-10

**SCHEDULE OF RESERVE FOR MUNICIPAL UTILITY AUTHORITY RECEIVABLE**

|                                 | <u>Ref.</u> |                     |
|---------------------------------|-------------|---------------------|
| Balance: June 30, 2014 and 2013 | B           | <u>\$ 3,199,181</u> |



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

**SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

|                                     |                           |                   |
|-------------------------------------|---------------------------|-------------------|
| Balance: June 30, 2013              | <u>Ref.</u><br>B          | \$ 7,342          |
| Increased by:                       |                           |                   |
| Cash Receipts                       | B-2                       | <u>390,327</u>    |
|                                     |                           | 397,669           |
| Decreased by:                       |                           |                   |
| Expenditures under R.S. 4:19-15. 11 | B-23                      | <u>389,630</u>    |
| Balance: June 30, 2014              | B                         | <u>\$ 8,039</u>   |
|                                     | License Fees Collected:   |                   |
|                                     | 2012                      | \$ 352,342        |
|                                     | 2013                      | <u>328,260</u>    |
|                                     | Maximum Allowable Reserve | <u>\$ 680,602</u> |

## Exhibit B-12

**SCHEDULE OF REDEVELOPMENT/CDBG HELD PROPERTY**

|                                 |             |                   |
|---------------------------------|-------------|-------------------|
|                                 | <u>Ref.</u> |                   |
| Balance: June 30, 2014 and 2013 | B           | <u>\$ 172,930</u> |

## Exhibit B-13

**SCHEDULE OF RESERVE FOR REDEVELOPMENT/CDBG HELD PROPERTY**

|                                 |             |                   |
|---------------------------------|-------------|-------------------|
|                                 | <u>Ref.</u> |                   |
| Balance: June 30, 2014 and 2013 | B           | <u>\$ 172,930</u> |

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

**SCHEDULE OF RESERVE FOR PARKING OFFENSE ADJUDICATION ACT**

|                        |                  |                          |
|------------------------|------------------|--------------------------|
| Balance: June 30, 2013 | <u>Ref.</u><br>B | \$ 185,185               |
| Increased by:          |                  |                          |
| Fees Collected         | B-2              | <u>58,457</u>            |
|                        |                  | 243,642                  |
| Decreased by:          |                  |                          |
| Due To Current Fund    | B-23             | <u>89,575</u>            |
| Balance: June 30, 2014 | B                | <u><u>\$ 154,067</u></u> |

**Exhibit B-15**

**SCHEDULE OF RESERVE FOR WEIGHTS AND MEASURES**

|                        |                  |                         |
|------------------------|------------------|-------------------------|
| Balance: June 30, 2013 | <u>Ref.</u><br>B | \$ 97,640               |
| Increased by:          |                  |                         |
| Fees Collected         | B-2              | <u>35</u>               |
|                        |                  | 97,675                  |
| Decreased by:          |                  |                         |
| Due To Current Fund    | B-23             | <u>23,408</u>           |
| Balance: June 30, 2014 | B                | <u><u>\$ 74,267</u></u> |

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

**SCHEDULE OF RESERVE FOR PUBLIC DEFENDER FEES**

|                        |                  |                         |
|------------------------|------------------|-------------------------|
| Balance: June 30, 2013 | <u>Ref.</u><br>B | \$ 18,597               |
| Increased by:          |                  |                         |
| Fees Collected         | B-2              | <u>67,035</u>           |
|                        |                  | 85,632                  |
| Decreased by:          |                  |                         |
| Due to Current Fund    | B-23             | <u>73,915</u>           |
| Balance: June 30, 2014 | B                | <u><u>\$ 11,717</u></u> |

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

**SCHEDULE OF RESERVE FOR OTHER DEPOSITS**

|                                 | Balance<br>June 30, 2013 | Increase             | Decrease             | Balance<br>June 30, 2014 |
|---------------------------------|--------------------------|----------------------|----------------------|--------------------------|
| Street Opening Deposits         | \$ 7,750                 | \$ 5,700             | \$ 3,750             | \$ 9,700                 |
| Bid Deposits                    | 29,800                   | 28,500               | 26,500               | 31,800                   |
| Dumpster Deposits               | 9,900                    | 9,400                | 10,700               | 8,600                    |
| Park and Recreation Deposits    | 15,100                   | 4,000                | 1,500                | 17,600                   |
| Tax Lien Certificates           | 11,823                   | 6,589                | 11,823               | 6,589                    |
| Tax Sale Premium                | 683,000                  | 1,132,210            | 415,400              | 1,399,810                |
| Tax Sale Redemption Certificate | -                        | 16,063,538           | 16,063,538           | -                        |
| Historic Preservation Fund      | 4,049                    | 4,860                | 4,767                | 4,142                    |
| Special Recreation Fund         | 2,386                    | -                    | -                    | 2,386                    |
| Estate of John Burhams          | 2,980                    | 739                  | -                    | 3,719                    |
| Developers Agreement            | 2,000                    | 6,000                | 8,000                | -                        |
| Koar George                     | 91,435                   | 376                  | -                    | 91,811                   |
| Insurance Liability             | 1,149,682                | 109,163              | -                    | 1,258,845                |
|                                 | <u>\$ 2,009,905</u>      | <u>\$ 17,371,075</u> | <u>\$ 16,545,978</u> | <u>\$ 2,835,002</u>      |
|                                 | B                        | B-2                  |                      | B                        |
| Fund Balance - Cancellations    | B-1                      |                      | \$ 5,500             |                          |
| Cash Disbursements              | B-2                      |                      | <u>16,540,478</u>    |                          |
|                                 |                          |                      | <u>\$ 16,545,978</u> |                          |

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

**SCHEDULE OF TAX OVERPAYMENTS -  
SPECIAL IMPROVEMENT DISTRICTS**

|                        | <u>Ref.</u> | <u>Total</u>    | <u>Bunker Hill</u> | <u>Downtown Paterson</u> |
|------------------------|-------------|-----------------|--------------------|--------------------------|
| Balance: June 30, 2013 | B           | \$ 276          | \$ -               | \$ 276                   |
| Increased by:          |             |                 |                    |                          |
| Cash Receipts          | B-2         | 2,639           | 189                | 2,450                    |
|                        |             | <u>2,915</u>    | <u>189</u>         | <u>2,726</u>             |
| Decreased by:          |             |                 |                    |                          |
| Cash Disbursements     | B-2         | 276             | -                  | 276                      |
|                        |             | <u>276</u>      | <u>-</u>           | <u>276</u>               |
| Balance: June 30, 2014 | B           | <u>\$ 2,639</u> | <u>\$ 189</u>      | <u>\$ 2,450</u>          |

## Exhibit B-19

**SCHEDULE OF TAX TITLE LIENS RECEIVABLE -  
SPECIAL IMPROVEMENT DISTRICTS**

|                        | <u>Ref.</u> | <u>Total</u>     | <u>Bunker Hill</u> | <u>Downtown Paterson</u> |
|------------------------|-------------|------------------|--------------------|--------------------------|
| Balance: June 30, 2013 | B           | \$ 47,141        | \$ 37,834          | \$ 9,307                 |
| Increased by:          |             |                  |                    |                          |
| Transfer to Lien       | B-3         | 19,282           | 18,003             | 1,279                    |
| Liens Receivable       | B-21        | 391              | 267                | 124                      |
|                        |             | <u>66,814</u>    | <u>56,104</u>      | <u>10,710</u>            |
| Decreased by:          |             |                  |                    |                          |
| Realized Revenue       | B-21        | 12,081           | 3,414              | 8,667                    |
|                        |             | <u>12,081</u>    | <u>3,414</u>       | <u>8,667</u>             |
| Balance: June 30, 2014 | B           | <u>\$ 54,733</u> | <u>\$ 52,690</u>   | <u>\$ 2,043</u>          |

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

**SCHEDULE OF PREPAID REVENUE -  
SPECIAL IMPROVEMENT DISTRICTS**

|                        |             | <u>Total</u>     | <u>Bunker<br/>Hill</u> | <u>Downtown<br/>Paterson</u> |
|------------------------|-------------|------------------|------------------------|------------------------------|
|                        | <u>Ref.</u> |                  |                        |                              |
| Balance: June 30, 2013 | B           | \$ 49,504        | \$ 9,919               | \$ 39,585                    |
| Increased by:          |             |                  |                        |                              |
| Cash Receipts          | B-2         | 56,455           | 8,782                  | 47,673                       |
|                        |             | 105,959          | 18,701                 | 87,258                       |
| Decreased by:          |             |                  |                        |                              |
| Applied to Receivable  | B-4         | 49,539           | 9,955                  | 39,584                       |
| Balance: June 30, 2014 | B           | <u>\$ 56,420</u> | <u>\$ 8,746</u>        | <u>\$ 47,674</u>             |

## Exhibit B-21

**SCHEDULE OF RESERVE FOR TAXES RECEIVABLE -  
SPECIAL IMPROVEMENT DISTRICTS**

|                         |             | <u>Total</u>     | <u>Bunker<br/>Hill</u> | <u>Downtown<br/>Paterson</u> |
|-------------------------|-------------|------------------|------------------------|------------------------------|
|                         | <u>Ref.</u> |                  |                        |                              |
| Balance: June 30, 2013  | B           | \$ 50,282        | \$ 37,841              | \$ 12,441                    |
| Increased by:           |             |                  |                        |                              |
| Liens Receivable        | B-19        | 391              | 267                    | 124                          |
| Billings                | B-3         | 575,541          | 201,000                | 374,541                      |
|                         |             | 626,214          | 239,108                | 387,106                      |
| Decreased by:           |             |                  |                        |                              |
| Realized Revenue:       |             |                  |                        |                              |
| Taxes                   | B-3         | 491,564          | 172,908                | 318,656                      |
| Liens                   | B-19        | 12,081           | 3,414                  | 8,667                        |
| Cancelled:              |             |                  |                        |                              |
| Billings                | B-3         | 14,345           | 170                    | 14,175                       |
| Prepaid Revenue Applied | B-3         | 49,504           | 9,919                  | 39,585                       |
|                         |             | 567,494          | 186,411                | 381,083                      |
| Balance: June 30, 2014  | B           | <u>\$ 58,720</u> | <u>\$ 52,697</u>       | <u>\$ 6,023</u>              |

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

**SCHEDULE OF RESERVE FOR PAYROLL AGENCY**

|                        |                  |                            |
|------------------------|------------------|----------------------------|
| Balance: June 30, 2013 | <u>Ref.</u><br>B | \$ 1,558,012               |
| Increased by:          |                  |                            |
| Cash Receipts          | B-2              | <u>67,586,334</u>          |
|                        |                  | 69,144,346                 |
| Decreased by:          |                  |                            |
| Cash Disbursements     | B-2              | <u>67,099,847</u>          |
| Balance: June 30, 2014 | B                | <u><u>\$ 2,044,499</u></u> |

**CITY OF PATERSON  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014  
SCHEDULE OF DUE TO CURRENT FUND**

|                                  | <u>Ref.</u> |                |                    |
|----------------------------------|-------------|----------------|--------------------|
| Balance: June 30, 2013           |             |                | \$ -               |
| Increased by Cash Disbursements: |             |                |                    |
| Animal Control                   | B-2         | \$ 389,633     |                    |
| Off Duty Police                  | B-7         | 12,278         |                    |
| Other Trust                      | B-2         | <u>174,620</u> |                    |
|                                  |             |                | <u>576,531</u>     |
|                                  |             |                | 576,531            |
| Decreased by:                    |             |                |                    |
| Dog Fund                         | B-11        | 389,633        |                    |
| POAA                             | B-14        | 89,575         |                    |
| Weights and Measures             | B-15        | 23,408         |                    |
| Public Defender                  | B-16        | <u>73,915</u>  |                    |
|                                  |             |                | <u>576,531</u>     |
| Balance: June 30, 2014           |             |                | <u><u>\$ -</u></u> |

**SCHEDULE OF DUE TO HOUSING AUTHORITY-  
STRAIGHT AND NARROW**

|   | <u>Ref.</u> |  |                    |
|---|-------------|--|--------------------|
| Balance: June 30, 2013                  | B           |  | \$ 21,820          |
| Decreased by:                           |             |  |                    |
| Prior Year Payment to Housing Authority | B-25        |  | <u>21,820</u>      |
| Balance: June 30, 2014                  | B           |  | <u><u>\$ -</u></u> |



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

**SCHEDULE OF RESERVE FOR VARIOUS GRANTS**

|   | Balance<br>June 30, 2013 | Interest<br>Earned | Increased by:     |                         |                  | Decreased by: |               |                       | Balance<br>June 30, 2014 |
|---|--------------------------|--------------------|-------------------|-------------------------|------------------|---------------|---------------|-----------------------|--------------------------|
|   |                          |                    | Program<br>Income | Reduction in<br>Payable | Grants<br>Awards | Cancellations | Deobligations | Cash<br>Disbursements |                          |
| Community Development Block Grant           | \$ 3,384,015             | \$ -               | \$ 91,294         | \$ -                    | \$ 2,816,168     | \$ -          | \$ -          | \$ 2,559,532          | \$ 3,731,945             |
| Section 8:                                  |                          |                    |                   |                         |                  |               |               |                       |                          |
| Housing Assistance                          | 1,500                    | -                  | -                 | -                       | -                | -             | -             | 1,500                 | -                        |
| Earned Administration Balances              | 479,783                  | 5                  | -                 | 21,820                  | -                | -             | -             | 6,020                 | 495,588                  |
| Restricted Annual Contribution              | 114,912                  | -                  | -                 | -                       | -                | -             | -             | 114,912               | -                        |
| Neighborhood Stabilization                  | 904,962                  | -                  | -                 | -                       | -                | -             | -             | 494,031               | 410,931                  |
| Emergency Shelter Grant                     | 252,644                  | -                  | -                 | -                       | 176,259          | -             | -             | 200,015               | 228,888                  |
| Housing Opportunities for Persons with AIDS | 2,204,126                | -                  | -                 | -                       | 1,294,558.00     | -             | -             | 1,311,011             | 2,187,673                |
| Way Finding Signage                         | -                        | -                  | -                 | -                       | 197,726          | -             | -             | 600                   | 197,126                  |
| HUD Home Program                            | 9,386,347                | -                  | 28,433            | -                       | 1,060,232        | -             | 2,797,205     | 2,100,915             | 5,576,892                |
| ARRA Fire House Construction                | 225,790                  | -                  | -                 | -                       | -                | 225,790       | -             | -                     | -                        |
| Regional Contribution Agreements:           |                          |                    |                   |                         |                  |               |               |                       |                          |
| Wayne                                       | 88,796                   | 119                | 30,900            | -                       | -                | -             | -             | -                     | 119,815                  |
| Woodland Park                               | 575,180                  | 561                | -                 | -                       | -                | -             | -             | -                     | 575,741                  |
| Hawthorne                                   | 97,510                   | 94                 | -                 | -                       | -                | -             | -             | -                     | 97,604                   |
|   | \$ 17,715,565            | \$ 779             | \$ 150,627        | \$ 21,820               | \$ 5,544,943     | \$ 225,790    | \$ 2,797,205  | \$ 6,788,536          | \$ 13,622,203            |
|   | B                        | B-2                | B-2               | B-24                    | B-5              | B-5           | B-5           | B-2                   | B                        |
| Ref.  |                          |                    |                   |                         |                  |               |               |                       |                          |

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

General Capital Fund Schedules

City of Paterson  
FY 2014

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
SCHEDULE OF CASH - TREASURER**

|                        |                       |                             |
|------------------------|-----------------------|-----------------------------|
| Balance: June 30, 2013 | <u>Ref.</u><br>C, C-3 | \$ 15,126,812               |
| Increased by:          |                       |                             |
| Due to Current Fund    | C-9                   | <u>16,045,123</u>           |
|                        |                       | 31,171,935                  |
| Decreased by:          |                       |                             |
| Due from Current Fund  | C-3, C-9              | <u>15,126,802</u>           |
| Balance: June 30, 2014 | C, C-3                | <u><u>\$ 16,045,133</u></u> |

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS**

| Ordinance<br>Number         | Description  | Balance<br>June 30, 2013 | Cash<br>Receipts | Cash Disbursements            |               | Transfers    |         | Balance<br>June 30, 2014 |
|-----------------------------|--|--------------------------|------------------|-------------------------------|---------------|--------------|---------|--------------------------|
|                             |  |                          |                  | Improvement<br>Authorizations | Miscellaneous | From         | To      |                          |
|                             | Fund Balance   | \$ 3,187,841             | \$ 40,445        | \$ -                          | \$ 218,000    | \$ 1,485,000 | \$ -    | \$ 1,525,286             |
|                             | Grants Receivable - State                                      | (6,967,317)              | 1,786,470        | -                             | -             | 911,650      | 122,425 | (5,970,072)              |
|                             | Due From Current Fund  | -                        | -                | -                             | -             | 122,425      | -       | (122,425)                |
|                             | Capital Improvement Fund                                       | 710,113                  | 62,000           | -                             | -             | 378,000      | -       | 394,113                  |
|                             | Due From New Jersey Environmental<br>Infrastructure Trust Fund | (8,757,606)              | -                | -                             | -             | -            | -       | (8,757,606)              |
| Improvement Authorizations: |  |                          |                  |                               |               |              |         |                          |
| *                           | Various Public Works Projects                                  | 291,116                  | -                | 10,432                        | -             | -            | -       | 280,684                  |
| *                           | Sewer Reconstruction   | 120,017                  | -                | 36,580                        | -             | -            | -       | 83,437                   |
| *                           | Combined Sewer Overflow Phase I                                | 434,239                  | -                | 256,830                       | -             | -            | -       | 177,409                  |
| *                           | Combined Sewer Overflow Phase II                               | 1,081,737                | -                | 447,535                       | -             | -            | -       | 634,202                  |
| *                           | Main/Market Street Streetscape Project                         | 202,549                  | -                | -                             | -             | -            | -       | 202,549                  |
| *                           | Construction of a Bikeway/Walkway at ATP Site                  | 250,000                  | -                | -                             | -             | -            | -       | 250,000                  |
| *                           | Combined Sewer Overflow Phase III NJ Inf. Trust                | 10,486,570               | -                | -                             | -             | -            | -       | 10,486,570               |
| 05-055                      | Combined Sewer Overflow Phase III                              | (5,000)                  | -                | -                             | -             | -            | -       | (5,000)                  |
| 06-001,                     | Various Park Improvements, Amended by 13-041:                  |                          |                  |                               |               |              |         |                          |
| 13-041                      | Great Falls and Pocket Parks                                   | 928,812                  | -                | 1,710                         | -             | 231,245      | 348,000 | 1,043,857                |
| *                           | Capital Improvements   | 163,171                  | -                | 37,581                        | -             | -            | -       | 125,590                  |
| 06-067                      | Various Sewer Reconstruction                                   | 119,727                  | -                | -                             | -             | -            | -       | 119,727                  |
| 07-006                      | Various Capital Improvements - Facilities                      | 473,077                  | -                | 41,421                        | -             | -            | -       | 431,656                  |
| 07-006                      | Various Capital Improvements - Roadways                        | 193,149                  | -                | 100,859                       | -             | -            | -       | 92,290                   |
| 07-023                      | Various Capital Improvements                                   | 97,863                   | -                | -                             | -             | -            | -       | 97,863                   |
| 07-050                      | City Road Resurfacing Program                                  | 34,875                   | -                | 34,875                        | -             | -            | -       | -                        |
| 08-020                      | Various Capital Improvements - Equipment                       | 92,257                   | -                | 16,632                        | -             | -            | -       | 75,625                   |
| 08-020                      | Various Capital Improvements - Facility                        | 931,742                  | -                | 23,765                        | -             | -            | -       | 907,977                  |
| 08-021                      | Various Capital Improvements - ATP Site Park                   | 1,283,665                | -                | -                             | -             | -            | -       | 1,283,665                |
| 08-022                      | Various Capital Improvements - Pennington Park                 | 1,967,867                | 968,755          | 2,836,236                     | -             | -            | 231,245 | 331,631                  |
| 08-037                      | 2009 City Road Resurfacing Program                             | 227,205                  | -                | 227,150                       | -             | -            | -       | 55                       |
| 08-036                      | Sewer Reconstruction   | 27,955                   | -                | 27,750                        | -             | -            | -       | 205                      |
| 09-013                      | Construction of Fire House                                     | 3,166,353                | -                | 1,501,463                     | -             | -            | -       | 1,664,890                |
| 09-010                      | DOT Spruce Street & McBride Ave - Signalization                | 6,159                    | -                | -                             | -             | -            | -       | 6,159                    |

**CITY OF PATERSON**  
**GENERAL CAPITAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
  
**ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS**

| Ordinance<br>Number                     | Description                         | Balance<br>June 30, 2013 | Cash Disbursements |                               |               | Transfers    |              | Balance<br>June 30, 2014 |
|---|-------------------------------------|--------------------------|--------------------|-------------------------------|---------------|--------------|--------------|--------------------------|
|   |                                     |                          | Cash<br>Receipts   | Improvement<br>Authorizations | Miscellaneous | From         | To           |                          |
| Improvement Authorizations (continued): |                                     |                          |                    |                               |               |              |              |                          |
| 09-017                                  | DOT Pedestrian Signal Improvement   | \$ 1,109                 | \$ -               | \$ -                          | \$ -          | \$ -         | \$ -         | \$ 1,109                 |
| 09-030                                  | 2010 Road Resurfacing               | 415,341                  | -                  | 381,229                       | -             | -            | -            | 34,112                   |
| 09-031                                  | Sewer Reconstruction                | 27,360                   | -                  | 21,325                        | -             | -            | -            | 6,035                    |
| 09-032                                  | Various Capital Improvements        | 807,831                  | -                  | 274,494                       | -             | -            | -            | 533,337                  |
| 10-045                                  | Sewer Reconstruction                | 43,412                   | -                  | 43,412                        | -             | -            | -            | -                        |
| 11-014                                  | Tax Appeal Refunds                  | 9,791                    | 1,300,000          | 7,273                         | 1,300,000     | -            | -            | 2,518                    |
| 11-016                                  | Recreation Facility Improvement     | 1,216,377                | -                  | 275,606                       | -             | -            | -            | 940,771                  |
| 11-017                                  | Sewer Reconstruction                | 110,669                  | -                  | 96,437                        | -             | -            | -            | 14,232                   |
| 11-018                                  | 2011 DOT Road Resurfacing Program   | 19,384                   | -                  | (22,271)                      | -             | -            | -            | 41,655                   |
| 12-004                                  | Sewer Reconstruction                | 1,218,308                | -                  | 1,124,552                     | -             | -            | -            | 93,756                   |
| 12-025                                  | Tax Appeal Refunds                  | 9,618                    | 1,980,000          | 9,459                         | 1,980,000     | -            | -            | 159                      |
| 12-026                                  | 2012 DOT Road Resurfacing Program   | 489,700                  | -                  | 489,700                       | -             | -            | -            | -                        |
| 13-001                                  | Debt Restructuring                  | 9,776                    | -                  | 9,776                         | -             | -            | -            | -                        |
| 13-005                                  | Tax Appeal Refunds / Deficit        | -                        | 933,000            | -                             | 933,000       | -            | -            | -                        |
| 13-038                                  | 2014 DOT Road Resurfacing Program   | -                        | -                  | -                             | -             | -            | 563,650      | 563,650                  |
| 13-040                                  | Sewer Reconstruction                | -                        | 2,665,000          | 1,018,270                     | -             | -            | 135,000      | 1,781,730                |
| 13-042                                  | Various Capital Improvements        | -                        | 4,830,000          | 832,691                       | -             | -            | 243,000      | 4,240,309                |
| 13-043                                  | Street Sweeper and Finance Software | -                        | -                  | 1,247,218                     | -             | -            | 1,485,000    | 237,782                  |
| 14-021                                  | Tax Appeal Refunding                | -                        | 3,300,000          | 1,106,359                     | -             | -            | -            | 2,193,641                |
|   |                                     | \$ 15,126,812            | \$ 17,865,670      | \$ 12,516,349                 | \$ 4,431,000  | \$ 3,128,320 | \$ 3,128,320 | \$ 16,045,133            |
|   |                                     | C                        | C-9                | C-9                           | C-9           | Contra       | Contra       | C                        |

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

**SCHEDULE OF GRANT FUNDS RECEIVABLE - STATE**

| Ordinance<br>Number   | Balance:<br>June 30, 2013 | Increased by:<br>Grant Awards | Decreased by:       |                   | Balance:<br>June 30, 2014 |
|---|---------------------------|-------------------------------|---------------------|-------------------|---------------------------|
|   |                           |                               | Cash Receipts       | Interfund         |                           |
| Department of Transportation Grants:                                      |                           |                               |                     |                   |                           |
| Main and Market Feasibility Study   | \$ 175,000                | \$ -                          | \$ -                | -                 | \$ 175,000                |
| 2013 Road Resurfacing   | -                         | 563,650                       | -                   | -                 | 563,650                   |
| 2012 Road Resurfacing   | 489,700                   | -                             | 367,275             | 122,425           | -                         |
| 2011 Road Resurfacing   | 145,894                   | -                             | 104,239             | -                 | 41,655                    |
| DOT Streetscape Main / Market   | 372,500                   | -                             | -                   | -                 | 372,500                   |
| DOT Bikeway and Walkway Project   | 250,000                   | -                             | -                   | -                 | 250,000                   |
| DOT Spruce Street Signal  | 94,208                    | -                             | -                   | -                 | 94,208                    |
| DOT Pedestrian Signals  | 76,982                    | -                             | -                   | -                 | 76,982                    |
| Department of Environmental Protection:                                   |                           |                               |                     |                   |                           |
| Trust Pennington Park   | 1,468,755                 | -                             | 1,314,956           | -                 | 153,799                   |
| Various Parks, Amended by Ord. 13-041<br>for Great Falls and Pocket Parks | 859,093                   | 348,000                       | -                   | -                 | 1,207,093                 |
| ATP Site / Haines Park  | 1,283,665                 | -                             | -                   | -                 | 1,283,665                 |
| Combined Sewer Outflow Phase 4  | 1,751,520                 | -                             | -                   | -                 | 1,751,520                 |
|   | <u>\$ 6,967,317</u>       | <u>\$ 911,650</u>             | <u>\$ 1,786,470</u> | <u>\$ 122,425</u> | <u>\$ 5,970,072</u>       |
|   | C, C-3                    | C-14                          | C-9                 | C-9               | C, C-3                    |

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

**SCHEDULE OF DEFERRED CHARGES UNFUNDED - NEW JERSEY DEPARTMENT  
OF ENVIRONMENTAL PROTECTION SETTLEMENT**

|                        |                  |                    |
|------------------------|------------------|--------------------|
| Balance: June 30, 2013 | <u>Ref.</u><br>C | \$ 41,918          |
| Decreased by:          |                  |                    |
| Budget Appropriation   | C-12             | <u>41,918</u>      |
| Balance: June 30, 2014 | C                | <u><u>\$ -</u></u> |

## Exhibit C-6

**SCHEDULE OF DEFERRED CHARGES TO BE RAISED BY FUTURE TAXATION - FUNDED**

|   |             |                             |  |
|---|-------------|-----------------------------|--|
|   | <u>Ref.</u> |                             |  |
| Balance: June 30, 2013                  | C           | \$ 82,420,190               |  |
| Increased by:                           |             |                             |  |
| Green Acres Trust Loan                  | C-7         | <u>968,755</u>              |  |
|   |             | 83,388,945                  |  |
| Decreased by:                           |             |                             |  |
| 2014 Budget Appropriations to Pay Debt  |             |                             |  |
| General Serial Bonds                    | C-10        | \$ 2,900,000                |  |
| Environmental Infrastructure Trust Loan | C-11        | 1,211,558                   |  |
| Green Acres Trust Loan                  | C-16        | 52,362                      |  |
| Demolition Loan                         | C-17        | 45,000                      |  |
| Economic Development Agency Loans:      |             |                             |  |
| School                                  | C-18        | <u>604,805</u>              |  |
|   |             | 4,813,725                   |  |
| Balance: June 30, 2014                  | C           | <u><u>\$ 78,575,220</u></u> |  |

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

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

| Ord.<br>Number | Improvement Description                                      | Balance<br>June 30, 2013 | Authorizations<br>2014 | Green Acres<br>Trust Loan | Canceled         | Budget<br>Appropriations | Balance<br>June 30, 2014 |
|----------------|--|--------------------------|------------------------|---------------------------|------------------|--------------------------|--------------------------|
| 05-005         | Combined Sewer Outflow Phase III                             | \$ 7,405,195             | \$ -                   | -                         | -                | \$ -                     | \$ 7,405,195             |
| 06-001         | Various Park Improvements                                    | 859,093                  | -                      | -                         | -                | -                        | 859,093                  |
| 08-021         | Various Park Improvements                                    | 783,665                  | -                      | -                         | -                | -                        | 783,665                  |
| 08-022         | Various Park Improvements                                    | 968,755                  | -                      | 968,755                   | -                | -                        | -                        |
| 11-014         | Tax Appeal Refunding   | 1,950,000                | -                      | -                         | -                | 650,000                  | 1,300,000                |
| 12-025         | Tax Appeals  | 2,640,000                | -                      | -                         | -                | 660,000                  | 1,980,000                |
| 13-001         | Debt Restructuring   | 15,000                   | -                      | -                         | 15,000           | -                        | -                        |
| 13-005         | Tax Appeals / Deficit  | 1,400,000                | -                      | -                         | -                | 467,000                  | 933,000                  |
| 13-040         | Sewer Reconstruction   | -                        | 2,665,000              | -                         | -                | -                        | 2,665,000                |
| 13-041         | Various Park Improvements at<br>Great Falls and Pocket Parks | -                        | 348,000                | -                         | -                | -                        | 348,000                  |
| 13-042         | Various Capital Improvements                                 | -                        | 4,830,000              | -                         | -                | -                        | 4,830,000                |
| 14-021         | Tax Appeal Refunding   | -                        | 3,300,000              | -                         | -                | -                        | 3,300,000                |
|                |  | <u>\$ 16,021,708</u>     | <u>\$ 11,143,000</u>   | <u>\$ 968,755</u>         | <u>\$ 15,000</u> | <u>\$ 1,777,000</u>      | <u>\$ 24,403,953</u>     |
|                |  | C                        | C-14, C-19             | C-6                       | C-14             | C-13                     | C, C-7a                  |



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

**ANALYSIS OF ENDING BALANCE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

| Ord.<br>Number | Improvement Description   | Balance<br>June 30, 2014 | Bond<br>Anticipation<br>Notes Payable | Debt<br>Authorized<br>But Not Issued | Non-Financed            |                              |
|----------------|---|--------------------------|---------------------------------------|--------------------------------------|-------------------------|------------------------------|
|                |   |                          |                                       |                                      | Improvement<br>Expended | Authorizations<br>Unexpended |
| 05-005         | Combined Sewer Outflow Phase III  | \$ 7,405,195             | \$ -                                  | \$ 7,405,195                         | \$ 5,000                | \$ 7,400,195                 |
| 06-001         | Various Park Improvements   | 859,093                  | -                                     | 859,093                              | -                       | 859,093                      |
| 08-021         | Various Park Improvements   | 783,665                  | -                                     | 783,665                              | -                       | 783,665                      |
| 11-014         | Tax Appeal Refunding  | 1,300,000                | 1,300,000                             | -                                    | -                       | -                            |
| 12-025         | Tax Appeals   | 1,980,000                | 1,980,000                             | -                                    | -                       | -                            |
| 13-005         | Tax Appeals / Deficit   | 933,000                  | 933,000                               | -                                    | -                       | -                            |
| 13-040         | Sewer Reconstruction  | 2,665,000                | 2,665,000                             | -                                    | -                       | -                            |
| 13-041         | Various Park Improvements at Great Falls<br>and Pocket Parks (amend 06-001) | 348,000                  | -                                     | 348,000                              | 81,618                  | 266,382                      |
| 13-042         | Various Capital Improvements  | 4,830,000                | 4,830,000                             | -                                    | -                       | -                            |
| 14-021         | Tax Appeal Refunding  | 3,300,000                | 3,300,000                             | -                                    | -                       | -                            |
|                |   | <u>\$ 24,403,953</u>     | <u>\$ 15,008,000</u>                  | <u>\$ 9,395,953</u>                  | <u>\$ 86,618</u>        | <u>\$ 9,309,335</u>          |
|                |   | C-7                      | C-13                                  | C-19                                 |                         |                              |

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

**SCHEDULE OF BOND SALE PROCEEDS DUE FROM NEW JERSEY  
ENVIRONMENTAL INFRASTRUCTURE TRUST FUND**

|                                 | <u>Ref.</u> | <u>Total</u> | <u>Phase IV</u> |
|---------------------------------|-------------|--------------|-----------------|
| Balance: June 30, 2014 and 2013 | C, C-3      | \$ 8,757,606 | \$ 8,757,606    |

## Exhibit C-9

**SCHEDULE OF DUE FROM CURRENT FUND**

|   |             |              |            |
|---|-------------|--------------|------------|
| Balance: June 30, 2013                              | <u>Ref.</u> |              | \$ -       |
| Increased by:                                       |             |              |            |
| State Grants Receivable                             | C-4         | \$ 1,786,470 |            |
| Green Acres Loan Payable                            | C-16        | 968,755      |            |
| Premiums Received on Issuance of Debt               | C-1         | 40,445       |            |
| Notes Payable                                       | C-13        | 15,008,000   |            |
| Capital Improvement Fund                            | C-15        | 62,000       |            |
| Subtotal: Collected by Current on Behalf of Capital | C-3         | 17,865,670   |            |
| DOT Grant Monies Collected by Current Fund          | C-4         | 122,425      |            |
| Cash Disbursements                                  | C-2         | 15,126,802   |            |
|   |             |              | 33,114,897 |
|   |             |              | 33,114,897 |
| Decreased by:                                       |             |              |            |
| Notes Payable                                       | C-13        | 4,213,000    |            |
| Capital Surplus Anticipated by Current Fund         | C-1         | 218,000      |            |
| Subtotal: Disbursed by Current on Behalf of Capital | C-3         | 4,431,000    |            |
| Improvement Authorizations Paid by Current Fund     | C-3, C-14   | 12,516,349   |            |
| Cash Receipts                                       | C-2         | 16,045,123   |            |
|   |             |              | 32,992,472 |
| Balance: June 30, 2014                              | C           |              | \$ 122,425 |

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

**SCHEDULE OF GENERAL SERIAL BONDS**

| Purpose   | Date of Issue | Original Issue | Maturities of Bonds Outstanding |              | Interest Rate % | Balance June 30, 2013 | Bonds Issued | Decrease  | Balance June 30, 2014 |
|---|---------------|----------------|---------------------------------|--------------|-----------------|-----------------------|--------------|-----------|-----------------------|
|   |               |                | Date                            | Amount       |                 |                       |              |           |                       |
| Pension Refunding   | 04/03/03      | \$ 13,044,671  | 04/01/15                        | \$ 1,017,146 | 5.620           | \$ 3,492,623          | \$ -         | \$ -      | 3,492,623             |
|   |               |                | 04/01/16                        | 1,001,640    | 5.770           |                       |              |           |                       |
|   |               |                | 04/01/17                        | 983,837      | 5.910           |                       |              |           |                       |
|   |               |                | 04/01/18                        | 100,000      | 5.650           |                       |              |           |                       |
|   |               |                | 04/01/19                        | 115,000      | 5.650           |                       |              |           |                       |
|   |               |                | 04/01/20                        | 130,000      | 5.650           |                       |              |           |                       |
|   |               |                | 04/01/21                        | 145,000      | 5.650           |                       |              |           |                       |
| General Improvement Bonds                                       | 06/01/05      | 18,999,000     | 02/01/15                        | 2,900,000    | 3.625           | 5,800,000             | -            | 2,900,000 | 2,900,000             |
|   |               |                |                                 |              |                 |                       |              |           |                       |
| General Improvement Bonds                                       | 06/15/09      | 23,294,000     | 06/15/16                        | 2,100,000    | 5.000           | 11,240,000            | -            | -         | 11,240,000            |
|   |               |                | 06/15/17                        | 2,165,000    | 5.000           |                       |              |           |                       |
|   |               |                | 06/15/18                        | 2,225,000    | 5.000           |                       |              |           |                       |
|   |               |                | 06/15/19                        | 2,320,000    | 5.000           |                       |              |           |                       |
|   |               |                | 06/15/20                        | 2,430,000    | 5.000           |                       |              |           |                       |
| General Improvement Refunding Bonds                             | 03/23/11      | 3,230,000      | 03/15/16                        | 770,000      | 3.250           | 3,230,000             | -            | -         | 3,230,000             |
|   |               |                | 03/15/17                        | 2,460,000    | 3.500           |                       |              |           |                       |
| Pension Refunding Bonds   | 03/23/11      | 1,600,000      | 03/15/16                        | 1,600,000    | 4.900           | 1,600,000             | -            | -         | 1,600,000             |
| General Obligation Refunding Bonds<br>Pension Refunding Bonds   | 03/30/12      | 3,145,000      | 03/15/18                        | 2,500,000    | 4.000           | 4,875,000             | -            | -         | 4,875,000             |
|   | 03/30/12      | 1,730,000      | 03/15/19                        | 2,375,000    | 4.000           |                       |              |           |                       |
| Qualified General Improvement<br>Refunding Bonds - Non-Callable | 03/20/13      | 8,015,000      | 03/15/20                        | 1,145,000    | 3.000           | 8,015,000             | -            | -         | 8,015,000             |
|   |               |                | 03/15/21                        | 6,870,000    | 3.100           |                       |              |           |                       |

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
SCHEDULE OF GENERAL SERIAL BONDS**

| Purpose   | Date of Issue | Original Issue | Maturities of Bonds Outstanding |               |             | Interest Rate % | Balance June 30, 2013 | Bonds Issued | Decrease     | Balance June 30, 2014 |
|---|---------------|----------------|---------------------------------|---------------|-------------|-----------------|-----------------------|--------------|--------------|-----------------------|
|   |               |                | Date                            | June 30, 2014 | Amount      |                 |                       |              |              |                       |
| Qualified Pension Refunding Bonds<br>(Federally Taxable) - Non-Callable | 03/20/13      | \$ 3,570,000   | 03/15/19                        | \$ 725,000    | 4.200       | \$ 3,570,000    | \$ -                  | -            | \$ -         | 3,570,000             |
|   |               |                | 03/15/20                        | 2,845,000     | 5.150       |                 |                       |              |              |                       |
| Qualified General Improvement Bonds<br>Callable                         | 05/22/13      | 22,519,000     | 01/15/22                        | 4,219,000     | 5.000       | 22,519,000      | -                     | -            | -            | 22,519,000            |
|   |               |                | 01/15/23                        | 4,360,000     | 5.000       |                 |                       |              |              |                       |
|   |               |                | 01/15/24                        | 4,490,000     | 5.000       |                 |                       |              |              |                       |
|   |               |                | 01/15/25                        | 4,650,000     | 5.000       |                 |                       |              |              |                       |
|   |               |                | 01/15/26                        | 4,800,000     | 5.000       |                 |                       |              |              |                       |
|   |               |                |                                 |               |             | \$ 64,341,623   | \$ -                  |              | \$ 2,900,000 | \$ 61,441,623         |
|   |               |                |                                 |               | <u>Ref.</u> | C               |                       | C-6          |              | C                     |

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

**SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE**

| Purpose                            | Date of Issue  | Original Issue   | Maturities of Loans |   | Interest | Balance<br>June 30, 2013 | Decrease   | Balance<br>June 30, 2014 |
|------------------------------------|----------------|------------------|---------------------|---|----------|--------------------------|------------|--------------------------|
|                                    |                |                  | Date                | Outstanding at June 30, 2014<br>Principal |          |                          |            |                          |
| Trust Loan Series 2003A<br>Phase I | 10/15/03       | \$ 2,160,000     | 2015                | \$ 110,000                                | 2.0%     | \$ 1,465,000             | \$ 105,000 | \$ 1,360,000             |
|                                    |                |                  | 2016                | 115,000                                   |          |                          |            |                          |
|                                    |                |                  | 2017                | 120,000                                   |          |                          |            |                          |
|                                    |                |                  | 2018                | 125,000                                   |          |                          |            |                          |
|                                    |                |                  | 2019                | 130,000                                   |          |                          |            |                          |
|                                    |                |                  | 2020                | 140,000                                   |          |                          |            |                          |
|                                    |                |                  | 2021                | 145,000                                   |          |                          |            |                          |
|                                    |                |                  | 2022                | 150,000                                   |          |                          |            |                          |
|                                    |                |                  | 2023                | 160,000                                   |          |                          |            |                          |
|                                    |                |                  | 2024                | 165,000                                   |          |                          |            |                          |
| State of NJ Fund Loan<br>Phase I   | 10/15/03       | 5,554,479        | 2015                | 290,368                                   | None     | 2,849,837                | 291,011    | 2,558,826                |
|                                    | Less: Forgiven | 356,113          | 2016                | 290,282                                   |          |                          |            |                          |
|                                    |                | <u>5,198,366</u> | 2017                | 290,796                                   |          |                          |            |                          |
|                                    |                |                  | 2018                | 290,753                                   |          |                          |            |                          |
|                                    |                |                  | 2019                | 290,089                                   |          |                          |            |                          |
|                                    |                |                  | 2020                | 296,497                                   |          |                          |            |                          |
|                                    |                |                  | 2021                | 292,854                                   |          |                          |            |                          |
|                                    |                |                  | 2022                | 289,425                                   |          |                          |            |                          |
|                                    |                |                  | 2023                | 227,762                                   |          |                          |            |                          |

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

**SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE**

| Purpose                             | Date of Issue              | Original Issue   | Maturities of Loans |   | Interest | Balance<br>June 30, 2013 | Decrease  | Balance<br>June 30, 2014 |
|-------------------------------------|----------------------------|------------------|---------------------|---|----------|--------------------------|-----------|--------------------------|
|                                     |                            |                  | Date                | Outstanding at June 30, 2014<br>Principal |          |                          |           |                          |
| Trust Loan Series 2004A<br>Phase II | 10/13/04                   | \$ 820,000       | 2015                | \$ 40,000                                 | 2.0%     | \$ 595,000               | \$ 40,000 | \$ 555,000               |
|                                     |                            |                  | 2016                | 40,000                                    |          |                          |           |                          |
|                                     |                            |                  | 2017                | 45,000                                    |          |                          |           |                          |
|                                     |                            |                  | 2018                | 45,000                                    |          |                          |           |                          |
|                                     |                            |                  | 2019                | 45,000                                    |          |                          |           |                          |
|                                     |                            |                  | 2020                | 50,000                                    |          |                          |           |                          |
|                                     |                            |                  | 2021                | 50,000                                    |          |                          |           |                          |
|                                     |                            |                  | 2022                | 55,000                                    |          |                          |           |                          |
|                                     |                            |                  | 2023                | 60,000                                    |          |                          |           |                          |
|                                     |                            |                  | 2024                | 60,000                                    |          |                          |           |                          |
|                                     |                            |                  | 2025                | 65,000                                    |          |                          |           |                          |
|                                     |                            |                  |                     |   |          |                          |           |                          |
| State of NJ Fund Loan<br>Phase II   | 10/13/04<br>Less: Forgiven | 2,326,943        | 2015                | 122,059                                   | None     | 1,146,100                | 125,447   | 1,020,653                |
|                                     |                            | 317,532          | 2016                | 119,047                                   |          |                          |           |                          |
|                                     |                            | <u>2,009,411</u> | 2017                | 125,259                                   |          |                          |           |                          |
|                                     |                            |                  | 2018                | 121,447                                   |          |                          |           |                          |
|                                     |                            |                  | 2019                | 117,212                                   |          |                          |           |                          |
|                                     |                            |                  | 2020                | 122,153                                   |          |                          |           |                          |
|                                     |                            |                  | 2021                | 117,447                                   |          |                          |           |                          |
|                                     |                            |                  | 2022                | 121,918                                   |          |                          |           |                          |
|                                     |                            |                  | 2023                | 54,111                                    |          |                          |           |                          |

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

**SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE**

| Purpose                              | Date of<br>Issue | Original<br>Issue | Maturities of Loans<br>Outstanding at June 30, 2014 |           | Interest | Balance<br>June 30, 2013 | Decrease  | Balance<br>June 30, 2014 |
|--------------------------------------|------------------|-------------------|---|-----------|----------|--------------------------|-----------|--------------------------|
|                                      |                  |                   | Date  | Principal |          |                          |           |                          |
| Trust Loan Series 2005A<br>Phase III | 11/10/05         | \$ 910,000        | 2015  | \$ 45,000 | 2.0%     | \$ 745,000               | \$ 45,000 | \$ 700,000               |
|                                      |                  |                   | 2016  | 50,000    |          |                          |           |                          |
|                                      |                  |                   | 2017  | 50,000    |          |                          |           |                          |
|                                      |                  |                   | 2018  | 50,000    |          |                          |           |                          |
|                                      |                  |                   | 2019  | 55,000    |          |                          |           |                          |
|                                      |                  |                   | 2020  | 55,000    |          |                          |           |                          |
|                                      |                  |                   | 2021  | 60,000    |          |                          |           |                          |
|                                      |                  |                   | 2022  | 60,000    |          |                          |           |                          |
|                                      |                  |                   | 2023  | 65,000    |          |                          |           |                          |
|                                      |                  |                   | 2024  | 65,000    |          |                          |           |                          |
|                                      |                  |                   | 2025  | 70,000    |          |                          |           |                          |
|                                      |                  |                   | 2026  | 75,000    |          |                          |           |                          |
| State of NJ Fund Loan<br>Phase III   | 11/10/05         | 2,622,600         | 2015  | 136,136   | None     | 1,415,617                | 140,267   | 1,275,350                |
|                                      | Less: Forgiven   | 372,864           | 2016  | 141,414   |          |                          |           |                          |
|                                      |                  | <u>2,249,736</u>  | 2017  | 137,743   |          |                          |           |                          |
|                                      |                  |                   | 2018  | 134,071   |          |                          |           |                          |
|                                      |                  |                   | 2019  | 139,269   |          |                          |           |                          |
|                                      |                  |                   | 2020  | 134,977   |          |                          |           |                          |
|                                      |                  |                   | 2021  | 139,533   |          |                          |           |                          |
|                                      |                  |                   | 2022  | 134,645   |          |                          |           |                          |
|                                      |                  |                   | 2023  | 138,804   |          |                          |           |                          |
|                                      |                  |                   | 2024  | 38,759    |          |                          |           |                          |

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

**SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE**

| Purpose                             | Date of<br>Issue | Original<br>Issue | Maturities of Loans<br>Outstanding at June 30, 2014 |           | Interest | Balance<br>June 30, 2013 | Decrease  | Balance<br>June 30, 2014 |
|-------------------------------------|------------------|-------------------|---|-----------|----------|--------------------------|-----------|--------------------------|
|                                     |                  |                   | Date  | Principal |          |                          |           |                          |
| Trust Loan Series 2008A<br>Phase IV | 11/06/08         | \$ 2,265,000      | 2015  | \$ 90,000 | 2.0%     | \$ 2,035,000             | \$ 85,000 | \$ 1,950,000             |
|                                     |                  |                   | 2016  | 95,000    |          |                          |           |                          |
|                                     |                  |                   | 2017  | 100,000   |          |                          |           |                          |
|                                     |                  |                   | 2018  | 100,000   |          |                          |           |                          |
|                                     |                  |                   | 2019  | 110,000   |          |                          |           |                          |
|                                     |                  |                   | 2020  | 115,000   |          |                          |           |                          |
|                                     |                  |                   | 2021  | 120,000   |          |                          |           |                          |
|                                     |                  |                   | 2022  | 125,000   |          |                          |           |                          |
|                                     |                  |                   | 2023  | 135,000   |          |                          |           |                          |
|                                     |                  |                   | 2024  | 140,000   |          |                          |           |                          |
|                                     |                  |                   | 2025  | 150,000   |          |                          |           |                          |
|                                     |                  |                   | 2026  | 155,000   |          |                          |           |                          |
|                                     |                  |                   | 2027  | 165,000   |          |                          |           |                          |
|                                     |                  |                   | 2028  | 170,000   |          |                          |           |                          |
|                                     |                  |                   | 2029  | 180,000   |          |                          |           |                          |



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

**SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE**

| Purpose                           | Date of<br>Issue | Original<br>Issue | Maturities of Loans          |            |      | Interest     | Balance<br>June 30, 2013 | Decrease     | Balance<br>June 30, 2014 |
|-----------------------------------|------------------|-------------------|------------------------------|------------|------|--------------|--------------------------|--------------|--------------------------|
|                                   |                  |                   | Outstanding at June 30, 2014 |            |      |              |                          |              |                          |
|                                   |                  |                   | Date                         | Principal  |      |              |                          |              |                          |
| State of NJ Fund Loan<br>Phase IV | 11/06/08         | \$ 6,568,205      | 2015                         | \$ 334,299 | None | \$ 5,298,357 | \$ 333,189               | \$ 4,965,168 |                          |
|                                   |                  |                   | 2016                         | 334,965    |      |              |                          |              |                          |
|                                   |                  |                   | 2017                         | 335,187    |      |              |                          |              |                          |
|                                   |                  |                   | 2018                         | 326,303    |      |              |                          |              |                          |
|                                   |                  |                   | 2019                         | 334,743    |      |              |                          |              |                          |
|                                   |                  |                   | 2020                         | 333,377    |      |              |                          |              |                          |
|                                   |                  |                   | 2021                         | 331,034    |      |              |                          |              |                          |
|                                   |                  |                   | 2022                         | 327,947    |      |              |                          |              |                          |
|                                   |                  |                   | 2023                         | 333,011    |      |              |                          |              |                          |
|                                   |                  |                   | 2024                         | 328,457    |      |              |                          |              |                          |
|                                   |                  |                   | 2025                         | 332,722    |      |              |                          |              |                          |
|                                   |                  |                   | 2026                         | 328,058    |      |              |                          |              |                          |
|                                   |                  |                   | 2027                         | 331,611    |      |              |                          |              |                          |
|                                   |                  |                   | 2028                         | 325,614    |      |              |                          |              |                          |
|                                   |                  |                   | 2029                         | 327,837    |      |              |                          |              |                          |

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

**SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE**

| Purpose                            | Date of<br>Issue | Original<br>Issue | Maturities of Loans<br>Outstanding at June 30, 2014 |           | Interest | Balance<br>June 30, 2013 | Decrease  | Balance<br>June 30, 2014 |
|------------------------------------|------------------|-------------------|---|-----------|----------|--------------------------|-----------|--------------------------|
|                                    |                  |                   | Date  | Principal |          |                          |           |                          |
| Trust Loan Series 2010A<br>Phase V | 09/01/10         | \$ 515,000        | 2015  | \$ 20,000 | 2.0%     | \$ 475,000               | \$ 20,000 | \$ 455,000               |
|                                    |                  |                   | 2016  | 20,000    |          |                          |           |                          |
|                                    |                  |                   | 2017  | 20,000    |          |                          |           |                          |
|                                    |                  |                   | 2018  | 25,000    |          |                          |           |                          |
|                                    |                  |                   | 2019  | 25,000    |          |                          |           |                          |
|                                    |                  |                   | 2020  | 25,000    |          |                          |           |                          |
|                                    |                  |                   | 2021  | 25,000    |          |                          |           |                          |
|                                    |                  |                   | 2022  | 30,000    |          |                          |           |                          |
|                                    |                  |                   | 2023  | 30,000    |          |                          |           |                          |
|                                    |                  |                   | 2024  | 30,000    |          |                          |           |                          |
|                                    |                  |                   | 2025  | 30,000    |          |                          |           |                          |
|                                    |                  |                   | 2026  | 30,000    |          |                          |           |                          |
|                                    |                  |                   | 2027  | 35,000    |          |                          |           |                          |
|                                    |                  |                   | 2028  | 35,000    |          |                          |           |                          |
|                                    |                  |                   | 2029  | 35,000    |          |                          |           |                          |
|                                    |                  |                   | 2030  | 40,000    |          |                          |           |                          |

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

**SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE**

| Purpose                          | Date of<br>Issue | Original<br>Issue | Maturities of Loans<br>Outstanding at June 30, 2014 |           | Interest | Balance<br>June 30, 2013 | Decrease            | Balance<br>June 30, 2014 |
|----------------------------------|------------------|-------------------|---|-----------|----------|--------------------------|---------------------|--------------------------|
|                                  |                  |                   | Date  | Principal |          |                          |                     |                          |
| State of NJ Fund Loan<br>Phase V | 03/10/10         | \$ 524,000        | 2015  | \$ 26,644 | None     | \$ 444,066               | \$ 26,644           | \$ 417,422               |
|                                  |                  |                   | 2016  | 26,644    |          |                          |                     |                          |
|                                  |                  |                   | 2017  | 26,644    |          |                          |                     |                          |
|                                  |                  |                   | 2018  | 26,644    |          |                          |                     |                          |
|                                  |                  |                   | 2019  | 26,644    |          |                          |                     |                          |
|                                  |                  |                   | 2020  | 26,644    |          |                          |                     |                          |
|                                  |                  |                   | 2021  | 26,644    |          |                          |                     |                          |
|                                  |                  |                   | 2022  | 26,644    |          |                          |                     |                          |
|                                  |                  |                   | 2023  | 26,644    |          |                          |                     |                          |
|                                  |                  |                   | 2024  | 26,644    |          |                          |                     |                          |
|                                  |                  |                   | 2025  | 26,644    |          |                          |                     |                          |
|                                  |                  |                   | 2026  | 26,644    |          |                          |                     |                          |
|                                  |                  |                   | 2027  | 26,644    |          |                          |                     |                          |
|                                  |                  |                   | 2028  | 26,644    |          |                          |                     |                          |
|                                  |                  |                   | 2029  | 26,644    |          |                          |                     |                          |
|                                  |                  |                   | 2030  | 17,764    |          |                          |                     |                          |
|                                  |                  |                   |   |           |          | <u>\$ 16,468,977</u>     | <u>\$ 1,211,558</u> | <u>\$ 15,257,419</u>     |
|                                  |                  |                   |   |           |          | C                        | C-6                 | C                        |

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

**SCHEDULE OF NEW JERSEY DEPARTMENT OF ENVIRONMENTAL  
PROTECTION SETTLEMENT PAYABLE**

|                              |                  |                    |
|------------------------------|------------------|--------------------|
| Balance: June 30, 2013       | <u>Ref.</u><br>C | \$ 41,918          |
| Decreased by:                |                  |                    |
| Deferred Charges to Future   |                  |                    |
| Taxation - Funded            |                  |                    |
| Due From State of New Jersey | C-5              | <u>41,918</u>      |
| Balance: June 30, 2014       | C                | <u><u>\$ -</u></u> |

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

**SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**

| Ordinance<br>Number | Improvement Description        | Date of Issue:       |          | Date of<br>Maturity | Interest<br>Rate % | Balance<br>June 30, 2013 | Increase             | Decrease            | Balance<br>June 30, 2014 |
|---------------------|--------------------------------|----------------------|----------|---------------------|--------------------|--------------------------|----------------------|---------------------|--------------------------|
|                     |                                | Original             | Current  |                     |                    |                          |                      |                     |                          |
| 11-014              | Tax Appeal Refunding           | 06/10/11             | 06/03/14 | 06/03/15            | 1.25%              | -                        | 1,300,000            | -                   | 1,300,000                |
| 11-014              | Tax Appeal Refunding           | 06/10/11             | 06/04/13 | 06/04/14            | 1.50%              | 1,950,000                | -                    | 1,950,000           | -                        |
| 12-025              | Tax Appeal Refunding           | 06/28/12             | 06/03/14 | 06/03/15            | 1.25%              | -                        | 1,980,000            | -                   | 1,980,000                |
| 12-025              | Tax Appeal Refunding           | 06/28/12             | 06/04/13 | 06/04/14            | 1.50%              | 2,640,000                | -                    | 2,640,000           | -                        |
| 13-005              | Tax Appeal Refunding / Deficit | 06/04/13             | 06/03/14 | 06/03/15            | 1.25%              | -                        | 933,000              | -                   | 933,000                  |
| 13-005              | Tax Appeal Refunding / Deficit | 06/04/13             | 06/04/13 | 06/04/14            | 1.50%              | 1,400,000                | -                    | 1,400,000           | -                        |
| 13-040              | Sewer Reconstruction           | 06/03/14             | 06/03/14 | 06/03/15            | 1.25%              | -                        | 2,665,000            | -                   | 2,665,000                |
| 13-042              | Various Capital Improvements   | 06/03/14             | 06/03/14 | 06/03/15            | 1.25%              | -                        | 4,830,000            | -                   | 4,830,000                |
| 14-021              | Tax Appeal Refunding           | 06/26/14             | 06/26/14 | 06/03/15            | 1.25%              | -                        | 3,300,000            | -                   | 3,300,000                |
|                     |                                |                      |          |                     |                    | <u>\$ 5,990,000</u>      | <u>\$ 15,008,000</u> | <u>\$ 5,990,000</u> | <u>\$ 15,008,000</u>     |
|                     |                                |                      |          |                     |                    | C                        |                      |                     |                          |
|                     |                                |                      |          |                     |                    | <u>Ref.</u>              |                      |                     |                          |
|                     |                                | Notes Renewed        |          |                     | Contra             |                          | \$ 4,213,000         | \$ 4,213,000        |                          |
|                     |                                | New Notes Issued     |          |                     |                    |                          | 10,795,000           | -                   |                          |
|                     |                                |                      |          |                     | C-9                |                          | 15,008,000           | 4,213,000           |                          |
|                     |                                | Budget Appropriation |          |                     | C-7; C-19          |                          | -                    | 1,777,000           |                          |
|                     |                                |                      |          |                     | C-19               |                          | \$ 15,008,000        | \$ 5,990,000        |                          |

**CITY OF PATERSON**  
**GENERAL CAPITAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

| Improvement Description                           | Date      | Ordinance No. | Amount |            | Balance: June 30, 2013 |            | 2014 Authorizations | Cancellations |        | Paid or Charged | Balance: June 30, 2014 |           |
|---|-----------|---------------|--------|------------|------------------------|------------|---------------------|---------------|--------|-----------------|------------------------|-----------|
|   |           |               | \$     |            | Funded                 | Unfunded   |                     | \$            |        |                 | Funded                 | Unfunded  |
| Various Acquisition Public Works                  | 06/11/99  | *             | \$     | 2,016,000  | \$                     | 291,116    | -                   | -             | -      | \$              | 280,684                | \$ -      |
| Sewer Reconstruction                              | 07/17/01  | *             |        | 151,000    |                        | 120,017    | -                   | -             | -      |                 | 83,437                 | -         |
| Combined Sewer Outflow Phase I                    | 12/17/02  | *             |        | 10,942,000 |                        | 434,239    | -                   | -             | -      |                 | 177,409                | -         |
| Combined Sewer Outflow Phase II                   | 01/27/04  | *             |        | 6,538,000  |                        | 1,081,737  | -                   | -             | -      |                 | 634,202                | -         |
| Main/Market Street Streetscape Project            | 04/13/04  | *             |        | 1,760,000  |                        | 202,549    | -                   | -             | -      |                 | 202,549                | -         |
| Construction of a Bikeway/Walkway at the ATP Site | 07/13/04  | *             |        | 250,000    |                        | 250,000    | -                   | -             | -      |                 | 250,000                | -         |
| Combined Sewer Outflow Phase III NJ               | *         |               |        | 18,326,400 |                        | 10,486,570 | -                   | -             | -      |                 | 10,486,570             | -         |
| Combined Sewer Outflow Phase III                  | *         |               |        | 21,919,000 |                        | -          | 7,400,195           | -             | -      |                 | -                      | 7,400,195 |
| Various Park Improvements, Amended by 13-041:     | 10/25/05, | 05-005        |        |            |                        |            |                     |               |        |                 |                        |           |
| Great Falls and Pocket Parks                      | 09/24/13  | 13-041        |        | 2,474,726  |                        | 778,330    | 778,330             | -             | -      | 1,710           | 1,125,475              | 1,125,475 |
| Capital Improvements                              | 02/14/06  | *             |        | 1,955,000  |                        | 163,171    | -                   | -             | -      | 37,581          | 125,590                | -         |
| Various Sewer Reconstruction                      | 12/24/06  | 06-067        |        | 2,500,000  |                        | 119,727    | -                   | -             | -      | -               | 119,727                | -         |
| Various Capital Improvements-Facilities           | 02/27/07  | 07-006        |        | 500,000    |                        | 473,077    | -                   | -             | -      | 41,421          | 431,656                | -         |
| Various Capital Improvements-Roadways             | 02/27/07  | 07-006        |        | 810,000    |                        | 193,149    | -                   | -             | -      | 100,859         | 92,290                 | -         |
| Various Capital Improvements                      | 05/15/07  | 07-023        |        | 1,601,000  |                        | 97,863     | -                   | -             | -      | -               | 97,863                 | -         |
| City Road Resurfacing Program                     | 09/25/07  | 07-050        |        | 2,100,000  |                        | 34,875     | -                   | -             | -      | 34,875          | -                      | -         |
| Various Park Improvements-Pennington Park         | 06/24/08  | 08-022        |        | 2,800,000  |                        | 2,055,376  | 1,112,491           | -             | -      | 2,836,236       | 331,631                | -         |
| Various Park Improvements-ATP Site Park           | 06/24/08  | 08-021        |        | 2,067,330  |                        | 1,283,665  | 783,665             | -             | -      | -               | 1,283,665              | 783,665   |
| Acquisition of Equipment                          | 06/24/08  | 08-020        |        | 800,000    |                        | 92,257     | -                   | -             | -      | 16,632          | 75,625                 | -         |
| Various Capital Improvements-Facility             | 06/24/08  | 08-020        |        | 1,870,000  |                        | 931,742    | -                   | -             | -      | 23,765          | 907,977                | -         |
| 2009 City Road Resurfacing Program                | 11/12/08  | 08-037        |        | 2,100,000  |                        | 227,205    | -                   | -             | -      | 227,150         | 55                     | -         |
| Sewer Reconstruction                              | 11/19/08  | 08-036        |        | 2,500,000  |                        | 27,955     | -                   | -             | -      | 27,750          | 205                    | -         |
| Construction of Fire House                        | 05/26/09  | 09-013        |        | 3,360,000  |                        | 3,166,353  | -                   | -             | -      | 1,501,463       | 1,664,890              | -         |
| DOT Spruce Street McBride Avenue Signalization    | 04/28/09  | 09-010        |        | 250,257    |                        | 6,159      | -                   | -             | -      | -               | 6,159                  | -         |
| DOT Pedestrian Signal Improvements                | 05/26/09  | 09-017        |        | 190,000    |                        | 1,109      | -                   | -             | -      | -               | 1,109                  | -         |
| 2010 Road Resurfacing                             | 10/27/09  | 09-030        |        | 2,100,000  |                        | 415,341    | -                   | -             | -      | 381,229         | 34,112                 | -         |
| Sewer Reconstruction                              | 10/27/09  | 09-031        |        | 2,800,000  |                        | 27,360     | -                   | -             | -      | 21,325          | 6,035                  | -         |
| Various Capital Improvements                      | 10/27/09  | 09-032        |        | 2,195,000  |                        | 807,831    | -                   | -             | -      | 274,494         | 533,337                | -         |
| Sewer Reconstruction                              | 09/28/10  | 10-045        |        | 2,800,000  |                        | 43,412     | -                   | -             | -      | 43,412          | -                      | -         |
| Debt Restructuring                                | 02/22/11  | 11-014        |        | 5,000,000  |                        | -          | 9,791               | -             | -      | 7,273           | -                      | 2,518     |
| Recreation Facility Improvements                  | 04/01/11  | 11-016        |        | 2,250,000  |                        | 1,216,377  | -                   | -             | -      | 275,606         | 940,771                | -         |
| Sewer Reconstruction                              | 04/01/11  | 11-017        |        | 3,000,000  |                        | 110,669    | -                   | -             | -      | 96,437          | 14,232                 | -         |
| 2011 DOT Road Reconstruction                      | 04/13/11  | 11-018        |        | 509,860    |                        | 19,384     | -                   | -             | -      | (22,271)        | 41,655                 | -         |
| Sewer Reconstruction                              | 1/24/2012 | 12-004        |        | 4,200,000  |                        | 1,218,308  | -                   | -             | -      | 1,124,552       | 93,756                 | -         |
| Tax Appeal Refunds                                | 6/1/2012  | 12-025        |        | 3,300,000  |                        | -          | 9,618               | -             | -      | 9,459           | -                      | 159       |
| 2012 DOT Road Resurfacing Program                 | 6/12/2012 | 12-026        |        | 489,700    |                        | 489,700    | -                   | -             | -      | 489,700         | -                      | -         |
| Debt Restructuring                                | 1/22/2013 | 13-001        |        | 11,600,000 |                        | 9,776      | 15,000              | -             | 15,000 | 9,776           | -                      | -         |

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

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

| Improvement Description             | Ordinance |        | Balance: June 30, 2013 |        | 2014<br>Authorizations | Cancellations | Paid or<br>Charged | Balance: June 30, 2014 |         |           |   |
|-------------------------------------|-----------|--------|------------------------|--------|------------------------|---------------|--------------------|------------------------|---------|-----------|---|
|                                     | Date      | No.    | Amount                 | Funded |                        |               |                    | Unfunded               | Funded  | Unfunded  |   |
| 2014 DOT Road Resurfacing Program   | 08/20/13  | 13-038 | 563,650                | \$     | -                      | \$            | -                  | \$                     | 563,650 | \$        | - |
| Sewer Reconstruction                | 09/24/13  | 13-040 | 2,800,000              | -      | -                      | 2,800,000     | -                  | 1,018,270              | -       | 1,781,730 |   |
| Various Capital Improvements        | 09/24/13  | 13-042 | 5,073,000              | -      | -                      | 5,073,000     | -                  | 832,691                | -       | 4,240,309 |   |
| Street Sweeper and Finance Software | 09/24/13  | 13-043 | 1,485,000              | -      | -                      | 1,485,000     | -                  | 1,247,218              | 237,782 | -         |   |
| Tax Appeal Refunding                | 05/14/14  | 14-021 | 3,300,000              | -      | -                      | 3,300,000     | -                  | 1,106,359              | -       | 2,193,641 |   |
|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
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|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
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|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
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|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
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|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |
|                                     |           |        |                        |        |                        |               |                    |                        |         |           |   |

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

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

|   |                       |                |                          |
|---|-----------------------|----------------|--------------------------|
| Balance: June 30, 2013                              | <u>Ref.</u><br>C, C-3 |                | \$ 710,113               |
| Increased by:                                       |                       |                |                          |
| Budget Appropriation                                | C-9                   |                | <u>62,000</u>            |
|   |                       |                | 772,113                  |
| Decreased by:                                       |                       |                |                          |
| Appropriated to Finance Improvement Authorizations: |                       |                |                          |
| Ordinance No. 13-040: Sewer Reconstruction          |                       | \$ 135,000     |                          |
| Ordinance No. 13-042: Various Improvements          |                       | <u>243,000</u> |                          |
|   | C-14                  |                | <u>378,000</u>           |
| Balance: June 30, 2014                              | C, C-3                |                | <u><u>\$ 394,113</u></u> |



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

**SCHEDULE OF GREEN ACRES TRUST LOAN PAYABLE**

| Purpose                             | Ordinance<br>Date | Amount of<br>Original<br>Issue | Maturities of<br>Loans Outstanding<br>June 30, 2014 |          | Interest<br>Rate % | Balance<br>June 30, 2013 | Increased<br>by Loans<br>Issued | Decreased<br>by Budget<br>Appropriation | Balance<br>June 30, 2014 |
|-------------------------------------|-------------------|--------------------------------|---|----------|--------------------|--------------------------|---------------------------------|---|--------------------------|
|                                     |                   |                                | Date  | Amount   |                    |                          |                                 |   |                          |
| Park Development Program - Phase II | 07/26/94          | \$ 315,000                     | 10/30/14  | \$ 9,927 | 2.00               | \$ 49,639                | \$ -                            | \$ 19,559                               | \$ 30,080                |
|                                     |                   |                                | 04/30/15  | 10,026   |                    |                          |                                 |   |                          |
|                                     |                   |                                | 10/30/15  | 10,127   |                    |                          |                                 |   |                          |
| Eastside Park Rehab                 | 06/26/06          | \$ 231,650                     | 09/30/14  | \$ 5,672 | 2.00               | \$ 164,179               | \$ -                            | \$ 11,177                               | \$ 153,002               |
|                                     |                   |                                | 03/30/15  | 5,729    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 09/30/15  | 5,786    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 03/30/16  | 5,844    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 09/30/16  | 5,903    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 03/30/17  | 5,962    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 09/30/17  | 6,021    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 03/30/18  | 6,082    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 09/30/18  | 6,142    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 03/30/19  | 6,204    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 09/30/19  | 6,266    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 03/30/20  | 6,328    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 09/30/20  | 6,392    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 03/30/21  | 6,456    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 09/30/21  | 6,520    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 03/30/22  | 6,585    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 09/30/22  | 6,651    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 03/30/23  | 6,718    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 09/30/23  | 6,785    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 03/30/24  | 6,853    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 09/30/24  | 6,921    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 03/30/25  | 6,991    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 09/30/25  | 7,060    |                    |                          |                                 |   |                          |
|                                     |                   |                                | 03/30/26  | 7,131    |                    |                          |                                 |   |                          |

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

**SCHEDULE OF GREEN ACRES TRUST LOAN PAYABLE**

| Purpose  | Ordinance<br>Date       | Amount of<br>Original<br>Issue | Maturities of<br>Loans Outstanding<br>June 30, 2014 |           | Interest<br>Rate % | Balance<br>June 30, 2013 | Increased<br>by Loans<br>Issued | Decreased<br>by Budget<br>Appropriation | Balance<br>June 30, 2014 |
|--|-------------------------|--------------------------------|---|-----------|--------------------|--------------------------|---------------------------------|---|--------------------------|
|  |                         |                                | Date  | Amount    |                    |                          |                                 |   |                          |
| Park Development Program - Phase III                   | 06/26/06                | \$ 267,000                     | 09/30/14  | \$ 10,975 | 2.00               | \$ 136,452               | \$ -                            | \$ 21,626                               | \$ 114,826               |
|  |                         |                                | 03/30/15  | 11,085    |                    |                          |                                 |   |                          |
|  |                         |                                | 09/30/15  | 11,196    |                    |                          |                                 |   |                          |
|  |                         |                                | 03/30/16  | 11,308    |                    |                          |                                 |   |                          |
|  |                         |                                | 09/30/16  | 11,421    |                    |                          |                                 |   |                          |
|  |                         |                                | 03/30/17  | 11,535    |                    |                          |                                 |   |                          |
|  |                         |                                | 09/30/17  | 11,651    |                    |                          |                                 |   |                          |
|  |                         |                                | 03/30/18  | 11,767    |                    |                          |                                 |   |                          |
|  |                         |                                | 09/30/18  | 11,885    |                    |                          |                                 |   |                          |
|  |                         |                                | 03/30/19  | 12,003    |                    |                          |                                 |   |                          |
|  |                         |                                |   |           |                    |                          |                                 |   |                          |
|  |                         |                                |   |           |                    |                          |                                 |   |                          |
|  |                         |                                |   |           |                    |                          |                                 |   |                          |
| Restoration of Pennington Park<br>Loan No. 1608-03-066 | Ordinance No.<br>08-022 | \$ 700,000                     | 08/15/14  | \$ 17,949 | 0.00               | \$ -                     | \$ 700,000                      | \$ -                                    | \$ 700,000               |
|  |                         |                                | 02/15/15  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/15  | 17,948    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/16  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/16  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/17  | 17,948    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/17  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/18  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/18  | 17,948    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/19  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/19  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/20  | 17,948    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/20  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/21  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/21  | 17,948    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/22  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/22  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/23  | 17,948    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/23  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/24  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/24  | 17,948    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/25  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/25  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/26  | 17,948    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/26  | 17,949    |                    |                          |                                 |   |                          |

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2014  
  
SCHEDULE OF GREEN ACRES TRUST LOAN PAYABLE**

| Purpose  | Ordinance<br>Date       | Amount of<br>Original<br>Issue | Maturities of<br>Loans Outstanding<br>June 30, 2014 |           | Interest<br>Rate % | Balance<br>June 30, 2013 | Increased<br>by Loans<br>Issued | Decreased<br>by Budget<br>Appropriation | Balance<br>June 30, 2014 |
|--|-------------------------|--------------------------------|---|-----------|--------------------|--------------------------|---------------------------------|---|--------------------------|
|  |                         |                                | Date  | Amount    |                    |                          |                                 |   |                          |
| Restoration of Pennington Park<br>Loan No. 1608-03-066               | (continued)             |                                | 02/15/27  | \$ 17,949 | 0.00               | \$ 231,245               | \$ 268,755                      | \$ -                                    | \$ 500,000               |
|  |                         |                                | 08/15/27  | 17,948    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/28  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/28  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/29  | 17,948    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/29  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/30  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/30  | 17,948    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/31  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/31  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/32  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/32  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/33  | 17,949    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/33  | 17,949    |                    |                          |                                 |   |                          |
| Restoration of Pennington Park - Lower Field<br>Loan No. 1608-05-029 | Ordinance No.<br>08-022 | \$ 500,000                     | 08/15/14  | \$ 15,151 | 0.00               | \$ 231,245               | \$ 268,755                      | \$ -                                    | \$ 500,000               |
|  |                         |                                | 02/15/15  | 15,152    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/15  | 15,151    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/16  | 15,152    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/16  | 15,151    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/17  | 15,152    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/17  | 15,151    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/18  | 15,152    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/18  | 15,151    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/19  | 15,152    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/19  | 15,151    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/20  | 15,152    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/20  | 15,151    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/21  | 15,152    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/21  | 15,151    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/22  | 15,152    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/22  | 15,151    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/23  | 15,152    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/23  | 15,151    |                    |                          |                                 |   |                          |
|  |                         |                                | 02/15/24  | 15,152    |                    |                          |                                 |   |                          |
|  |                         |                                | 08/15/24  | 15,151    |                    |                          |                                 |   |                          |

**SCHEDULE OF GREEN ACRES TRUST LOAN PAYABLE**196

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

**SCHEDULE OF DEMOLITION LOAN PAYABLE**

| Purpose   | Ordinance<br>Date | Amount of<br>Original<br>Issue | Maturities of<br>Loans Outstanding<br>June 30, 2014 |           | Interest<br>Rate % | Balance<br>June 30, 2013 | Decrease         | Balance<br>June 30, 2014 |
|---|-------------------|--------------------------------|---|-----------|--------------------|--------------------------|------------------|--------------------------|
|   |                   |                                | Date  | Amount    |                    |                          |                  |                          |
| Urban and Rural Centers Unsafe<br>Building Demolition Bond Loan | 01/26/05          | \$ 450,000                     | 03/25/14  | \$ 45,000 | 0%                 | \$ 45,000                | \$ 45,000        | \$ -                     |
|   |                   |                                |   |           |                    |                          |                  |                          |
|   |                   |                                |   |           |                    | <u>\$ 45,000</u>         | <u>\$ 45,000</u> | <u>\$ -</u>              |
|   |                   |                                |   |           | <u>Ref.</u>        | <u>C</u>                 | <u>C-6</u>       | <u>C</u>                 |

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

**SCHEDULE OF ECONOMIC DEVELOPMENT LOAN PAYABLE - SCHOOL**

|                        |                  |                    |
|------------------------|------------------|--------------------|
| Balance: June 30, 2013 | <u>Ref.</u><br>C | \$ 604,805         |
| Decreased by:          |                  |                    |
| Budget Appropriation   | C-6              | <u>604,805</u>     |
| Balance: June 30, 2014 | C                | <u><u>\$ -</u></u> |

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

**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

| Ordinance |          |  | Bonds and Notes Authorized | Balance<br>June 30, 2013 | Increased by:                 |                     | Debt Issued:              |                      |                         | Decreased by:    |                     | Balance<br>June 30, 2014 |
|-----------|----------|--|----------------------------|--------------------------|-------------------------------|---------------------|---------------------------|----------------------|-------------------------|------------------|---------------------|--------------------------|
|           |          |  |                            |                          | Current Year<br>Authorization | Notes<br>Matured    | Green Acres<br>Trust Loan | Notes                | Budget<br>Appropriation | Canceled         |                     |                          |
| 05-005    | *        | Combined Sewer Out Flow Phase III                            | *                          | \$ 7,405,195             | \$ -                          | \$ -                | \$ -                      | \$ -                 | \$ -                    | \$ -             | \$ -                | \$ 7,405,195             |
| 06-001    | 10/25/05 | Various Park Improvements                                    | *                          | 859,093                  | -                             | -                   | -                         | -                    | -                       | -                | -                   | 859,093                  |
| 08-021    | 06/24/08 | Various Park Improvements<br>ATP Site Park                   | *                          | 783,665                  | -                             | -                   | -                         | -                    | -                       | -                | -                   | 783,665                  |
| 08-022    | 06/24/08 | Various Park Improvements<br>Pennington Park                 | 1,200,000                  | 968,755                  | -                             | -                   | 968,755                   | -                    | -                       | -                | -                   | -                        |
| 11-014    | 02/22/11 | Tax Appeal Refunding   | 3,250,000                  | -                        | -                             | 1,950,000           | -                         | 1,300,000            | 650,000                 | -                | -                   | -                        |
| 12-025    | 06/01/12 | Tax Appeal Refunding   | 3,300,000                  | -                        | -                             | 2,640,000           | -                         | 1,980,000            | 660,000                 | -                | -                   | -                        |
| 13-001    | 01/22/13 | Debt Restructuring   | 11,600,000                 | 15,000                   | -                             | -                   | -                         | -                    | -                       | 15,000           | -                   | -                        |
| 13-005    | 02/19/13 | Tax Appeals / Deficit  | 1,400,000                  | -                        | -                             | 1,400,000           | -                         | 933,000              | 467,000                 | -                | -                   | -                        |
| 13-040    | 09/24/13 | Sewer Reconstruction   | 2,665,000                  | -                        | 2,665,000                     | -                   | -                         | 2,665,000            | -                       | -                | -                   | -                        |
| 13-041    | 09/24/13 | Various Park Improvements at<br>Great Falls and Pocket Parks | 348,000                    | -                        | 348,000                       | -                   | -                         | -                    | -                       | -                | -                   | 348,000                  |
| 13-042    | 09/24/13 | Various Capital Improvements                                 | 4,830,000                  | -                        | 4,830,000                     | -                   | -                         | 4,830,000            | -                       | -                | -                   | -                        |
| 14-021    | 05/14/14 | Tax Appeal Refunding   | 3,300,000                  | -                        | 3,300,000                     | -                   | -                         | 3,300,000            | -                       | -                | -                   | -                        |
|           |          |  |                            | <u>\$ 10,031,708</u>     | <u>\$ 11,143,000</u>          | <u>\$ 5,990,000</u> | <u>\$ 968,755</u>         | <u>\$ 15,008,000</u> | <u>\$ 1,777,000</u>     | <u>\$ 15,000</u> | <u>\$ 9,395,953</u> |                          |
|           |          |  |                            | C                        | C-7                           | C-13                | C-16                      | C-13                 | C-7; C-13               | C-14             | C, C-7a             |                          |
| Ref.      |          |  |                            |                          |                               |                     |                           |                      |                         |                  |                     |                          |

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

General Fixed Assets Schedules

City of Paterson  
FY 2014



**CITY OF PATERSON  
GENERAL FIXED ASSET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
SCHEDULE OF CHANGES IN FIXED ASSETS BY CLASS**

|                         | Balance,<br>June 30, 2013 | Additions   | Dispositions | Balance,<br>June 30, 2014 |
|-------------------------|---------------------------|-------------|--------------|---------------------------|
| Land                    | \$ 3,257,443              | \$ -        | \$ -         | \$ 3,257,443              |
| Building                | 39,034,660                | -           | -            | 39,034,660                |
| Machinery and Equipment | 20,197,935                | -           | -            | 20,197,935                |
|                         | <u>\$ 62,490,038</u>      | <u>\$ -</u> | <u>\$ -</u>  | <u>\$ 62,490,038</u>      |
| <u>Ref.</u>             | D                         |             |              | D                         |

## Exhibit D-2

**SCHEDULE OF RESERVE FOR FIXED ASSETS**

|                                 |             |                      |
|---------------------------------|-------------|----------------------|
|                                 | <u>Ref.</u> |                      |
| Balance: June 30, 2014 and 2013 | D           | <u>\$ 62,490,038</u> |

REPORT OF AUDIT

STATISTICAL SECTION

City of Paterson  
FY 2014

**CITY OF PATERSON**  
**STATISTICAL SECTION (UNAUDITED)**  
**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

COMPARATIVE SCHEDULES OF OPERATIONS AND CHANGES IN FUND BALANCE-CURRENT FUND

|   | June 30, 2013      |                | June 30, 2014       |                |
|---|--------------------|----------------|---------------------|----------------|
|   | Amount             | Percent        | Amount              | Percent        |
| Revenue and Other Income Realized:            |                    |                |                     |                |
| Miscellaneous Revenue Anticipated             | \$ 97,395,521      | 31.18%         | \$ 100,222,011      | 30.62%         |
| Receipts from Delinquent Taxes                | 2,521,065          | 0.81%          | 2,075,152           | 0.63%          |
| Receipts from Current Taxes                   | 210,293,532        | 67.32%         | 223,205,397         | 68.20%         |
| Miscellaneous Revenue Not Anticipated         | 1,287,969          | 0.41%          | 1,127,591           | 0.34%          |
| Other Credits to Income                       | 884,744            | 0.28%          | 638,934             | 0.20%          |
|   | <u>312,382,831</u> | <u>100.00%</u> | <u>327,269,085</u>  | <u>100.00%</u> |
| Expenditures:                                 |                    |                |                     |                |
| Budget Appropriations                         | 234,487,311        | 74.15%         | 237,917,560         | 72.60%         |
| School and County Taxes                       | 79,274,411         | 25.07%         | 86,940,822          | 26.53%         |
| Other Charges                                 | 2,483,461          | 0.79%          | 2,832,000           | 0.86%          |
|   | <u>316,245,183</u> | <u>100.00%</u> | <u>327,690,382</u>  | <u>100.00%</u> |
| Change in Operations, net of Surplus Utilized | (3,862,352)        |                | (421,297)           |                |
| Adjustments to Income: Deferred Charges       |                    |                |                     |                |
| of Budget of Succeeding Year                  | <u>4,370,000</u>   |                | <u>2,450,000</u>    |                |
| Statutory Excess to Operations                | 507,648            |                | 2,028,703           |                |
| Fund Balance, July 1                          | <u>227,201</u>     |                | <u>734,849</u>      |                |
| Fund Balance, June 30                         | <u>\$ 734,849</u>  |                | <u>\$ 2,763,552</u> |                |

**CITY OF PATERSON**  
**STATISTICAL SECTION (UNAUDITED)**  
**FOR THE LAST FIVE FISCAL YEARS**

TAX RATE AND APPORTIONMENT OF TAX RATE

| <u>Year Ended</u> | <u>Total<br/>Tax Rate</u> | <u>Municipal (1)</u> | <u>County</u> | <u>Local<br/>School</u> |
|-------------------|---------------------------|----------------------|---------------|-------------------------|
| June 30, 2014     | 2.896                     | 1.877                | 0.538         | 0.481                   |
| June 30, 2013     | 2.744                     | 1.743                | 0.537         | 0.463                   |
| June 30, 2012     | 2.515                     | 1.597                | 0.477         | 0.441                   |
| June 30, 2011     | 2.515                     | 1.567                | 0.519         | 0.429                   |
| June 30, 2010     | 2.126                     | 1.191                | 0.511         | 0.424                   |

Rates are per \$100 of assessed valuation. (1) Includes Library Levy.

Table 3

SCHEDULE OF DELINQUENT TAXES AND TAX TITLE LIENS

| <u>Year Ended</u> | <u>Tax Title<br/>Liens</u> | <u>Delinquent<br/>Taxes</u> | <u>Total</u>  | <u>Percent of<br/>Tax Levy</u> |
|-------------------|----------------------------|-----------------------------|---------------|--------------------------------|
| June 30, 2014     | \$ 12,285,926              | \$ 123,987                  | \$ 12,409,913 | 5.20%                          |
| June 30, 2013     | 9,933,237                  | 39,397                      | 9,972,634     | 4.42%                          |
| June 30, 2012     | 7,998,200                  | 179,045                     | 8,177,245     | 3.61%                          |
| June 30, 2011     | 4,935,592                  | 64,579                      | 5,000,171     | 2.77%                          |
| June 30, 2010     | 1,850,564                  | 4,790,258                   | 6,640,822     | 3.48%                          |

**Table 4**

**CITY OF PATERSON  
STATISTICAL SECTION (UNAUDITED)  
FOR THE LAST FIVE FISCAL YEARS**

**SCHEDULE OF TAX LEVIES AND COLLECTIONS**

| <u>Year Ended</u> | <u>Tax Levy</u> | <u>Collections</u> | <u>Collection<br/>Percentage</u> |
|-------------------|-----------------|--------------------|----------------------------------|
| June 30, 2014     | \$ 238,488,241  | \$ 223,702,561     | 93.80%                           |
| June 30, 2013     | 225,395,377     | 210,793,532        | 93.52%                           |
| June 30, 2012     | 226,650,843     | 215,703,086        | 95.17%                           |
| June 30, 2011     | 222,239,458     | 215,318,386        | 96.89%                           |
| June 30, 2010     | 190,946,704     | 183,782,775        | 96.25%                           |

**Table 5**

**SCHEDULE OF PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

| <u>Year Ended</u> | <u>Amount</u> |
|-------------------|---------------|
| June 30, 2014     | \$ 5,107,360  |
| June 30, 2013     | 5,107,360     |
| June 30, 2012     | 5,107,360     |
| June 30, 2011     | 5,107,360     |
| June 30, 2010     | 5,107,360     |

**Table 6**

**PERCENTAGE OF NET ASSESSED VALUE TO ESTIMATED FULL CASH VALUATION**

| <u>Year</u> | <u>Net Assessed<br/>Valuation Taxable</u> | <u>Estimated Full<br/>Cash Valuation</u> | <u>Percentage of Net<br/>Assessed Value<br/>To Estimated Full<br/>Cash Valuation</u> |
|-------------|---|--|--|
| 2014        | \$ 8,193,089,625                          | \$ 6,527,535,728                         | 125.5%   |
| 2013        | 8,505,985,737                             | 6,910,599,668                            | 123.1%   |
| 2012        | 8,911,890,115                             | 7,132,711,457                            | 124.9%   |
| 2011        | 9,178,236,215                             | 7,638,276,081                            | 120.2%   |
| 2010        | 9,295,023,415                             | 8,473,651,823                            | 109.7%   |

**CITY OF PATERSON****OFFICIALS IN OFFICE**

(For the Period Under Audit Through Audit Report Date Unless Otherwise Noted)

| Name                    | Title   |
|-------------------------|---|
| <b>Governing Body:</b>  |   |
| Jose "Joey" Torres      | Mayor (commencing July, 2014)   |
| Jeffery Jones           | Mayor (FY2014)  |
| Anthony E. Davis        | 1st Ward Councilman (through December, 2014)  |
| James E. Staton         | 1st Ward Councilman (commencing January, 2015)  |
| Mohammed Akhtaruzzaman  | 2nd Ward Councilman   |
| William C. McKoy        | 3rd Ward Councilman / Council President (FY2016)                                      |
| Ruby N. Cotton          | 4th Ward Councilwoman   |
| Julio Tavaréz           | 5th Ward Councilman / Council President (FY2015)                                      |
| Andre Sayegh            | 6th Ward Councilman / Council President (FY2014)                                      |
| Kenneth M. Morris, Jr.  | Council-at-Large  |
| Kenneth McDaniel        | Council-at-Large (FY2014)   |
| Rigo Rodriguez          | Council-at-Large (FY2014)   |
| Domingo A. Mendez       | Council-at-Large (commencing July, 2014)  |
| Maritza Davila          | Council-at-Large (commencing July, 2014)  |
| <b>Other Officials:</b> |   |
| Jane E. Williams-Warren | City Clerk (through December 2014)  |
| Sonia L. Gordon         | Acting City Clerk (commencing January, 2015)  |
| Charles Thomas          | Business Administrator (through June, 2014)   |
| Nellie Pou              | Business Administrator (commencing July, 2014)  |
| Domenick Stampone       | Acting Corporation Counsel  |
| Anthony Zambrano        | Acting Director of Finance, Director of Accounts and Controls (through June, 2014)    |
| James Ten Hoeve         | Acting Director of Finance, Director of Accounts and Controls (commencing July, 2015) |
| James Alessandrello     | Acting Chief Municipal Finance Officer (commencing July, 2015)                        |
| (C) Kathleen Gibson     | Tax Collector, Director of Revenue Collections  |
| (C) Betty Shabazz       | Director of Division of Treasury (through June, 2015)                                 |
| (C) Fabiana Mello       | Assistant Municipal Treasurer   |
| Kathleen Easton         | Director of Community Improvements (through June, 2015)                               |
| Gennaro "Jerry" Lobo    | Acting Director of Community Improvements (commencing July, 2015)                     |
| Joann Bottler           | Tax Searches  |
| Richard Marra           | Tax Assessor  |
| Charles Parmelli        | Tax Assessor  |
| Robert Ardis            | Supervisor of Accounts - Health Division  |
| Dorothy L. Moore        | Registrar of Vital Statistics   |
| Christopher Coke        | Director of Department of Public Works (through May, 2014)                            |
| Manuel Ojeda            | Director of Department of Public Works (commencing July, 2014)                        |

**CITY OF PATERSON**

**OFFICIALS IN OFFICE**

(For the Period Under Audit Through Audit Report Date Unless Otherwise Noted)

| Name                                | Title   |
|-------------------------------------|---|
| <b>Other Officials (continued):</b> |   |
| Patricia Hamlin                     | Assistant Director of Information Technology                            |
| Betty Taylor                        | Acting Director of Personnel (through December, 2014)                   |
| Abby Levenson                       | Director of Personnel (commencing July, 2015)                           |
| Fred Margron                        | City Engineer   |
| (A) Hon. Kevin McDuffie             | Presiding Judge   |
| (A) Manuel Quiles                   | Court Director  |
| (A) Gloria Schweitzer               | Court Administrator   |
| (B) Cindy Czesak                    | Director of Free Public Library   |
| Lanisha Makle                       | Director of Department of Community Development (through June, 2014)    |
| Barbara Blake-McLennon              | Director of Department of Community Development (commencing July, 2014) |
| Donna Nelson Ivy                    | Director of Human Resources   |
| Harry Cevallos                      | Qualified Purchasing Agent  |

(A) Court employees are covered by a faithful performance blanket bond in the amount of \$500,000.

(B) Surety bond obtained by City in the amount of \$50,000.

(C) Surety bond obtained by City in the amount of \$500,000.

REPORT OF AUDIT

ADDITIONAL INFORMATION  
RELATING TO  
INTERNAL CONTROL AND COMPLIANCE

City of Paterson  
FY 2014



# DONOHUE, GIRONDA & DORIA

*Certified Public Accountants*

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

To the Honorable Mayor and Members  
of the City Council  
City of Paterson, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the accompanying financial statements – regulatory basis of the City of Paterson, New Jersey (the "City"), which comprise the comparative balance sheets – regulatory basis, of each fund and General Fixed Assets as of June 30, 2014 and 2013, and the related comparative statement of operations and changes in fund balance – regulatory basis, statement of revenues – regulatory basis – and statement of appropriations – regulatory basis, of the Current Fund, and the statement of changes in fund balance – regulatory basis, of the General Capital Fund, for the years then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 9, 2015. The opinion to those financial statements is followed by an emphasis of matter paragraph regarding the City's dependence on State Aid and the potential material impact on the City should State Aid be reduced.

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

As described in Note H, the City did not conduct a biennial actuarial valuation of its other post employment benefits in accordance with Government Accounting Standards Board Statement Number 45.

## **Internal Control over Financial Reporting**

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

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2014-001 to be a material weakness.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2014-002 to be a significant deficiency.

## **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 instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Findings 2014-001 and 2014-002.

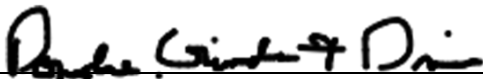
We noted additional instances of noncompliance which are required to be reported under audit requirements prescribed by the Division, and which are described in the accompanying comments and recommendations section of this report.

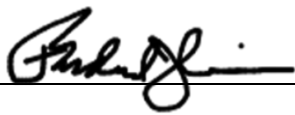
### **The City's Response to Findings**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
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DONOHUE, GIRONDA & DORIA  
Certified Public Accountants

  
\_\_\_\_\_  
FREDERICK J. TOMKINS  
Registered Municipal Accountant No. 327

Bayonne, New Jersey  
October 9, 2015

# DONOHUE, GIRONDA & DORIA

*Certified Public Accountants*

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 15-08**

To the Honorable Mayor and  
Members of the City Council  
City of Paterson, New Jersey

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

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

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

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

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

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and N.J. OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, U.S. OMB Circular A-133 and N.J. OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a

major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Basis for Qualified Opinion on the Federal Home Investment Partnership Grant (HOME) and the Federal Community Development Block Grants Cluster (CDBG)***

As described in Findings 2014-003 through 2014-006 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the following:

| <b>Finding Number</b> | <b>CFDA Number</b> | <b>Program (or Cluster) Name</b> | <b>Compliance Requirement</b>   |
|-----------------------|--------------------|----------------------------------|---------------------------------|
| 2014-003              | 14.218/14.253      | CDBG Cluster                     | Reporting                       |
| 2014-004              | 14.218/14.253      | CDBG Cluster                     | Subrecipient Monitoring         |
| 2014-005              | 14.239             | HOME Grant                       | Special Tests and Provisions    |
| 2014-006              | 14.239             | HOME Grant                       | Allowable Costs/Cost Principles |

***Qualified Opinion on the Federal Home Investment Partnership Grant (HOME) and the Federal Community Development Block Grants Cluster (CDBG)***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Federal Home Investment Partnership Grant (HOME), Federal Housing and the Federal Community Development Block Grants Cluster (CDBG) for the year ended June 30, 2014.

***Unmodified Opinion on Each of the Other Major Federal and State Programs***

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

***Other Matters***

The City's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. 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.

## Report on Internal Control over Compliance

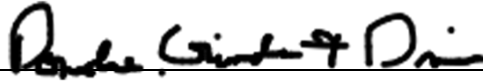
Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2014-006 that we consider to be a significant deficiency.

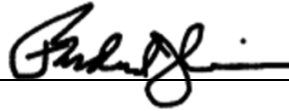
The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



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DONOHUE, GIRONDA & DORIA  
Certified Public Accountants



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FREDERICK J. TOMKINS  
Registered Municipal Accountant No. 327

Bayonne, New Jersey  
October 9, 2015

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

| Federal Department and Program  | Federal CFDA Number | State Account Grant Number                  | Grant Period |           | Grant Award  | Funds Received | Balance: June 30, 2013 |            | Current Year Appropriations | Paid or Charged | Cancellations Program Income/Transfers | Balance: June 30, 2014 |              | Cumulative Expenditures |
|---|---------------------|---|--------------|-----------|--------------|----------------|------------------------|------------|-----------------------------|-----------------|--|------------------------|--------------|-------------------------|
|   |                     |   | From         | To        |              |                | Reserved               | Encumbered |                             |                 |  | Encumbered             | Reserved     |                         |
| Department of Agriculture   |                     |   |              |           |              |                |                        |            |                             |                 |  |                        |              |                         |
| Senior Farmer's Market Nutrition Project  | 10.576              | 046-4220-100-474                            | 6/1/2013     | 9/30/2013 | \$ 500       | \$ 500         | \$ -                   | \$ -       | \$ 500                      | \$ 500          | \$ -                                   | \$ -                   | \$ 500       |                         |
| Total Department of Agriculture   |                     |   |              |           |              |                |                        |            |                             |                 |  |                        |              |                         |
| Department of Justice   |                     |   |              |           |              |                |                        |            |                             |                 |  |                        |              |                         |
| COPS Hiring Program   | 16.710              | N/A   | 09/01/13     | 08/31/16  | \$ 1,672,510 | \$ -           | \$ -                   | \$ -       | \$ 1,672,510                | \$ -            | \$ -                                   | \$ 500,000             | \$ 1,172,510 | \$ -                    |
| COPS Hiring Recovery Program  | 16.710              | N/A   | 07/01/08     | 06/30/09  | 3,747,375    | 804,867        | 804,867                | -          | -                           | 804,867         | -                                      | -                      | -            | 3,747,375               |
| Total CFDA 16.710   |                     |   |              |           |              | 804,867        | 804,867                | -          | 1,672,510                   | 804,867         | -                                      | 500,000                | 1,172,510    |                         |
| Passed through NJ Department of Law and Public Safety   |                     |   |              |           |              |                |                        |            |                             |                 |  |                        |              |                         |
| Byrne Memorial Justice Assistance-Equipment Grant   | 16.738              | 66-1020-100-364                             | 07/01/12     | 06/30/13  | 134,911      | 5,569          | 122,411                | 12,500     | -                           | 46,067          | -                                      | 27,391                 | 61,453       | 46,067                  |
| Byrne Memorial Justice Assistance-Equipment Grant   | 16.738              | 66-1020-100-364                             | 07/01/11     | 06/30/12  | 160,946      | 92,000         | 24,176                 | 32,714     | -                           | 55,724          | -                                      | 720                    | 446          | 159,780                 |
| Byrne Memorial Law Enforcement Technology Grant   | 16.738              | 66-1020-100-384                             | 07/01/11     | 06/30/12  | 500,000      | 76,762         | 26,519                 | 103,245    | -                           | 32,695          | -                                      | 97,069                 | -            | 402,931                 |
| Passed through City of Passaic  |                     |   |              |           |              |                |                        |            |                             |                 |  |                        |              |                         |
| 2013 Byrne Memorial Justice Assistance Grant - Joint Application for the Cities of Clifton, Passaic and Paterson              | 16.738              | Award Number 2013-DJ-BX-0382 (Passaic City) | 10/01/12     | 09/30/16  | 131,306      | 3,659          | -                      | -          | 131,306                     | -               | -                                      | -                      | 131,306      | -                       |
| Byrne Memorial Justice Assistance-Equipment Grant   | 16.738              | 66-1020-100-364                             | 07/01/09     | 06/30/10  | 217,820      | 116,663        | 425                    | -          | -                           | 425             | -                                      | -                      | -            | 217,820                 |
| Total CFDA 16.738   |                     |   |              |           |              | 294,653        | 173,531                | 148,459    | 131,306                     | 134,911         | -                                      | 125,180                | 193,205      |                         |
| Bulletproof Vest Program  | 16.607              | N/A   | 07/01/11     | 06/30/12  | 31,275       | -              | -                      | 31,275     | -                           | 31,275          | -                                      | -                      | -            | 31,275                  |
| Bulletproof Vest Partnership Program  | 16.607              | N/A   | *            | *         | 3,285        | 3,285          | -                      | -          | 3,285                       | -               | -                                      | 3,285                  | -            | -                       |
| Total CFDA 16.607   |                     |   |              |           |              | 3,285          | -                      | 31,275     | 3,285                       | 31,275          | -                                      | 3,285                  | -            |                         |
| Passed through NJ Department of Law and Public Safety   |                     |   |              |           |              |                |                        |            |                             |                 |  |                        |              |                         |
| Paterson Safe Neighborhoods Program   | 16.609              | 066-1020-100-377                            | 07/01/12     | 06/30/13  | 8,000        | 8,000          | 3,944                  | -          | -                           | 3,944           | -                                      | -                      | -            | 8,000                   |
| Total Department of Justice   |                     |   |              |           |              |                |                        |            |                             |                 |  |                        |              |                         |
| Department of Homeland Security   |                     |   |              |           |              |                |                        |            |                             |                 |  |                        |              |                         |
| FEMA - Assistance to Firefighters Grant 2009  | 97.044              | N/A   | 07/01/12     | 06/30/13  | \$ 222,335   | \$ 177,868     | \$ 16,210              | \$ 206,125 | \$ -                        | \$ 222,335      | \$ -                                   | \$ -                   | \$ -         | \$ 222,335              |
| FEMA - Assistance to Firefighters Grant 2010  | 97.044              | N/A   | 07/01/09     | 06/30/10  | *            | -              | -                      | 2,520      | -                           | 2,176           | (344)                                  | -                      | -            | *                       |
| FY2011 Assistance to Firefighters Grant - Fire Prevention and Safety Grants   | 97.044              | N/A   | *            | *         | 68,204       | 68,204         | -                      | -          | 68,204                      | 68,104          | -                                      | -                      | 100          | 68,104                  |
| FEMA - Assistance to Firefighters Grant   | 97.044              | N/A   | 07/01/11     | 06/30/12  | 134,670      | -              | 18,956                 | 65,843     | -                           | 18,848          | -                                      | -                      | 65,951       | 68,719                  |
| Total CFDA 97.044   |                     |   |              |           |              | 246,072        | 35,166                 | 274,488    | 68,204                      | 311,463         | (344)                                  | -                      | 66,051       |                         |
| Passed through New Jersey Law and Public Safety   |                     |   |              |           |              |                |                        |            |                             |                 |  |                        |              |                         |
| 2012 Emergency Management Performance Grant Program   | 97.042              | FY-12-EMPG-EMAA                             | 01/01/12     | 12/31/12  | 10,000       | 10,000         | -                      | -          | 10,000                      | 10,000          | -                                      | -                      | -            | 10,000                  |
| Emergency Management Assistance   | 97.042              | 66-1200-100-726                             | 10/01/11     | 09/30/12  | 10,000       | -              | 10,000                 | -          | -                           | 20,000          | -                                      | -                      | -            | 10,000                  |
| Total CFDA 97.042   |                     |   |              |           |              | 10,000         | 10,000                 | -          | 10,000                      | -               | -                                      | -                      | -            |                         |
| Fire Station Construction   |                     |   |              |           |              |                |                        |            |                             |                 |  |                        |              |                         |
| Fire Station Construction   | 97.067              | 66-1200-100-A70                             | 07/01/09     | 06/30/10  | 4,500,000    | 4,500,000      | -                      | 4,500,000  | -                           | 4,249,558       | -                                      | 250,442                | -            | 4,249,558               |
| Passed through NJ Department of Law and Public Safety   |                     |   |              |           |              |                |                        |            |                             |                 |  |                        |              |                         |
| Urban Area Security Initiative Grants - Homeland Security Grant Program   | 97.067              | 066-1200-100-975                            | 07/01/11     | 06/30/12  | \$ 19,522    | -              | 649                    | -          | -                           | 649             | -                                      | -                      | -            | 19,522                  |
| USAR Reimbursement Funds 2012   |                     |   |              |           |              |                |                        |            |                             |                 |  |                        |              |                         |
| State Police, Fire Urban Search and Rescue (USAR); Metro Strike Team, Structure Collapse and Annual Must Exercise FD Programs | 97.067              | 066-1200-100-975                            | *            | *         | 129,041      | 109,515        | -                      | -          | 129,041                     | 23,351          | -                                      | -                      | 105,690      | 23,351                  |
| Total CFDA 97.067   |                     |   |              |           |              | 4,609,515      | 649                    | 4,500,000  | 129,041                     | 4,273,558       | -                                      | 250,442                | 105,690      |                         |

See Accompanying Notes to Expenditures of Federal Awards and State Financial Assistance.



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

| Federal CFDA Number   | State Account Grant Number                             | Grant Period |          | Grant Award  | Funds Received | Balance: June 30, 2013 |              | Current Year Appropriations | Paid or Charged | Cancellations Program Income/Transfers | Balance: June 30, 2014 |              | Cumulative Expenditures |              |
|---|--|--------------|----------|--------------|----------------|------------------------|--------------|-----------------------------|-----------------|--|------------------------|--------------|-------------------------|--------------|
|   |  | From         | To       |              |                | Reserved               | Encumbered   |                             |                 |  | Encumbered             | Reserved     |                         |              |
| <b>Department of Homeland Security (continued)</b>  |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
| Subtotal Department of Homeland Security  |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
| 97.083<br>97.*<br>97.036  | Grant No. EMW-2012-HH-00402<br>N/A<br>066-1200-100-A92 | 07/01/12     | 02/28/15 | \$ 7,058,340 | \$ 4,865,587   | \$ 45,815              | \$ 4,774,488 | \$ 207,245                  | \$ 4,605,021    | \$ (344)                               | \$ 250,442             | \$ 171,741   |                         |              |
|   |  | 07/01/11     | 06/30/12 | 5,773,115    |                | 6,387,629              |              | -                           | 82,480          | 3,426,491                              | -                      | -            | 3,043,618               | \$ 4,014,722 |
|   |  | N/A          | N/A      | 525,000      | 392,351        | 5,722,656              | 22,890       | -                           | -               | 80,551                                 | -                      | 372,336      | 5,292,659               | 108,120      |
|   |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         | 525,000      |
| <b>Total Department of Homeland Security</b>  |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
|   |  |              |          |              | \$ 8,445,751   | \$ 12,156,100          | \$ 4,797,378 | \$ 289,725                  | \$ 8,112,063    | \$ (344)                               | \$ 622,778             | \$ 8,508,018 |                         |              |
| <b>Department of Health and Human Services</b>  |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
| 93.914<br>93.914<br>93.914<br>93.914  | N/A<br>N/A<br>N/A<br>N/A                               | 03/01/13     | 02/28/14 | \$ 3,429,223 | \$ 3,279,423   | \$ 769,247             | \$ 164,548   | \$ 2,063,870                | \$ 2,996,041    | \$ (1,624)                             | \$ -                   | \$ -         | \$ 3,427,599            |              |
|   |  | 03/01/14     | 02/28/15 | 1,017,879    | 495,200        | -                      | -            | 1,017,879                   | 475,863         | -                                      | 93,304                 | 448,712      | 475,863                 |              |
|   |  | 03/01/13     | 02/28/14 | 325,655      | -              | 109,221                | -            | 174,476                     | 283,382         | (315)                                  | -                      | -            | 325,340                 |              |
|   |  | 03/01/14     | 02/28/15 | 93,463       | -              | -                      | -            | 93,463                      | 20,676          | -                                      | -                      | 72,787       | 20,676                  |              |
| <b>Total CFDA 93.914</b>  |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
|   |  |              |          |              | 3,774,623      | 878,468                | 164,548      | 3,349,688                   | 3,775,962       | (1,939)                                | 93,304                 | 521,499      |                         |              |
| Passed through NJ Department of Health  |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
| 93.994  | 66-4220-100-156  | 01/01/13     | 12/31/13 | 230,846      | 54,431         | 4,608                  | 2,571        | -                           | 7,179           | -                                      | -                      | -            | 230,846                 |              |
| Childhood Lead Poisoning  |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
| 93.994  | Grant Award No. DPHS14CHD001                           | 07/01/13     | 06/30/14 | 230,846      | 164,214        | -                      | -            | 230,846                     | 218,518         | -                                      | 7,670                  | 4,658        | 218,518                 |              |
|   |  |              |          |              | 218,645        | 4,608                  | 2,571        | 230,846                     | 225,697         | -                                      | 7,670                  | 4,658        |                         |              |
| Passed through County of Passaic Department of Senior Services, Disability and Veterans Affairs |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
| Senior Citizen/Disabled Transportation  |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
| 93.044  | 8060-491-084520-50                                     | 01/01/11     | 12/31/11 | 282,000      | -              | 34,683                 | -            | -                           | (11,275)        | (45,958)                               | -                      | -            | 236,042                 |              |
| 93.044  | 8060-491-084520-50                                     | 01/01/12     | 12/31/12 | 282,000      | -              | -                      | -            | -                           | (3,033)         | (3,033)                                | -                      | -            | 278,967                 |              |
|   |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
| 93.044  | 8060-491-084520-50                                     | 01/01/13     | 12/31/13 | 222,000      | 218,018        | 93,909                 | 618          | -                           | 94,527          | -                                      | -                      | -            | 222,000                 |              |
| Senior Citizen & Disabled Transportation  |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
| 93.044  | *  | 01/01/14     | 12/31/14 | 222,000      | -              | -                      | -            | 222,000                     | 73,781          | -                                      | 148                    | 148,071      | 73,781                  |              |
| <b>Total CFDA 93.044</b>  |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
|   |  |              |          |              | 218,018        | 128,592                | 618          | 222,000                     | 154,000         | (48,991)                               | 148                    | 148,071      |                         |              |
| Passed through NJ Department of Health  |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
| 93.116  | 100-046-4230-100-146<br>Grant No.                      | 07/01/12     | 06/30/13 | 103,754      | 77,793         | 49,258                 | 3,075        | -                           | 52,333          | -                                      | -                      | -            | 103,754                 |              |
|   |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
| 93.116  | EPID14TAC001   | 01/01/15     | 12/31/15 | 97,254       | 21,295         | -                      | -            | 97,254                      | 46,966          | -                                      | 1,410                  | 48,878       | 46,966                  |              |
| 93.116  | Grant Award No. EPID14TBS001                           | 07/01/13     | 06/30/14 | 208,700      | 151,704        | -                      | -            | 208,700                     | 206,021         | -                                      | 956                    | 1,723        | 206,021                 |              |
|   |  | 07/01/12     | 06/30/13 | 208,700      | 49,530         | 949                    | 380          | -                           | 1,329           | -                                      | -                      | -            | 208,700                 |              |
| 93.116  | 100-046-4230-080-6120                                  | 07/01/12     | 06/30/13 | 92,040       | 66,354         | 16,917                 | 220          | -                           | 17,137          | -                                      | -                      | -            | 92,040                  |              |
| Sexually Transmitted Disease (STD) 2014   |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
| 93.116  | Grant Award No. EPID14STD003                           | 07/01/13     | 06/30/14 | 88,535       | 38,508         | -                      | -            | 88,535                      | 88,108          | -                                      | 48                     | 379          | 88,108                  |              |
|   |  |              |          |              | 405,184        | 67,124                 | 3,675        | 394,489                     | 411,894         | -                                      | 2,414                  | 50,980       |                         |              |
| <b>Total CFDA 93.116</b>  |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
|   |  |              |          |              | 405,184        | 67,124                 | 3,675        | 394,489                     | 411,894         | -                                      | 2,414                  | 50,980       |                         |              |
| HIV Counseling, Testing and Referral  |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
| 93.917  | 046-4245-100-056                                       | 10/01/12     | 09/30/13 | 243,400      | 59,345         | 65,780                 | 8,037        | -                           | 9,313           | (64,504)                               | -                      | -            | 178,896                 |              |
| HIV/AIDS Counseling and Testing/Notification Assistance Program                                 |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
| 93.917  | 046-4245-100-056                                       | 07/01/12     | 06/30/13 | 243,400      | 104,233        | -                      | -            | 243,400                     | 220,953         | -                                      | 18,278                 | 4,169        | 220,953                 |              |
|   |  |              |          |              | 163,578        | 65,780                 | 8,037        | 243,400                     | 230,266         | (64,504)                               | 18,278                 | 4,169        |                         |              |
| <b>Total CFDA 93.917</b>  |  |              |          |              |                |                        |              |                             |                 |  |                        |              |                         |              |
|   |  |              |          |              | 163,578        | 65,780                 | 8,037        | 243,400                     | 230,266         | (64,504)                               | 18,278                 | 4,169        |                         |              |

See Accompanying Notes to Expenditures of Federal Awards and State Financial Assistance.

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

| Federal Department and Program  | Federal CFDA Number | State Account Grant Number      | Grant Period |          | Grant Award  | Funds Received | Balance: June 30, 2013 |            | Current Year Appropriations | Paid or Charged | Cancellations Program Income/Transfers |            | Balance: June 30, 2014 |            | Cumulative Expenditures |  |
|---|---------------------|---------------------------------|--------------|----------|--------------|----------------|------------------------|------------|-----------------------------|-----------------|--|------------|------------------------|------------|-------------------------|--|
|   |                     |                                 | From         | To       |              |                | Reserved               | Encumbered |                             |                 | Encumbered                             | Reserved   |                        |            |                         |  |
| <b>Department of Health and Human Services (continued)</b>  |                     |                                 |              |          |              |                |                        |            |                             |                 |  |            |                        |            |                         |  |
| Subtotal Department of Health and Human Services  |                     |                                 |              |          |              |                |                        |            |                             |                 |  |            |                        |            |                         |  |
| Special Projects of National Significance   | 93.928              | N/A                             | 09/01/12     | 08/30/13 | \$ 80,000    | \$ 4,780,048   | \$ 1,144,572           | \$ 179,449 | \$ 4,440,423                | \$ 4,797,819    | \$ (115,434)                           | \$ 121,814 | \$ 729,377             |            |                         |  |
| Passed through National Association of County and City Health Officials                                       |                     |                                 |              |          |              |                |                        |            |                             |                 |  |            |                        |            |                         |  |
| Medical Reserve Corps Grant   | 93.008              | Grant # 5<br>MRCCSG101005-04-00 | *            | *        | 3,500        | 3,500          | -                      | -          | 3,500                       | -               | -                                      | -          | 3,500                  |            |                         |  |
| <b>Total Department of Health and Human Services</b>  |                     |                                 |              |          |              |                |                        |            |                             |                 |  |            |                        |            |                         |  |
| <b>Department of Transportation</b>   |                     |                                 |              |          |              |                |                        |            |                             |                 |  |            |                        |            |                         |  |
| Highway Planning and Construction Cluster   |                     |                                 |              |          |              |                |                        |            |                             |                 |  |            |                        |            |                         |  |
| Main Street and Construction Streetscape  | 20.205              | 6320-480-078-6320               | 12/19/07     | 06/30/12 | \$ 225,000   | \$ -           | \$ 202,549             | \$ -       | \$ -                        | \$ -            | \$ -                                   | \$ -       | \$ 202,549             | \$ 22,451  |                         |  |
| Spruce Street and Market Street Streetscape   | 20.205              | 6320-480-078-6320               | 03/29/09     | 06/30/10 | 250,257      | -              | 6,159                  | -          | -                           | -               | -                                      | -          | 6,159                  | 244,098    |                         |  |
| 2012 Road Resurfacing   | 20.205              | 6320-480-078-6320               | 07/01/11     | 06/30/12 | 489,700      | 489,700        | 489,700                | -          | -                           | 489,700         | -                                      | -          | -                      | 489,700    |                         |  |
| Road Resurfacing  | 20.205              | 6320-480-078-6320               | 07/01/10     | 06/30/11 | 509,860      | 104,239        | 19,384                 | -          | -                           | (22,271)        | -                                      | -          | 41,655                 | 468,205    |                         |  |
| Road Resurfacing  | 20.205              | 6320-480-078-6320               | 05/26/09     | 07/23/10 | 190,000      | -              | 1,110                  | -          | -                           | -               | (1)                                    | -          | 1,109                  | 188,890    |                         |  |
| 2013 Road Resurfacing   | 20.205              | 6320-480-078-6320               | *            | *        | 563,650      | -              | -                      | -          | 563,650                     | -               | -                                      | -          | 563,650                | -          |                         |  |
| Spruce Street McBride Avenue Intersection   | 20.205              | 078-6320-480                    | 07/01/00     | 06/30/01 | 200,000      | 24,001         | 172,397                | 3,169      | -                           | -               | -                                      | 2,170      | 173,396                | 24,434     |                         |  |
| Total Highway Planning and Construction Cluster   |                     |                                 |              |          |              | 617,940        | 891,299                | 3,169      | 563,650                     | 467,429         | (1)                                    | 2,170      | 988,518                |            |                         |  |
| Passed through NJ Transportation Planning Authority / NJIT- Rutgers office of Research and Sponsored Programs |                     |                                 |              |          |              |                |                        |            |                             |                 |  |            |                        |            |                         |  |
| HUD Sustainable Community Planning Grant - North Jersey Sustainable Community Program Administration          | 20.*                | *                               | *            | *        | \$ 10,000    | \$ -           | \$ -                   | \$ -       | \$ 10,000                   | \$ 15           | \$ -                                   | \$ -       | \$ 9,985               | \$ 15      |                         |  |
| <b>Total Department of Transportation</b>   |                     |                                 |              |          |              |                |                        |            |                             |                 |  |            |                        |            |                         |  |
| <b>Department of Housing and Urban Development</b>  |                     |                                 |              |          |              |                |                        |            |                             |                 |  |            |                        |            |                         |  |
| Neighborhood Stabilization  |                     |                                 |              |          |              |                |                        |            |                             |                 |  |            |                        |            |                         |  |
| Total CFDA 14.264   | 14.264              | N/A                             | 07/01/11     | 06/30/12 | \$ 1,196,877 | \$ 494,031     | \$ 904,962             | \$ -       | \$ -                        | \$ 494,031      | \$ -                                   | \$ -       | \$ 410,931             | \$ 785,946 |                         |  |
| Emergency Shelter Grant   |                     |                                 |              |          |              |                |                        |            |                             |                 |  |            |                        |            |                         |  |
| Emergency Shelter Grant   | 14.231              | N/A                             | 07/01/00     | 06/30/01 | 117,000      | -              | 13,493                 | -          | -                           | -               | -                                      | -          | 13,493                 | 103,507    |                         |  |
| Emergency Shelter Grant   | 14.231              | N/A                             | 07/01/01     | 06/30/02 | 118,000      | -              | 7,789                  | -          | -                           | -               | -                                      | -          | 7,789                  | 110,211    |                         |  |
| Emergency Shelter Grant   | 14.231              | N/A                             | 07/01/03     | 06/30/04 | 121,000      | -              | 22                     | -          | -                           | -               | -                                      | -          | 22                     | 120,978    |                         |  |
| Emergency Shelter Grant   | 14.231              | N/A                             | 07/01/06     | 06/30/07 | 126,788      | -              | 2,501                  | -          | -                           | -               | -                                      | -          | 2,501                  | 124,287    |                         |  |
| Emergency Shelter Grant   | 14.231              | N/A                             | 07/01/09     | 06/30/10 | 126,944      | -              | 21,607                 | -          | -                           | -               | -                                      | -          | 21,607                 | 105,337    |                         |  |
| Emergency Shelter Grant   | 14.231              | N/A                             | 07/01/10     | 06/30/11 | 128,592      | -              | 15,272                 | -          | -                           | -               | -                                      | -          | 15,272                 | 113,320    |                         |  |
| Emergency Shelter Grant   | 14.231              | N/A                             | 07/01/11     | 06/30/12 | 129,776      | -              | 13,250                 | -          | -                           | 5,000           | -                                      | -          | 8,250                  | 121,526    |                         |  |
| Emergency Shelter Grant   | 14.231              | N/A                             | 07/01/12     | 06/30/13 | 232,425      | 122,867        | 178,710                | -          | -                           | 122,867         | -                                      | -          | 55,843                 | 176,582    |                         |  |
| Emergency Shelter Grant   | 14.231              | N/A                             | 07/01/12     | 06/30/13 | 176,259      | 72,148         | -                      | -          | 176,259                     | 200,015         | -                                      | -          | 104,111                | 72,148     |                         |  |
| Total CFDA 14.231   |                     |                                 |              |          |              | 200,015        | 252,644                | -          | 176,259                     | 200,015         | -                                      | -          | 228,888                |            |                         |  |

Department of Housing and Urban Development (continued)

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

| Federal CFDA Number                                     | Federal Department and Program                    | State Account Grant Number | Grant Period |          | Grant Award  | Funds Received | Balance: June 30, 2013 |            | Current Year Appropriations | Paid or Charged | Cancellations Program Income/Transfers | Balance: June 30, 2014 |               | Cumulative Expenditures |
|---|---|----------------------------|--------------|----------|--------------|----------------|------------------------|------------|-----------------------------|-----------------|--|------------------------|---------------|-------------------------|
|   |   |                            | From         | To       |              |                | Reserved               | Encumbered |                             |                 |  | Encumbered             | Reserved      |                         |
| Department of Housing and Urban Development (continued) |   |                            |              |          |              |                |                        |            |                             |                 |  |                        |               |                         |
| 14.239  | HOME Investment Partnership Program               | N/A                        | 07/01/99     | 06/30/00 | \$ 1,642,000 | \$ -           | \$ 1,195,560           | \$ -       | \$ -                        | \$ -            | \$ (1,195,560)                         | \$ -                   | \$ -          | \$ 446,440              |
| 14.239  | HOME Investment Partnership Program               | N/A                        | 07/01/00     | 06/30/01 | 1,645,000    | -              | 41,010                 | -          | -                           | -               | (41,010)                               | -                      | -             | 1,603,990               |
| 14.239  | HOME Investment Partnership Program               | N/A                        | 07/01/01     | 06/30/02 | 1,827,000    | -              | 66,971                 | -          | -                           | -               | (66,971)                               | -                      | -             | 1,760,029               |
| 14.239  | HOME Investment Partnership Program               | N/A                        | 07/01/02     | 06/30/03 | 1,824,000    | -              | 372,199                | -          | -                           | -               | (372,199)                              | -                      | -             | 1,451,801               |
| 14.239  | HOME Investment Partnership Program               | N/A                        | 07/01/03     | 06/30/04 | 2,042,680    | -              | 536,329                | -          | -                           | -               | (398,542)                              | -                      | 137,787       | 1,506,351               |
| 14.239  | HOME Investment Partnership Program               | N/A                        | 07/01/04     | 06/30/05 | 2,263,640    | -              | 1,127,462              | -          | -                           | 237,357         | (582,599)                              | -                      | 307,506       | 1,373,535               |
| 14.239  | HOME Investment Partnership Program               | N/A                        | 07/01/05     | 06/30/06 | 2,097,762    | -              | 1,438,319              | -          | -                           | 214,695         | (140,323)                              | -                      | 1,083,301     | 874,138                 |
| 14.239  | HOME Investment Partnership Program               | N/A                        | 07/01/06     | 06/30/07 | 641,460      | -              | 289,909                | -          | -                           | -               | -                                      | -                      | 289,909       | 351,551                 |
| 14.239  | HOME Investment Partnership Program               | N/A                        | 07/01/07     | 06/30/08 | 1,836,703    | 55,110         | 418,661                | -          | -                           | -               | -                                      | -                      | 418,661       | 1,418,042               |
| 14.239  | HOME Investment Partnership Program               | N/A                        | 07/01/08     | 06/30/09 | 1,770,553    | 263,111        | 374,777                | -          | -                           | 265,583         | -                                      | -                      | 109,194       | 1,661,359               |
| 14.239  | HOME Investment Partnership Program               | N/A                        | 07/01/09     | 06/30/10 | 1,662,102    | 410,988        | 1,002,781              | -          | -                           | 498,396         | 1,660                                  | -                      | 506,045       | 1,157,717               |
| 14.239  | HOME Investment Partnership Program               | N/A                        | 07/01/10     | 06/30/11 | 1,651,083    | 336,381        | 605,420                | -          | -                           | 335,494         | -                                      | -                      | 269,926       | 1,381,157               |
| 14.239  | HOME Investment Partnership Program               | N/A                        | 07/01/11     | 06/30/12 | 1,423,581    | 172,792        | 926,600                | -          | -                           | 127,373         | 5,200                                  | -                      | 804,427       | 624,354                 |
| 14.239  | HOME Investment Partnership Program               | N/A                        | 07/01/12     | 06/30/13 | 1,161,788    | 330,021        | 990,350                | -          | -                           | 218,314         | -                                      | -                      | 772,036       | 389,752                 |
| 14.239  | HOME Investment Partnership Program               | N/A                        | 07/01/13     | 06/30/14 | 1,060,232    | 1,759,200      | -                      | -          | 1,060,232                   | 203,703         | 21,572                                 | -                      | 878,101       | 203,703                 |
|   | Total CFDA 14.239                                 |                            |              |          |              | 1,744,323      | 9,386,348              | -          | 1,060,232                   | 2,100,915       | (2,768,772)                            | -                      | 5,576,893     |                         |
| 14.241  | Housing Opportunities for Persons with AIDS       | N/A                        | 07/01/02     | 06/30/03 | \$ 1,160,000 | \$ -           | \$ 19,012              | \$ -       | \$ -                        | \$ -            | \$ -                                   | \$ 19,012              | \$ -          | \$ 1,140,988            |
| 14.241  | Housing Opportunities for Persons with AIDS       | N/A                        | 07/01/03     | 06/30/04 | 1,060,232    | -              | 237,918                | -          | -                           | -               | -                                      | -                      | 237,918       | 822,314                 |
| 14.241  | Housing Opportunities for Persons with AIDS       | N/A                        | 07/01/04     | 06/30/05 | 1,252,000    | -              | 50,383                 | -          | -                           | -               | -                                      | -                      | 50,383        | 1,201,617               |
| 14.241  | Housing Opportunities for Persons with AIDS       | N/A                        | 07/01/05     | 06/30/06 | 1,333,000    | -              | 20,218                 | -          | -                           | -               | -                                      | -                      | 20,218        | 1,312,782               |
| 14.241  | Housing Opportunities for Persons with AIDS       | N/A                        | 07/01/06     | 06/30/07 | 1,282,000    | -              | -                      | -          | -                           | -               | -                                      | -                      | -             | 1,282,000               |
| 14.241  | Housing Opportunities for Persons with AIDS       | N/A                        | 07/01/07     | 06/30/08 | 1,250,000    | -              | -                      | -          | -                           | -               | -                                      | -                      | -             | 1,250,000               |
| 14.241  | Housing Opportunities for Persons with AIDS       | N/A                        | 07/01/08     | 06/30/09 | 1,286,736    | -              | -                      | -          | -                           | -               | -                                      | -                      | -             | 1,286,736               |
| 14.241  | Housing Opportunities for Persons with AIDS       | N/A                        | 07/01/09     | 06/30/10 | 1,301,766    | 120,704        | -                      | -          | -                           | -               | -                                      | -                      | -             | 1,301,766               |
| 14.241  | Housing Opportunities for Persons with AIDS       | N/A                        | 07/01/10     | 06/30/11 | 1,404,206    | -              | 120,704                | -          | -                           | 120,704         | -                                      | -                      | -             | 1,404,206               |
| 14.241  | Housing Opportunities for Persons with AIDS       | N/A                        | 07/01/11     | 06/30/12 | 1,381,032    | 252,259        | 375,891                | -          | -                           | 252,585         | (10,243)                               | -                      | 113,063       | 1,257,726               |
| 14.241  | Housing Opportunities for Persons with AIDS       | N/A                        | 07/01/12     | 06/30/13 | 1,380,000    | 891,091        | 1,380,000              | -          | -                           | 927,479         | -                                      | -                      | 452,521       | 927,479                 |
| 14.241  | Housing Opportunities for Persons with AIDS       | N/A                        | 07/01/13     | 06/30/14 | 1,294,558    | 46,957         | -                      | -          | 1,294,558                   | -               | -                                      | -                      | 1,294,558     | -                       |
|   | Total CFDA 14.241                                 |                            |              |          |              | 1,311,011      | 2,204,126              | -          | 1,294,558                   | 1,300,768       | (10,243)                               | -                      | 2,187,673     |                         |
| CDBG - Entitlement Grants Cluster                       |   |                            |              |          |              |                |                        |            |                             |                 |  |                        |               |                         |
| 14.218  | Community Development Block Grant                 | N/A                        | 07/01/00     | 06/30/01 | 3,359,000    | -              | 845                    | -          | -                           | -               | -                                      | -                      | 845           | 3,358,155               |
| 14.218  | Community Development Block Grant                 | N/A                        | 07/01/05     | 06/30/06 | 3,389,479    | -              | 600                    | -          | -                           | -               | -                                      | -                      | 600           | 3,388,879               |
| 14.218  | Community Development Block Grant                 | N/A                        | 07/01/06     | 06/30/07 | 3,303,484    | -              | 2,711                  | -          | -                           | -               | -                                      | -                      | 2,711         | 3,300,773               |
| 14.218  | Community Development Block Grant                 | N/A                        | 07/01/07     | 06/30/08 | 2,937,671    | -              | 292,211                | -          | -                           | -               | -                                      | -                      | 292,211       | 2,645,460               |
| 14.218  | Community Development Block Grant                 | N/A                        | 07/01/08     | 06/30/09 | 2,851,175    | 1,660          | 94,578                 | -          | -                           | -               | (1,660)                                | -                      | 92,918        | 2,756,597               |
| 14.253  | Community Development Block Grant -               | N/A                        | 07/01/09     | 06/30/10 | 773,878      | -              | 225,789                | -          | -                           | -               | (225,789)                              | -                      | -             | 548,089                 |
| 14.218  | Community Development Block Grant                 | N/A                        | 07/01/09     | 06/30/10 | 2,934,402    | -              | 258,713                | -          | -                           | -               | -                                      | -                      | 258,713       | 2,675,689               |
| 14.218  | Community Development Block Grant                 | N/A                        | 07/01/10     | 06/30/11 | 2,754,854    | 60,794         | 261,611                | -          | -                           | 62,134          | 5,590                                  | -                      | 205,067       | 2,555,377               |
| 14.218  | Community Development Block Grant                 | N/A                        | 07/01/11     | 06/30/12 | 2,683,971    | 440,944        | 1,090,709              | -          | -                           | 440,744         | 12,329                                 | -                      | 662,294       | 2,034,006               |
| 14.218  | Community Development Block Grant                 | N/A                        | 07/01/12     | 06/30/13 | 2,855,480    | 737,960        | 1,382,037              | -          | -                           | 762,094         | (17,186)                               | -                      | 602,757       | 2,235,537               |
| 14.218  | Community Development Block Grant                 | N/A                        | 07/01/13     | 06/30/14 | 2,816,168    | 1,209,069      | -                      | -          | 2,816,168                   | 1,294,560       | 92,221                                 | -                      | 1,613,829     | 1,294,560               |
|   | Direct Award Total                                |                            |              |          |              | 2,450,427      | 3,609,804              | -          | 2,816,168                   | 2,559,532       | (134,495)                              | -                      | 3,731,945     | 600                     |
| 14.218  | Wayfinding Signage                                | N/A                        | 07/01/13     | *        | 197,726      | -              | -                      | -          | 197,726                     | 600             | -                                      | -                      | 197,126       | -                       |
|   | Passed through County of Passaic                  |                            |              |          |              |                |                        |            |                             |                 |  |                        |               |                         |
| 14.253  | CDBG-R Disaster Recovery Funds                    | *                          | *            | *        | 2,075,000    | -              | -                      | -          | 2,075,000                   | -               | -                                      | -                      | 2,075,000     | -                       |
|   | Total CDBG - Entitlement Grants Cluster           |                            |              |          |              | 2,450,427      | 3,609,804              | -          | 5,088,894                   | 2,560,132       | (134,495)                              | -                      | 6,004,071     |                         |
| Section 8   |   |                            |              |          |              |                |                        |            |                             |                 |  |                        |               |                         |
| 14.871  | Housing Assistance                                | *                          | *            | *        | *            | -              | -                      | -          | -                           | 1,500           | 1,500                                  | -                      | -             | *                       |
| 14.871  | Earned Administration Balances                    | *                          | *            | *        | *            | -              | -                      | -          | -                           | 6,020           | 501,608                                | -                      | 495,588       | *                       |
| 14.871  | Restricted Annual Contribution                    | *                          | *            | *        | *            | -              | -                      | -          | -                           | 114,912         | 114,912                                | -                      | -             | *                       |
|   |   |                            |              |          |              | -              | -                      | -          | -                           | 122,432         | 618,020                                | -                      | 495,588       |                         |
|   | Total Department of Housing and Urban Development |                            |              |          |              | \$ 6,199,807   | \$ 16,357,884          | \$ -       | \$ 7,619,943                | \$ 6,778,293    | \$ (2,295,490)                         | \$ -                   | \$ 14,904,044 |                         |

See Accompanying Notes to Expenditures of Federal Awards and State Financial Assistance.

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

| Federal Department and Program                                      | Federal CFDA Number | State Account Grant Number | Grant Period |            | Grant Award   | Funds Received | Balance: June 30, 2013 |              | Current Year Appropriations | Paid or Charged | Cancellations Program Income/Transfers |              | Balance: June 30, 2014 |          | Cumulative Expenditures |
|---|---------------------|----------------------------|--------------|------------|---------------|----------------|------------------------|--------------|-----------------------------|-----------------|--|--------------|------------------------|----------|-------------------------|
|   |                     |                            | From         | To         |               |                | Reserved               | Encumbered   |                             |                 |  |              | Encumbered             | Reserved |                         |
| Energy Efficiency and Renewal                                       | 81.117              | N/A                        | 10/14/09     | 10/13/12   | \$ 1,344,800  | \$ -           | \$ 994,254             | \$ 47,813    | \$ -                        | \$ 12,120       | \$ -                                   | \$ 57,205    | \$ 972,742             | \$ -     | 314,853                 |
| <b>Department of Environmental Protection</b>                       |                     |                            |              |            |               |                |                        |              |                             |                 |  |              |                        |          |                         |
| Passed through State of New Jersey                                  |                     |                            |              |            |               |                |                        |              |                             |                 |  |              |                        |          |                         |
| Department of Environmental Protection                              |                     |                            |              |            |               |                |                        |              |                             |                 |  |              |                        |          |                         |
| Environmental Infrastructure Fund Loan -                            |                     |                            |              |            |               |                |                        |              |                             |                 |  |              |                        |          |                         |
| Phase I   | 66.458              | N/A                        | 12/17/02     | Completion | \$ 10,942,000 | \$ -           | \$ 434,238             | \$ -         | \$ -                        | \$ 256,830      | \$ 1                                   | \$ -         | \$ 177,409             | \$ -     | 10,764,592              |
| Phase II  | 66.458              | N/A                        | 01/27/04     | Completion | 6,538,000     | -              | 1,081,737              | -            | -                           | 447,535         | -                                      | -            | 634,202                | -        | 5,903,798               |
| Phase III   | 66.458              | N/A                        | Various      | Completion | 21,919,000    | -              | 7,400,195              | -            | -                           | -               | -                                      | -            | 7,400,195              | -        | 14,518,805              |
| <b>Total Department of Environmental Protection and CFDA 66.458</b> |                     |                            |              |            |               | -              | 8,916,170              | -            | -                           | 704,365         | 1                                      | -            | 8,211,806              | -        |                         |
| <b>TOTAL FEDERAL AWARDS</b>   |                     |                            |              |            |               | \$ 21,178,851  | \$ 41,445,621          | \$ 5,225,043 | \$ 14,734,842               | \$ 21,868,101   | \$ (2,411,268)                         | \$ 1,432,432 | \$ 35,693,705          |          |                         |

\* - Information not available

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

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

| State Department and Program   | State Account Number/<br>Grant Number | Grant Period<br>From To | Grant Award | Funds<br>Received | Balance: June 30, 2013<br>Reserved Encumbered | Current Year<br>Appropriations | Paid or<br>Charged | Program Income/<br>Transfers | Balance: June 30, 2014<br>Encumbered Reserved | Cumulative<br>Expenditures |
|--|---------------------------------------|-------------------------|-------------|-------------------|---|--------------------------------|--------------------|------------------------------|---|----------------------------|
| <b>Department of State</b>   |                                       |                         |             |                   |   |                                |                    |                              |   |                            |
| NI Historical Commission   |                                       |                         |             |                   |   |                                |                    |                              |   |                            |
| Delaware-Lease Culture Permanent Exhibit of<br>the Paterson Museum   | *                                     | 7/1/2012 06/30/13       | \$ 1,200    | \$ 960            | \$ - \$ -                                     | \$ 1,200                       | \$ -               | \$ -                         | \$ - \$ 1,200                                 | \$ -                       |
| NI State Council on the Arts - Partner Agency of the National Endowment for the Arts<br>Quarterly Visual Art Exhibition Series | *                                     | 1/1/2012 12/31/12       | 1,600       | 1,600             | - -   | 1,600                          | -                  | -                            | - 1,600                                       | -                          |
| Public Archives & Records Infrastructure Support<br>Grant (PARIS) 2006   | *                                     | * * *                   | *           | -                 | - 12,629                                      | -                              | -                  | -                            | - 12,629                                      | *                          |
| Public Archives & Records Infrastructure Support<br>Grant (PARIS) 2007   | *                                     | * * *                   | *           | -                 | - 29,377                                      | -                              | -                  | -                            | - 29,377                                      | *                          |
| Passed Through Passaic County Cultural and Heritage Council  |                                       |                         |             |                   |   |                                |                    |                              |   |                            |
| Museum Grant   | 100-074-2530-032                      | 07/01/05 06/30/06       | 1,000       | -                 | 335 -   | -                              | -                  | -                            | - 335   | 665                        |
| Museum Council - 2009  | 100-074-2530-032                      | 07/01/10 06/30/11       | 1,000       | -                 | 131 -   | -                              | -                  | -                            | - 131   | 869                        |
| Art Grant  | 100-074-2530-032                      | 07/01/10 06/30/11       | 330         | -                 | 330 -   | -                              | -                  | -                            | - 330   | -                          |
| Exhibit Freedom Boulevard Gate   | 100-074-2530-032                      | 07/01/10 06/30/11       | 440         | -                 | 440 -   | -                              | -                  | -                            | - 440   | -                          |
| <b>Total Department of State</b>   |                                       |                         |             | \$ 2,560          | \$ 1,236 \$ 42,006                            | \$ 2,800                       | \$ -               | \$ -                         | \$ 29,377 \$ 16,665                           | -                          |
| <b>Department of Health and Senior Services</b>  |                                       |                         |             |                   |   |                                |                    |                              |   |                            |
| Passed through County of Passaic   | 4230-100-350-2009                     | 09/01/12 08/31/13       | \$ 232,000  | \$ 80,300         | \$ 5,116 \$ 21,779                            | \$ -                           | \$ 26,895          | \$ -                         | \$ - \$ -                                     | \$ 232,000                 |
| Bioterrorism Preparedness  | 4230-100-350-2009                     | 07/01/13 06/30/14       | 218,398     | 156,656           | - -   | 218,398                        | 211,432            | -                            | 4,006 2,960                                   | 211,432                    |
| <b>Total Bioterrorism Preparedness Grant and Department of Health and Human Services</b>                                       |                                       |                         |             | \$ 236,956        | \$ 5,116 \$ 21,779                            | \$ 218,398                     | \$ 238,327         | \$ -                         | \$ 4,006 \$ 2,960                             | -                          |
| <b>Department of Human / Youth Services</b>  |                                       |                         |             |                   |   |                                |                    |                              |   |                            |
| Passed Through County of Passaic Youth Services Commission   |                                       |                         |             |                   |   |                                |                    |                              |   |                            |
| Paterson Station House Adjustment Component  |                                       |                         |             |                   |   |                                |                    |                              |   |                            |
| Station House Adjustment Program   | *                                     | 07/01/12 06/30/13       | \$ 32,309   | \$ -              | \$ 1,288 \$ -                                 | \$ -                           | \$ -               | \$ (1,288)                   | \$ - \$ -                                     | \$ 31,021                  |
| Station House Adjustment Program   | JABG-13 (FY2014)                      | 01/01/14 12/31/14       | 18,869      | 12,000            | - -   | 18,869                         | -                  | -                            | - 18,869                                      | -                          |
| Station House Adjustment Program   | *                                     | 03/05/14 03/31/14       | 10,000      | 10,000            | - -   | 10,000                         | 10,000             | -                            | - -   | 10,000                     |
| Station House Adjustment Program   | JABG-12 (FY2013)                      | 07/01/11 06/30/12       | 19,021      | 19,021            | - -   | 19,021                         | 18,996             | -                            | - 25  | 18,996                     |
| <b>Total Station House Adjustment Program and Department of Human / Youth Services</b>   |                                       |                         |             | \$ 41,021         | \$ 1,288 \$ -                                 | \$ 47,890                      | \$ 28,996          | \$ (1,288)                   | \$ - \$ 18,894                                | -                          |
| <b>Economic Development Authority - Hazardous Discharge Site Remediation</b>   |                                       |                         |             |                   |   |                                |                    |                              |   |                            |
| Process Discharge Site:  |                                       |                         |             |                   |   |                                |                    |                              |   |                            |
| Cliff Street/Belmont Apartments  | *                                     | * * *                   | *           | -                 | - \$ 20,263                                   | \$ -                           | \$ -               | \$ -                         | \$ 20,263                                     | *                          |
| 56-40 Straight Street  | *                                     | * * *                   | *           | -                 | - 2,740                                       | -                              | -                  | -                            | - 2,740                                       | *                          |
| 533-539 Totowa Salvatore Site  | *                                     | * * *                   | *           | -                 | - 24,035                                      | -                              | -                  | -                            | - 24,035                                      | *                          |
| Passaic Falls Overlook Park  | *                                     | * * *                   | *           | -                 | - 41,290                                      | -                              | -                  | -                            | - 41,290                                      | *                          |
| Riverwalk  | *                                     | 07/01/08 06/30/09       | 575,723     | -                 | - 93,186                                      | -                              | 26,894             | -                            | 66,292  | \$ 509,431                 |
| Apollo Dye House   | *                                     | 07/01/07 06/30/08       | 3,130,891   | 110,876           | 29,349 -                                      | -                              | 140,225            | 110,876                      | - -   | 3,241,767                  |
| Addy Mill  | *                                     | 07/01/07 06/30/08       | 102,857     | -                 | 30,432 59,669                                 | -                              | 6,652              | -                            | 83,449  | 19,408                     |
| ATP  | *                                     | * * *                   | *           | -                 | - 90,896                                      | -                              | -                  | -                            | 90,896  | *                          |
| ATP  | *                                     | * * *                   | *           | -                 | - 500   | -                              | -                  | -                            | - 500   | *                          |
| Historic Industrial Mill Building Survey   | *                                     | 10/01/09 09/30/11       | 16,000      | -                 | 97 -  | -                              | -                  | (97)                         | - -   | 15,903                     |
| Columbia Textiles Phase II   | *                                     | 07/01/08 06/30/09       | 472,120     | 200               | - -   | -                              | -                  | -                            | - 200   | 471,920                    |
| Columbia Textiles Phase III  | *                                     | 07/01/08 06/30/09       | 168,142     | -                 | 82,671 56,581                                 | -                              | 8,703              | -                            | 130,549                                       | 37,593                     |
| <b>Total Process Discharge Site</b>  |                                       |                         |             | \$ 110,876        | \$ 113,900 \$ 418,009                         | \$ -                           | \$ 182,474         | \$ 110,779                   | \$ - \$ 700                                   | -                          |

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

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

| State Department and Program  | State Account Number/<br>Grant Number | From     | Grant Period | To | Grant Award | Received     | Reserved      | Encumbered | Current Year<br>Appropriations | Paid or<br>Charged | Program Income/<br>Transfers | Encumbered | Balance: June 30, 2014 | Cumulative<br>Expenditures |
|---|---------------------------------------|----------|--------------|----|-------------|--------------|---------------|------------|--------------------------------|--------------------|------------------------------|------------|------------------------|----------------------------|
| <b>Department of Environmental Protection</b>                         |                                       |          |              |    |             |              |               |            |                                |                    |                              |            |                        |                            |
| Recycling Tonnage Grant   | 752-42-4900-1-V42Y-6020               | 07/01/12 | 06/30/13     |    | \$ 238,701  | \$ -         | \$ 238,701    | \$ -       | \$ -                           | \$ 111,917         | \$ -                         | \$ 13,611  | \$ 113,173             | \$ 111,917                 |
| Recycling Tonnage Grant   | 752-42-4900-1-V42Y-6020               | 07/01/11 | 06/30/12     |    | 151,802     | -            | 139,852       | 3,188      | -                              | 143,040            | -                            | -          | -                      | 151,802                    |
| Recycling Tonnage Grant   | 752-42-4900-1-V42Y-6020               | 07/01/10 | 06/30/11     |    | 117,434     | -            | 48,669        | 8,980      | -                              | 57,649             | -                            | -          | -                      | 117,434                    |
| Recycling Tonnage Grant   | 042-4900-752                          | 07/01/08 | 06/30/09     |    | 222,858     | 222,858      | -             | -          | 222,858                        | -                  | -                            | -          | 222,858                | -                          |
| Recycling Tonnage Grant   | 752-42-4900-1-V42Y-6020               | 07/01/05 | 06/30/06     |    | 99,032      | -            | 2,657         | -          | -                              | 2,657              | -                            | -          | -                      | 99,032                     |
| Total Recycling Tonnage Grant   |                                       |          |              |    |             | 222,858      | 429,879       | 12,168     | 222,858                        | 315,263            | -                            | 13,611     | 336,031                |                            |
| Clean Communities   | 765-042-4900-004-V42Y-6022            | 07/01/12 | 06/30/13     |    | 169,792     | -            | 169,792       | -          | -                              | 168,584            | -                            | 733        | 475                    | 168,584                    |
| Clean Communities   | 765-042-4900-004-V42Y-6022            | 07/01/11 | 06/30/12     |    | 144,617     | -            | -             | 3,792      | -                              | 3,792              | -                            | -          | -                      | 144,617                    |
| Clean Communities   | 765-042-4900-004-V42Y-6022            | 07/01/09 | 06/30/10     |    | 155,594     | -            | -             | 15,751     | -                              | 15,751             | -                            | -          | -                      | 155,594                    |
| Clean Communities   | 765-042-4900-004-V42Y-6022            | *        | *            |    | 159,203     | 159,203      | -             | -          | 159,203                        | -                  | -                            | -          | 159,203                | -                          |
| Total Clean Communities   |                                       |          |              |    |             | 159,203      | 169,792       | 19,543     | 159,203                        | 188,127            | -                            | 733        | 159,678                |                            |
| Green Acres Trust Local Programs:                                     |                                       |          |              |    |             |              |               |            |                                |                    |                              |            |                        |                            |
| Various Park Improvements - Loan                                      | 4800-545-002-10                       | 10/25/05 | Completion   |    | 1,585,363   | -            | 778,330       | -          | 348,000                        | 855                | -                            | -          | 1,125,475              | 459,888                    |
| Various Park Improvements - Grant                                     | 4800-545-004-10                       | 10/25/05 | Completion   |    | 1,585,363   | -            | 778,330       | -          | 348,000                        | 855                | -                            | -          | 1,125,475              | 459,888                    |
| Restoration and Revitalization of Pennington Park - Loan              | 042-4800                              | 12/22/08 | 12/22/10     |    | 1,888,627   | 1,314,956    | 1,583,934     | -          | -                              | 1,418,118          | -                            | -          | 165,816                | 1,722,811                  |
| Restoration and Revitalization of Pennington Park - Grant             | 4800-006-V22G-6020                    | 12/22/08 | 12/22/10     |    | 1,888,627   | -            | 1,583,933     | -          | -                              | 1,418,118          | -                            | -          | 165,815                | 1,722,812                  |
| ATP Site/Haines Overlook Park Riverwalk Extension -Loan               | 4800-566-042                          | 11/02/08 | Completion   |    | 783,665     | -            | 783,665       | -          | -                              | -                  | -                            | -          | 783,665                | -                          |
| ATP Site/Haines Overlook Park Riverwalk Extension -Grant              | 4800-566-042                          | 11/02/08 | Completion   |    | 1,283,665   | -            | 1,283,665     | -          | -                              | -                  | -                            | -          | 1,283,665              | -                          |
| Total Green Acres Trust Local Programs                                |                                       |          |              |    |             | 1,314,956    | 6,791,857     | -          | 696,000                        | 2,837,946          | -                            | -          | 4,649,911              |                            |
| Subtotal Department of Environmental Protection                       |                                       |          |              |    |             | 1,697,017    | 7,391,528     | 31,711     | 1,078,061                      | 3,341,336          | -                            | 14,344     | 5,145,620              |                            |
| Municipal Storm Water Regulation Program                              | 4900-100-042-4840-091                 | 07/01/05 | 06/30/06     |    | 538         | -            | 538           | -          | -                              | -                  | -                            | -          | 538                    | -                          |
| Environmental Infrastructure Trust Loan - Phase III                   | 4860-510-041-10                       | 11/10/05 | Completion   |    | 10,486,570  | -            | 10,486,570    | -          | -                              | -                  | -                            | -          | 10,486,570             | -                          |
| Total Department of Environmental Protection                          |                                       |          |              |    |             | \$ 1,697,017 | \$ 17,878,636 | \$ 31,711  | \$ 1,078,061                   | \$ 3,341,336       | \$ -                         | \$ 14,344  | \$ 15,632,728          |                            |
| <b>Department of Commerce &amp; Economic Development</b>              |                                       |          |              |    |             |              |               |            |                                |                    |                              |            |                        |                            |
| Urban Enterprise Zone -   |                                       |          |              |    |             |              |               |            |                                |                    |                              |            |                        |                            |
| Main Street Improvement Program - Phase I                             | 2830-763-20-2830-32-EEEE              | 07/01/08 | 06/30/09     |    | \$ 674,180  | \$ -         | \$ 48,431     | \$ -       | \$ -                           | \$ -               | \$ -                         | \$ -       | \$ 48,431              | \$ 625,749                 |
| Business Improvement - Phase II                                       | 2830-763-20-2830-32-EEEE              | 07/01/08 | 06/30/09     |    | 500,000     | -            | 2,198         | -          | -                              | -                  | -                            | -          | 2,198                  | 497,802                    |
| Marketing and Business Development Program Phase II                   | 2830-763-20-2830-32-EEEE              | 07/01/05 | 06/30/06     |    | 750,000     | 11,537       | 86,026        | -          | -                              | 11,537             | -                            | -          | 74,489                 | 675,511                    |
| Streetscape Planters Project  | 2830-763-20-2830-32-EEEE              | 07/01/09 | 06/30/10     |    | 85,000      | -            | 9,035         | -          | -                              | -                  | -                            | -          | 9,035                  | 75,965                     |
| Video Surveillance Project  | 2830-763-20-2830-32-EEEE              | 07/01/10 | 06/30/11     |    | 1,500,000   | 234,343      | 760           | 329,834    | -                              | 329,834            | (760)                        | -          | -                      | 1,499,240                  |
| Passed through Paterson Restoration Corp.                             |                                       |          |              |    |             |              |               |            |                                |                    |                              |            | -                      | -                          |
| Administration  | 2830-763-20-2830-32-EEEE              | 07/01/12 | 06/30/13     |    | 340,100     | 47,785       | 177,315       | 8,059      | -                              | 26,981             | (158,393)                    | -          | -                      | 181,707                    |
| Administration  | 2830-763-20-2830-32-EEEE              | 07/01/11 | 06/30/12     |    | 540,000     | -            | 2,630         | -          | -                              | 2,630              | -                            | -          | -                      | 540,000                    |
| Administration  | 2830-763-20-2830-32-EEEE              | 07/01/13 | 06/30/14     |    | 198,800     | 75,557       | -             | -          | 198,800                        | 175,397            | -                            | 1,751      | 21,652                 | 175,397                    |
| Small Business Development Center Year 14                             | 2830-763-20-2830-32-EEEE              | 07/01/12 | 06/30/13     |    | 100,000     | -            | -             | -          | -                              | (970)              | (970)                        | -          | -                      | 99,030                     |
| Small Business Development Center Year 13                             | 2830-763-20-2830-32-EEEE              | 07/01/13 | 06/30/14     |    | 130,000     | 35,400       | -             | 36,371     | -                              | 36,371             | -                            | -          | -                      | 130,000                    |
| William Paterson University Small Business Development Center Year 15 | 2830-763-20-2830-32-EEEE              | 07/01/13 | 06/30/14     |    | 50,000      | 13,135       | -             | -          | 50,000                         | 19,523             | -                            | 30,477     | -                      | 19,523                     |
| UEZ - Clean Communities Project                                       | 2830-763-20-2830-32-EEEE              | 07/01/11 | 06/30/12     |    | 350,000     | 97,329       | 210,055       | 65,952     | -                              | 131,319            | -                            | 583        | 144,105                | 205,312                    |
| Total Department of Commerce & Economic Development                   |                                       |          |              |    |             | \$ 515,086   | \$ 536,450    | \$ 440,216 | \$ 248,800                     | \$ 732,632         | \$ (160,123)                 | \$ 32,811  | \$ 299,910             |                            |

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

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

| State Department and Program                                 | State Account Number/<br>Grant Number | Grant Period |          | Grant Award | Funds<br>Received | Balance: June 30, 2013 |              | Current Year<br>Appropriations | Paid or<br>Charged | Program Income/<br>Transfers | Balance: June 30, 2014 |               | Cumulative<br>Expenditures |
|--|---------------------------------------|--------------|----------|-------------|-------------------|------------------------|--------------|--------------------------------|--------------------|------------------------------|------------------------|---------------|----------------------------|
|  |                                       | From         | To       |             |                   | Reserved               | Encumbered   |                                |                    |                              | Encumbered             | Reserved      |                            |
| <b>State of New Jersey Historic Trust</b>                    |                                       |              |          |             |                   |                        |              |                                |                    |                              |                        |               |                            |
| Hinchliffe Stadium Grant                                     | *                                     | 07/01/12     | 06/30/13 | \$ 500,000  | \$ -              | \$ 500,000             | \$ -         | \$ -                           | \$ -               | \$ -                         | \$ -                   | \$ 500,000    | \$ -                       |
| <b>Total State of New Jersey Historic Trust</b>              |                                       |              |          |             | \$ -              | \$ 500,000             | \$ -         | \$ -                           | \$ -               | \$ -                         | \$ -                   | \$ 500,000    |                            |
| <b>Highlands Water Protection and Planning Council</b>       |                                       |              |          |             |                   |                        |              |                                |                    |                              |                        |               |                            |
| Transfer of Development Rights Feasibility Grant<br>Program  | 100-082-2078-033                      | *            | *        | \$ 50,000   | \$ -              | \$ -                   | \$ -         | \$ 50,000                      | \$ -               | \$ -                         | \$ -                   | \$ 50,000     | \$ -                       |
| <b>Total Highlands Water Protection and Planning Council</b> |                                       |              |          |             | \$ -              | \$ -                   | \$ -         | \$ 50,000                      | \$ -               | \$ -                         | \$ -                   | \$ 50,000     |                            |
| <b>Department of Judiciary</b>                               |                                       |              |          |             |                   |                        |              |                                |                    |                              |                        |               |                            |
| Alcohol Education Rehabilitation Enforcement Fund /<br>6020  | 9735-760-098-X900-001-X100-           | *            | *        | \$ 422      | \$ -              | \$ -                   | \$ -         | \$ 422                         | \$ -               | \$ -                         | \$ -                   | 422           | \$ -                       |
| Alcohol Education Rehab Fund DWI                             |                                       | 07/01/11     | 06/30/12 | 3,182       | -                 | 3,182                  | -            | -                              | 1,938              | -                            | -                      | 1,244         | 1,938                      |
| Alcohol Education and Rehabilitation                         | 760-046-4240-001                      | 07/01/10     | 06/30/11 | 4,474       | -                 | 4,474                  | -            | -                              | 4,474              | -                            | -                      | -             | 4,474                      |
| Alcohol Education and Rehabilitation                         | 760-046-4240-001                      | 07/01/06     | 06/30/07 | 3,537       | -                 | 3,287                  | -            | -                              | 3,287              | -                            | -                      | -             | 3,537                      |
| <b>Total Department of Judiciary</b>                         |                                       |              |          |             | \$ -              | \$ 10,943              | \$ -         | \$ 422                         | \$ 9,699           | \$ -                         | \$ -                   | \$ 1,666      |                            |
| <b>Total State Financial Assistance</b>                      |                                       |              |          |             | \$ 3,450,811      | \$ 19,652,564          | \$ 1,015,624 | \$ 2,400,460                   | \$ 5,275,681       | \$ (50,669)                  | \$ 743,704             | \$ 16,998,594 |                            |

\* - Information not available



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

| Program   | Grant Period |          | Award     | Funds Received | Balance: June 30, 2013 |              | Current Year Appropriations | Paid or Charged | Program Income/Transfers | Balance: June 30, 2014 |            | Cumulative Expenditures |
|---|--------------|----------|-----------|----------------|------------------------|--------------|-----------------------------|-----------------|--------------------------|------------------------|------------|-------------------------|
|   | From         | To       |           |                | Reserved               | Encumbered   |                             |                 |                          | Encumbered             | Reserved   |                         |
| <b>Other Grants</b>   |              |          |           |                |                        |              |                             |                 |                          |                        |            |                         |
| Downtown Commercial Historic District Grant                     | *            | *        | \$ 24,000 | \$ -           | \$ -                   | \$ 24,000    | \$ -                        | \$ 24,000       | \$ -                     | \$ -                   | \$ -       | \$ 24,000               |
| Anita Tank Spay and Neuter Program                              | 04/01/02     | 05/30/13 | 9,656     | -              | -                      | 4,956        | -                           | 4,900           | -                        | 56                     | -          | 9,600                   |
| Donations Mineral Display                                       | 07/01/12     | 06/30/13 | 2,000     | -              | 2,000                  | -            | -                           | -               | -                        | -                      | 2,000      | -                       |
| Greater Paterson Chamber Foundation Victor Cruz Celebration     | 07/01/11     | 06/30/12 | 16,285    | -              | 5,706                  | -            | -                           | 5,706           | -                        | -                      | -          | 16,285                  |
| First Ward Library Renovation Insurance Grant                   | 07/01/11     | 06/30/12 | 326,413   | -              | 256,710                | 1,053        | -                           | 9,885           | -                        | -                      | 247,878    | 78,535                  |
| Community Foundation of NJ Give & Receive Summer Program        | 07/01/12     | 06/30/13 | 20,000    | -              | 133                    | -            | -                           | -               | -                        | -                      | 133        | 19,867                  |
| Community Foundation of NJ Give & Receive Summer Program        | 07/01/11     | 06/30/12 | 20,000    | -              | 7,529                  | -            | -                           | 7,529           | -                        | -                      | -          | 20,000                  |
| Silk City Woman's Club Museum Grant                             | 07/01/11     | 06/30/12 | 1,000     | -              | 1,000                  | -            | -                           | -               | -                        | -                      | 1,000      | -                       |
| Hannah Family Memorial Grant                                    | 07/01/07     | 06/30/08 | 2,000     | -              | 1,436                  | -            | -                           | -               | -                        | -                      | 1,436      | 564                     |
| Museum Brochure Grant- Donald Baer                              | 07/01/07     | 06/30/08 | 1,000     | -              | 1,000                  | -            | -                           | -               | -                        | -                      | 1,000      | -                       |
| PSE&G Emergency Preparedness Grant                              | 07/01/12     | 06/30/13 | 5,000     | -              | 5,000                  | -            | -                           | 4,888           | -                        | -                      | 112        | 4,888                   |
| Cablevision Public Education and Government Access Program      | 07/01/04     | 06/30/05 | 100,000   | -              | 50,900                 | -            | -                           | 8,260           | -                        | -                      | 42,640     | 57,360                  |
| Paterson Museum Mineral Hall Collection Donations               | 07/01/03     | 06/30/04 | 10,000    | -              | 2,515                  | -            | -                           | -               | -                        | -                      | 2,515      | 7,485                   |
| <b>Total Other Grants</b>                                       |              |          |           | -              | 333,929                | 30,009       | -                           | 65,168          | -                        | -                      | 56         | 298,714                 |
| <b>Hudson County Open Space Preservation Trust:</b>             |              |          |           |                |                        |              |                             |                 |                          |                        |            |                         |
| Pennington Park Gazebo  | 07/01/11     | 06/30/12 | 175,000   | 101,555        | 2,000                  | 173,000      | -                           | 141,344         | -                        | -                      | 2,000      | 141,344                 |
| Pennington Park Rollover  | 07/01/12     | 06/30/13 | 524,350   | 524,350        | -                      | 524,350      | -                           | 524,350         | -                        | -                      | -          | 524,350                 |
| Passaic River Waterfront Study                                  | 07/01/10     | 06/30/11 | 30,000    | -              | 30,000                 | -            | -                           | -               | -                        | -                      | 30,000     | -                       |
| Analysis Pocket Parks   | 07/01/10     | 06/30/11 | 30,000    | 18,328         | 30,000                 | -            | -                           | 18,328          | -                        | -                      | 405        | 11,267                  |
| Middle Lower Raceway Investigation & Design                     | 07/01/10     | 06/30/11 | 500,000   | -              | 40,000                 | -            | -                           | -               | -                        | -                      | 40,000     | 460,000                 |
| Middle Lower Raceway  | 07/01/08     | 06/30/09 | 45,000    | -              | 45,000                 | -            | -                           | -               | -                        | -                      | 45,000     | -                       |
| M.E. Kramer Park - Phase I                                      | 07/01/05     | 06/30/06 | 125,000   | 57,079         | -                      | 78,756       | -                           | 67,246          | -                        | -                      | 11,510     | 113,490                 |
| M.E. Kramer Park - Phase II                                     | 07/01/06     | 06/30/07 | 125,000   | -              | -                      | 125,000      | -                           | -               | -                        | 125,000                | -          | -                       |
| M.E. Kramer Park - Phase III                                    | 07/01/07     | 06/30/08 | 50,000    | -              | -                      | 50,000       | -                           | -               | -                        | 50,000                 | -          | -                       |
| M.E. Kramer Park - Phase IV                                     | 07/01/08     | 06/30/09 | 95,000    | -              | -                      | 95,000       | -                           | -               | -                        | 95,000                 | -          | -                       |
| M.E. Kramer Park - Rollover                                     | 07/01/08     | 06/30/09 | 45,000    | -              | -                      | 45,000       | -                           | -               | -                        | 45,000                 | -          | -                       |
| Overlook Park Improvements                                      | 07/01/05     | 06/30/06 | 150,000   | -              | 143,059                | -            | -                           | -               | -                        | -                      | 143,059    | 6,941                   |
| Eastside Park Concession Stand / Cricket House                  | 10/08/13     | *        | 260,000   | -              | -                      | -            | -                           | -               | -                        | -                      | 260,000    | -                       |
| <b>Total Open Space Preservation Trust</b>                      |              |          |           | 701,312        | 290,059                | 1,091,106    | -                           | 751,268         | -                        | -                      | 347,061    | 542,836                 |
| <b>Passaic County Prosecutor</b>                                |              |          |           |                |                        |              |                             |                 |                          |                        |            |                         |
| Passaic County Prosecutor's Office Franklin Reward              | 07/01/10     | 06/30/11 | 30,000    | -              | 2,500                  | -            | -                           | -               | -                        | -                      | 2,500      | 27,500                  |
| Passaic County Prosecutor's Office Confidential Forfeiture Fund | 07/01/12     | 06/30/13 | 10,000    | -              | 9,000                  | -            | -                           | -               | -                        | -                      | 9,000      | 1,000                   |
| <b>Total Passaic County Prosecutor</b>                          |              |          |           | -              | 11,500                 | -            | -                           | -               | -                        | -                      | 11,500     |                         |
| <b>Paterson Restoration Corporation</b>                         |              |          |           |                |                        |              |                             |                 |                          |                        |            |                         |
| Paterson Restoration Corporation Master Plan Grant              | 07/01/11     | 06/30/12 | 130,000   | -              | 1,000                  | 41,000       | -                           | 41,000          | -                        | -                      | 1,000      | 129,000                 |
| Division of Comm. Improvements Technology Upgrade Grant         | 09/25/13     | *        | 125,000   | 125,000        | -                      | -            | -                           | 60,093          | -                        | -                      | 23,885     | 41,022                  |
| Rogers Building Scaffolding Grant                               | *            | *        | 14,800    | 14,800         | -                      | -            | -                           | -               | -                        | -                      | 14,800     | -                       |
| <b>Total Paterson Restoration Corporation</b>                   |              |          |           | 139,800        | 1,000                  | 41,000       | -                           | 101,093         | -                        | -                      | 38,685     | 42,022                  |
| <b>Total Other Financial Assistance</b>                         |              |          |           | \$ 841,112     | \$ 636,488             | \$ 1,162,115 | \$ 399,800                  | \$ 917,529      | \$ -                     | \$ 385,802             | \$ 895,072 |                         |

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

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

**NOTE A. GENERAL**

The City of Paterson (the “City”), received and continues to participate in numerous federal award and state financial assistance programs, in the form of grant cost reimbursements and revenue sharing entitlements. The City is the reporting entity for the grant programs received. Administration of the grant programs is performed by the various departments of the City.

Reporting

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state programs of the City. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance.

The information in these schedules are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the provisions of the New Jersey OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Federal awards provided to sub-recipients are treated as expenditures when paid.

**NOTE B. BASIS OF ACCOUNTING**

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

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

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

**NOTE B. BASIS OF ACCOUNTING (continued)**

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

**NOTE C. REPORTING ENTITY**

The City, for purposes of the schedules of expenditures of federal awards and state financial assistance, includes all of the primary government as defined by criteria established by the Governmental Accounting Standards Board.

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

**NOTE D. PASS-THROUGH AWARDS**

The City receives certain federal awards from pass-through awards of the state. The amounts received are commingled by the state with other funds and cannot be separately identified.

**NOTE E. CONTINGENCIES**

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

**NOTE F. MONITORING OF SUB-RECIPIENTS**

Under the requirements of the Single Audit Act and State regulations, if the City, as a primary recipient, receives federal and state financial assistance and provides \$500,000 or more of such assistance to a sub-recipient in a fiscal year, the City is responsible for determining that the expenditures of federal and state monies passed through to sub-recipients are utilized in accordance with applicable laws and regulations.

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

**Section I - Summary of Auditor's Results**

Financial Statements

|   |   |     |  |    |
|---|---|-----|--|----|
| Type of auditors report issued:                             | <div> <div>Qualified-as prescribed by NJ DLGS</div> <div>Adverse-according to GAAP</div> </div> |     |  |    |
| Internal Control over Financial Reporting:                  |   |     |  |    |
| 1) Material weakness(es) identified?                        | ✓   | Yes | Finding 2014-001                         | No |
| 2) Significant deficiency(ies) identified?                  | ✓   | Yes | Finding 2014-002                         | No |
| Noncompliance material to basic financial statements noted? | ✓   | Yes | Finding 2014-001<br>and Finding 2014-002 | No |

Federal Awards

|  |   |     |                  |      |
|--|---|-----|------------------|------|
| Internal Control over Major Programs:      |   |     |                  |      |
| 1) Material weakness(es) identified?       |   | Yes |                  | ✓ No |
| 2) Significant deficiency(ies) identified? | ✓ | Yes | Finding 2014-006 | No   |

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

Unmodified for all major federal programs, except for the following which are all Qualified:  
CFDA 14.239 - Home Investment Partnership Grant  
CFDA 14.218/14.253 - CDBG Cluster

|   |   |     |  |    |
|---|---|-----|--|----|
| Any audit findings disclosed that are required to be reported<br>in accordance with Section 510(a) of OMB Circular A-133? | ✓ | Yes | Finding 2014-003<br>through Finding 2014-006 | No |
|---|---|-----|--|----|

Identification of major Federal Programs:

| CFDA Number     | Name of Federal Program or Cluster                                  |
|-----------------|---|
| 16.710          | - COPS Grants   |
| 97.067          | - Urban Areas Security Initiative / Fire Station Construction Grant |
| 97.083          | - Staffing for Adequate Fire and Emergency Response (SAFER)         |
| 93.914          | - HIV Emergency Relief Project Grants                               |
| 14.239          | - HOME Investment Partnership Program                               |
| 14.241          | - Housing Opportunities for Persons with AIDS                       |
| 14.253 / 14.218 | - CDBG Entitlement Grants Cluster                                   |
| 66.458          | - Environmental Infrastructure                                      |

|  |    |         |
|--|----|---------|
| Dollar threshold used to distinguish between Type A and Type B Programs: | \$ | 656,043 |
|--|----|---------|

|  |     |      |
|--|-----|------|
| Auditee qualified as low-risk auditee? | Yes | ✓ No |
|--|-----|------|

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

**Section I - Summary of Auditor's Results**

State Financial Assistance

Type of auditor's report on compliance for major programs: Unmodified for all major State programs.

Internal Control over Compliance:

|  |     |   |    |
|--|-----|---|----|
| 1) Material weakness(es) identified?       | Yes | ✓ | No |
| 2) Significant deficiency(ies) identified? | Yes | ✓ | No |

|  |     |   |    |
|--|-----|---|----|
| Any audit findings disclosed that are required to be reported in accordance with NJ OMB 15-08, as amended? | Yes | ✓ | No |
|--|-----|---|----|

Identification of major State programs

| State Grant Number       | Name of State Program                 |
|--------------------------|---------------------------------------|
| 100-054-7500-068         | - School Based Youth Services Program |
| 042-4900-752             | - Recycling Tonnage Grant             |
| 042-4800                 | - Green Acres Trust                   |
| 2830-763-20-2830-32-EEEE | - Urban Enterprise Zone               |

|  |            |
|--|------------|
| Dollar threshold used to distinguish between Type A and Type B Programs: | \$ 300,000 |
|--|------------|

## CITY OF PATERSON

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued) FOR THE YEAR ENDED JUNE 30, 2014

#### Section II - Schedule of Financial Statement Findings

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

#### **Finding 2014-001**

Material Weakness in Internal Control

Noncompliance Material to Basic Financial Statements

|                 |   |
|-----------------|---|
| Criteria:       | Governmental Accounting Standards Board Statement Number 45 (GASB 45) requires all governmental entities to calculate the actuarially determined liability for other post retirement benefits (OPEB). GASB 45 requires financial statement accrual and note disclosure of the liability. However, the State of New Jersey, Department of Community Affairs, Division of Local Government services issued Local Finance Notice 2007-15 (LFN 2007-15) which eliminates the requirement for accrual, but retains the GASB 45 requirements for note disclosure. |
| Condition:      | The actuarial accrued liability and net OPEB obligation amount required to be disclosed in the financial statements have not been updated in accordance with GASB 45.   |
| Context:        | Whereas GASB Statement No. 45 requires such actuarial valuation to be conducted at least biennially for plans with a total membership of 200 or more, no valuation was obtained subsequent to that identified in the preceding paragraph  |
| Effect:         | The disclosures in notes to financial statements regarding actuarial accrued liability and net OPEB obligation are potentially materially misstated.  |
| Cause:          | The City did not have an actuarial valuation performed as of the biennial period ended June 30, 2014  |
| Recommendation: | The City must make certain an actuarial valuation of its OPEB is performed as per the requirements set forth in GASB 45 so proper note disclosure per GASB 45 and LFN 2007-15 can be made.  |

#### **Views of Responsible Officials**

The City is currently seeking quotes for an actuary to perform the valuation of its post retirement benefit obligation in response to the audit requirements stated in GASB 45. It is expected to be completed prior to year end FY16.

## **CITY OF PATERSON**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued) FOR THE YEAR ENDED JUNE 30, 2014**

#### **Section II - Schedule of Financial Statement Findings**

##### **Finding 2014-002**

Significant Deficiency in Internal Control

Noncompliance Material to Basic Financial Statements

Criteria: The City is required by N.J.A.C. 5:30-5.6 to establish and maintain a physical inventory of fixed assets of nonexpendable, tangible property. The reporting system must have a subsidiary ledger, consisting of detailed property records for controlling additions, retirements and transfers of fixed assets. Further, the subsidiary ledger is required to ensure that property records are maintained accurately, to reflect a description and source of the property, its ownership, the acquisition cost and date, the percentage of Federal participation in the acquisition, and the location, use, and condition of the property.

Condition/Context: The City's fixed asset listing was not updated during the year under audit.

Effect: (1) The City's fixed asset inventory system is not in compliance with N.J.A.C. 5:30-5.6, (2) the fixed asset inventory is potentially misstated on the financial statements and (3) the lack of controls over fixed assets increases the possibility of misappropriation of inventory.

Cause: The City's fixed asset inventory system relies on manual review of vouchers post-purchase to record additions. Such review was not conducted. Further, no formal disposal policies appear to be followed.

Recommendation: The City should make certain all physical asset additions and disposals are reflected in the accounting system.

##### **Views of Responsible Officials**

The City's Internal Audit Office was charged with maintaining its fixed assets Inventory on Excel spreadsheets apparently using \$5000 as the minimum value. There was a 2014 folder for fixed assets located in that office that the Finance Director assumed complete for 2014. The City is currently seeking quotes for an independent inventory and tagging of its fixed assets. The City also expects to receive an electronic copy of this inventory to be loaded into the software application about to be purchased that will allow the City to maintain its own inventory on an ongoing basis.

## **CITY OF PATERSON**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued) FOR THE YEAR ENDED JUNE 30, 2014**

#### **Section III - Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs**

This section identifies audit findings required to be reported by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

#### **FINDING 2014-003**

Noncompliance (L) - Reporting

##### **US Department of Housing and Urban Development**

Community Development Block Grant (CDBG) Entitlement Cluster

CFDA Number 14.218 / 14.253

- Criteria: The Code of Federal Regulations Title 24 Part 91 "24 CFR 91.520 (a)" requires State and local governments that receive Community Development Block Grant funds to submit their Consolidated Annual Performance and Evaluation Report (CAPER) must be submitted to HUD within 90 days after the end of their annual program year.
- Condition: The City of Paterson did not file their CAPER within the 90 day period. The City has been reminded by HUD of this existing condition in prior years.
- Questioned Costs: None noted.
- Context: The CAPER for the year ended June 30, 2014 was submitted 95 days after year end.
- Effect: Delays in filing may cause corresponding delay in HUD's review and approval of future funding.
- Cause: The cause for late submission could not be determined.
- Recommendation: The City should file its annual Consolidated Annual Performance and Evaluation Report within 90 days of year end as required by 24 CFR 91.520.

#### **Views of Responsible Officials**

The City was granted an extension from HUD and will make every effort in the future to submit all response on time.



**CITY OF PATERSON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Section III - Schedule of Federal Awards and State Financial Assistance  
Findings and Questioned Costs**

**FINDING 2014-004**

Noncompliance (M) – Subrecipient Monitoring

**US Department of Housing and Urban Development**

Community Development Block Grant (CDBG) Entitlement Cluster

CFDA Number 14.218 / 14.253

Criteria: The Code of Federal Regulations Title 24 Part 570 “24 CFR 570.503” requires monitoring of all subrecipients.

Condition/Context: Audit review noted six instances in which there was no evidence of subrecipient monitoring.

Questioned Costs: None noted.

Effect: The City is non-compliant with 24 CFR 570.503.

Cause: The cause for deficiency in subrecipient monitoring could not be determined.

Recommendation: The City should properly monitor all subrecipients of its Community Development Block Grant programs as required by 24 CFR 570.503.

**Views of Responsible Officials**

The CDBG activities have been assigned to a program monitor to review and monitor. As of October, 2014, staffing was reduced in the Department due to a loss of CDBG grant dollars and will make every effort in the future to monitor all activities more closely.

**CITY OF PATERSON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Section III - Schedule of Federal Awards and State Financial Assistance  
Findings and Questioned Costs**

**FINDING 2014-005**

Noncompliance (N) – Special Tests and Provisions

**US Department of Housing and Urban Development**  
HOME Investment Partnership Program  
CFDA Number 14.239

- Criteria: The Code of Federal Regulations Title 24 Part 92 “24 CFR 92.254(a)(5)” states that properties acquired or rehabilitated with Home-assisted funds must impose resale provisions on the property.
- Condition/Context: Audit review noted two instances in which Home-assisted funds were provided to first-time home buyers and no provision for resale was filed on the property.
- Questioned Costs: None noted.
- Effect: The City is non-compliant with 24 CFR 92.254(a)(5) and is at risk for possible loss of monies in the event of a future sale or default of the property.
- Cause: The City did not file deed restrictions on the two properties noted.
- Recommendation: The City should impose resale provisions on all properties acquired or rehabilitated with Home-assisted funds as required by 24 CFR 92.254

**Views of Responsible Officials**

The City has filed deed restrictions on the two properties in question which each contain the necessary resale provisions that are required for HOME assisted properties. The audit report was created prior to the City receiving the mortgages back from Passaic County Court House, Office of Register Division. The documents have since been returned and are currently placed in the applicant’s file.

**CITY OF PATERSON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Section III - Schedule of Federal Awards and State Financial Assistance  
Findings and Questioned Costs**

**Finding 2014-006**

Noncompliance (B) – Allowable Costs / Cost Principles

Significant Deficiency in Internal Control

**US Department of Housing and Urban Development**

HOME Investment Partnership Program

CFDA Number 14.239

- Criteria: Home Program grantees are required to ensure that Home Program funds are committed, expended and reported in compliance with Program requirements.
- Condition/Context: The City received a letter dated April 30, 2015 from the Office of Inspector General – United States Department of Housing and Urban Development (OIG HUD), in which there are two findings and 27 recommendations resultant from an audit of the City's HOME Investment Partnership Program. In summary, this letter identifies (a) \$4,022,499 of ineligible costs charged to a program or activity that the OIG HUD auditor believes is not allowable by law, contract, policies or regulations, (b) \$1,724,843 of unsupported costs charged where eligibility could not be determined at the time of audit and (c) \$1,684,292 of funds that were determined could be used more effectively. As of the audit report date, the City's liability arising from the OIG HUD audit is not known.
- Questioned Costs: As noted above. No formal resolution on this matter was determined as of the audit date. The final costs the City will be required to reimburse the Program from non-Federal funds, if any, is not yet known.
- Effect: The City is potentially liable to reimburse the Home Program for program costs questioned by the US Department of HUD – Office of Inspector General.
- Cause: As implied by the report issued by HUD referenced above, the cause of these findings can be corrected through the strengthening and implementation of various controls and reconciliation procedures.

**CITY OF PATERSON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Section III - Schedule of Federal Awards and State Financial Assistance  
Findings and Questioned Costs**

**Finding 2014-006** (continued)

Recommendation: The City should strengthen and implement controls over its Home Program as directed by the US Department of Housing and Urban Development – Office of Inspector General.

Views of Responsible Officials of the City:

The City is addressing these findings to reduce the amount owed to HUD.

**CITY OF PATERSON**  
**SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS**  
**AS PREPARED BY MANAGEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2014**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with U.S. OMB Circular A-133 and New Jersey OMB's Circular 04-04.

**Status of Prior Year Findings**

**FINDING 2013-001:** US Department of Housing and Urban Development  
Home Investment Partnership Program  
CFDA Number 14.239

Condition: The HOME Program has income targeting requirements. Only low income or very low income persons, as defined in 24 CFR Section 92.2 can receive housing assistance. Therefore, the participating jurisdiction must determine if each family is income eligible by determining the family's annual income, as provided for in 24 CFR Section 92.203. Participating jurisdictions must maintain records for each family assisted (24 CFR Section 92.508).

In accordance with HOME funds for tenant-based rental assistance, as provided for in 24 CFR Section 92.209(b), the participating jurisdiction must select families in accordance with policies and criteria consistent with those provided in 24 CFR Section 92.209(c).

In addition, the City is required to complete on-site inspections of rental housing occupied by tenants receiving HOME-assisted tenant –based rental assistance. In accordance with 24 CFR Section 92.251, 92.252, and 92.504 requires the on-site inspections based on number of units contained in building.

The City did not perform inspections of housing units, verify income or review leases as required.

Current Status: This finding has been corrected from the prior year

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

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

N.J.S.A.40A:11-3 states: “When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent or other employee so designated by the governing body when so authorized by ordinance or resolution, as appropriate to the contracting unit, without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If a purchasing agent has been appointed, the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000 or the threshold amount adjusted by the Governor pursuant to subsection c. of this section. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.” The City has appointed a Qualified Purchasing agent and is subject to a bid threshold of \$36,000.

N.J.S.A. 40A:11-4 states “Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.” The governing body of the City has the responsibility of determining whether the expenditures in any category will exceed \$36,000 within the fiscal year. Where questions arise as to whether any contract or agreement might result in a violation of the Statute, the opinion of City Counsel should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "professional services" per N.J.S.A. 40A:11-5, “extraordinary unspecifiable services” per N.J.S.A. 40A:11-6.1 and “state contracts” per N.J.S.A. 40A:11-12.

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

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

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

- |   |   |
|---|---|
| - DSX Access Control Devices for 11 Doors     | - Emergency Sewer Main Repairs              |
| - Recreation Transportation Services          | - 65 and 35 Gallon Two-Wheel Recycled Carts |
| - Manhole and Catch Basin Castings            | - One Roll-Off Body                         |
| - Two Chevrolet Express Cargo Vans            | - Recreation T-Shirts and Accessories       |
| - Cleaning and Maintenance of CSO Regulators  | - Pool Maintenance                          |
| - Electrical Supplies                         | - Barbour Park Environmental Remediation    |
| - HVAC Maintenance and Repair                 | - Seven Street Sweepers                     |
| - Danforth Library Sidewalk Replacement       | - Janitorial Supplies                       |
| - Forms Printing and NCR Forms                | - Remove, Transport and Dispose Scrap Tires |
| - Two Dump Trucks with Plow and Salt Spreader | - Spruce and McBride Intersection Pavers    |
| - Pothole Repairs                             | - Fire House Window and Door Refurbishing   |
| - Eastside Park Repairs                       | - Emergency Backup Generators               |
| - Message Display Signs                       | - Elevator Modernization                    |
| - Air Handler Unit Replacement                | - Road Resurfacing                          |

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000, "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those for which bids had been previously sought by public advertisements or for which a resolution had been previously adopted under the provision of N.J.S.A. 40A:11-6.

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

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

N.J.S.A. 40A:11-6.1 states: "For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, except for paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting unit shall award the contract after soliciting at least two competitive quotations, if practicable." The City advised us that quotations were, for the most part, solicited for items, the cost of which was \$5,400 or more, within the terms of N.J.S.A. 40A:11-6.1.

**COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS**

Statutes provide the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes, or assessments on or before the date when they would become delinquent.

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

"In all cases, interest shall be calculated and charged at the rates of 8% per annum on the first \$1,500 of the delinquency, and 18% per annum on any delinquent amounts in excess of \$1,500, to be calculated from the date upon which the taxes first became due and payable to the date that the payment is actually received."

In all instances tested, the collector's records indicate that interest was collected in accordance with the foregoing resolution.



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

**DELINQUENT TAXES AND TAX TITLE LIENS**

Balances as shown on yearend tax listing reflect tax prepayments and overpayments as well as unpaid real estate tax amounts. The following summarizes uncollected real estate taxes as of June 30, 2014:

| <u>Year</u> | <u>Amount</u>     |
|-------------|-------------------|
| 1999        | \$ 38             |
| 2000        | 40                |
| 2001        | 1,113             |
| 2004        | 5                 |
| 2005        | 50                |
| 2010        | 151               |
| 2011        | 36,583            |
| 2012        | 127               |
| 2013        | 1,989             |
| 2014        | 83,891            |
|             | <u>\$ 123,987</u> |

A tax sale was held on May 27, 2014 and was complete except for items in bankruptcy, senior citizen exemption billbacks, and those pending financial record adjustment. All tax sale certificates were available for examination except those in the possession of the City Attorney for the purpose of initiating foreclosure proceedings.

The following comparison is made of the number of Tax Title Liens Receivable at year end of the last five years.

| <u>Year Ended</u> | <u>Number<br/>of Liens</u> |
|-------------------|----------------------------|
| June 30, 2014     | 762                        |
| June 30, 2013     | 605                        |
| June 30, 2012     | 337                        |
| June 30, 2011     | 262                        |
| June 30, 2010     | 17                         |

Recourse to all means provided by the statutes should be taken to realize or eliminate tax title liens through collection or foreclosure in order to return such property to a tax paying basis.

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

**FINDING 1:** As of June 30, 2014, the City did not have a control policy in place requiring periodic verification of the continued eligibility of retirees or surviving spouses and dependent children. Paying for health insurance for deceased retirees, or spouses and dependants who subsequently become ineligible due to death, remarriage or age restrictions, is a potential hidden cost, not easily detected, unless there is a control procedure in place to verify eligibility periodically.

It should be noted that as of the audit report date the City commenced a project to confirm and verify the continued eligibility of retirees. As it is in the early stages, the results of that project are not yet known.

Recommendation: Formal control policies and procedures regarding the verification of the continued eligibility of retirees or surviving spouses and dependent children should be instituted.

**FINDING 2:** Of a sample of 25 terminated employees, testing indicated six instances in which terminated employees were not timely removed from the health benefits billing. In these six instances, removal from health benefits occurred between four and eight months after termination.

Recommendation: The City should review health benefit billings to make certain terminated employees are removed timely.

**FINDING 3:** Of a sample of 60 employees selected for payroll testing, six instances were noted in which overtime earned was paid subsequent to the following pay cycle. In these six instances, payment for overtime ranged from 5 weeks to 9 weeks after the date of accrual.

Recommendation: The City should strengthen procedures regarding the payment of overtime to make certain employees receive overtime pay in accordance with the timelines set forth in the Fair Labor Standards Act.

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

**FINDING 4:** P.L. 2004, c.57 requires all government contracting units in the State of New Jersey to obtain Business Registration Certificates for vendors when the value of the individual contract or annual aggregate value with the vendor exceeds 15% of the contracting agency's bid threshold. Audit testing indicates Business Registration Certificates were properly received for vendors awarded bids, however, the City is generally not obtaining and filing Business Registration Certificates before payments are made to vendors exceeding 15% of the bid threshold and/or aggregated in excess of the quote threshold.

Recommendation: The City should obtain Business Registration Certificates for all vendors paid in excess of 15% of the City's bid threshold.

**FINDING 5:** Testing of W-9s indicated these forms were generally not available for audit review. As a result, audit testing designed to determine whether 1099s have been properly filed could not be properly completed.

Recommendation: The City should obtain and retain Form W-9 from all vendors. Further, the City should review these W-9s to assure compliance with Federal guidelines regarding the issuance of 1099s.

**FINDING 6:** The City did not obtain sufficient surety bond coverage for its Tax Collector as required by N.J.A.C. 5:30-8.2 and as recommended by N.J.A.C. 5:30-8.3 for its Chief Financial Officer.

Recommendation: The City should obtain the proper surety bond coverage as outlined in N.J.A.C. 5:30-8.2 and 8.4 to reduce the potential risk associated with not obtaining the recommended and minimum levels of coverage.

**FINDING 7:** On October 28, 2014, the City adopted an ordinance effectively dissolving the Paterson Municipal Utilities Authority and moving its operations into the Department of Public Works. However, activities such as the payment of bills continued subsequent to that date. City officials referred such activity to the Passaic County Prosecutor's Office. No further update has been provided regarding the matter. In accordance with the "Requirements of Audit", a confidential report will be filed with the Division of Local Government Services.

Recommendation: A close-out audit of the Paterson Municipal Utilities Authority should be conducted.

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

**FINDING 8:** Review of the Municipal Court Monthly Management Report for the month of June, 2014 indicated backlog in ticket and complaint processing. Using 0.4% of the total caseload as an indicator of potential backlog, the threshold utilized to determine backlog was 50 for criminal cases and 410 for traffic cases. Amounts exceeded these thresholds in the following areas: (a) 713 tickets on "Other Case Statuses", (b) 2,782 "Cases on Overpayment Status", (c) 26,109 tickets "Assigned Not Issued" over 180 days, (d) 4,146 tickets "Issued Not Assigned", (e) 512 complaints "Eligible for FTA" over 14 days and (f) 49 parking tickets over three (3) years old which require dismissal.

In addition, (g) the Municipal Court "Indictable Complaints Not Referred to County Prosecutor Report" as of September 23, 2015 lists 106 indictable complaints that have not been transferred to the county prosecutor. There should be no cases listed.

**Recommendation:** The Municipal Court should rectify the backlog in ticket and complaint processing as follows: (a) The Case Status Report should be reviewed to note those cases that will require court action before the next follow-up step is initiated by the system. Each case should be reviewed regularly by the court to insure processing is continued. (b) The Over/Under Payment Report should be printed monthly and reviewed to insure that all overpayment refund checks are written and processed on a monthly basis. (c) The Tickets Assigned Not Issued Report should be reviewed and all tickets assigned over six (6) months not issued should be recalled. (d) The Tickets Issued Not Assigned Report should be reviewed to insure that all tickets are assigned. (e) The Eligible for FTA Report should be reviewed and FTAs should be promptly generated. (f) The Follow-Up Incomplete Report should be reviewed. As per Rule 7:8-9(f), once the case is over three (3) years old, and follow-up procedures available to the municipal court have not been completed, the ticket must be dismissed. (g) The Municipal Court Indictable Complaints Not Referred to County Prosecutor Report as of September 23, 2015 lists 106 indictable complaints that have not been transferred to the county prosecutor.

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

**Other Findings**

We noted certain other matters that we reported in the accompanying schedule of findings and questioned costs section of this report found on pages 227 through 233. Such matters are required to be reported under *Government Auditing Standards*, U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and N.J. OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*

**Status of Prior Years' Audit Recommendations**

In accordance with Government Auditing Standards, a review was performed on all prior year's recommendations. With the exception of those findings noted as being repeated from the prior year, corrective action was taken on all prior year recommendations.

**Corrective Action**

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the governing body and submitted within 60 days from the date the audit is received.

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